

Company no. 5669443
Charity no. (England & Wales) 1130568
Charity no. (Scotland) SC047314

The Involve Foundation
Report and Audited Financial Statements
31 March 2020

The Involve Foundation

Reference and administrative details

For the year ended 31 March 2020

Company number	5669443
Charity numbers	1130568 and SC047314
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: Claire Ainsley (appointed 8 April 2019) Edward Cox (appointed 5 June 2019) Kathryn Jones (appointed 4 November 2019) Jessica Greenhalf (resigned 17 June 2019) Ed Mayo (resigned 23 July 2019) Julie Mellor Golam Morshed Paul Skidmore Sharon Squires (appointed 8 April 2019) Jack Stilgoe (resigned 17 June 2019) Catarina Tully (resigned 17 June 2019) Hannah White (appointed 12 September 2019)
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
Auditors	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 2020

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2020.

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).

Objectives

Our vision is of **a vibrant UK democracy, with people at the heart of decision making**. And our mission is to develop, support and campaign for new ways of involving people in the decisions that affect their lives.

We believe that democracy should be underpinned by the principles of:

- **Openness** - so that people can understand, influence and hold decision-makers to account for the actions and inactions of their governments;
- **Participation** - so that people have the freedom, support and opportunity to shape their communities and influence the decisions that affect their lives; and
- **Deliberation** - so that people can exchange and acknowledge different perspectives, understand conflict and find common ground, and build a shared vision for society.

We are seeking these **outcomes** from our work:

- **Norms** - Participatory and deliberative processes are recognised as a core and expected part of democracy by the public, society and decision-makers. People in positions of power and influence across society and the political spectrum understand and actively support the use of participatory and deliberative decision-making;
- **Institutions** - There is frequent use of participatory and deliberative processes, supported by the right resources, both inside and outside of political institutions. There is an accessible and well-communicated body of evidence and practice that demonstrates the impact of our vision and how to achieve it; and
- **Innovations** - There are clear principles and standards that support good practice in delivering and embedding participatory and deliberative processes, which are widely understood and followed. There is continuous learning and innovation to improve democracy and related practice.

Our vision and mission support 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.

In shaping our objectives for the year, and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit.

During the past year we have focused on making the case for how the principles we advocate are fundamental to bridging the divisions in our society, overcoming the complex challenges we face, and giving people power over the decisions that affect them.

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We have continued to pioneer participatory processes that involve people in decisions that affect their lives. From working with people who are experiencing in-work poverty to co-produce research and advocacy, to innovations in local democracy, we have demonstrated the role that the public can play in making better decisions.

All of our work in some way has been aimed at helping to solve the toughest and most complex challenges we face as a country. We have continued to champion public participation in decisions on issues such as climate change, artificial intelligence, and hate crime. Our work shows how the public can be involved in shaping them in a responsible way.

The coronavirus pandemic has had a significant impact on how we design and facilitate public participation, and we outline some of the ways that we've been adapting to this in our programme highlights below. But the pandemic has not removed the need for a stronger democracy - on the contrary, as public bodies seek to navigate new and very challenging territory, involving citizens in the many critical and important decisions that are affecting all our lives has become more important than ever.

Activities, achievements and performance

Norms

Climate Assembly UK - we were commissioned by the House of Commons (following a call by six Select Committees) to run Climate Assembly UK, an assembly of over a hundred citizens from across the country that has considered how the UK can meet its legally binding target to get to net zero emissions of greenhouse gases by 2050. Funded by the House of Commons, the Esmée Fairbairn Foundation and the European Climate Foundation, and working closely with partner organisations mySociety and the Sortition Foundation, Involve's role has been to ensure that we deliver a high quality citizens' assembly.

The coronavirus lockdown meant that we had to cancel the fourth of the four assembly meetings. We very rapidly re-designed the assembly so that it could continue to meet and deliberate remotely, using online conferencing technology, and as a result we have been able to complete the commission. This was a first; no citizens' assembly in the UK has ever taken place online. Climate Assembly UK was still underway at the end of 2019/20, with the reporting phase planned for Summer 2020.

Scottish Government Participation Framework - work continued this year on developing an overarching framework to support and develop citizen participation in the work of the Scottish Government, with our Head of Democratic Innovation seconded part time to the Scottish Government. During 2019/20:

- Over 100 civil servants have participated in workshops to learn about the Framework and beta-test aspects of the guidance being developed;
- Civil society groups have had the opportunity to contribute to guidance about inclusion and access;
- Advice has been provided to more than 10 policy teams within government planning and/or commissioning participatory engagement activities; and
- Work has begun on a business case to support the establishment of a dedicated participation support team within government to enhance the way participatory activities are delivered in the future.

The project is due for completion in Summer 2020.

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Citizens' Assembly of Scotland - Involve is a supporting partner in the consortium which successfully tendered for the design and delivery of the Citizens' Assembly of Scotland. Our role has been to provide design expertise. Separately, our Head of Democratic Innovation's secondment to the Scottish Government was extended to enable her to provide expert advice to the Assembly's Secretariat and to Ministers. The Assembly is exploring three questions:

- What kind of country are we seeking to build?
- How best can we overcome the challenges Scotland and the world face in the 21st century, including those from Brexit?
- What further work should be carried out to give us the information we need to make informed choices about the future of the country?

Following its fourth meeting, and in light of the coronavirus pandemic, the Assembly was suspended until Autumn 2020, when it is hoped that the final two meetings will be able to take place.

Institutions

Home Office Open Space Civil Society Engagement - Involve has been working for the last two years with the Home Office and civil society organisations, to create a productive space for policy makers and stakeholders to work together on issues related to the Police National Computer, the Police National Database, and Biometric identification. Areas being covered include safeguards, the future use of data, implications for privacy, and civil society input into codes of practice, impact assessments and governance frameworks. The project will be continuing into 2020/21.

Residents' Reference Panel - following the Grenfell Tower fire in 2017, and the report of the subsequent Hackitt review of building regulations and fire safety, the Ministry of Housing, Communities and Local Government commissioned a residents' reference panel. Its purpose was to strengthen residents' voice within the policy making process by hearing from the experiences, priorities and perspectives of residents living in high rise buildings. Involve was commissioned to run these panels, which met during 2018/19. The panel's recommendations fed into the government's June 2019 consultation on the future of building safety regulation, and the Department published its response to the consultation in April 2020. In particular, the panel's recommendations helped to shape the role of the new Building Safety Regulator.

At the close of the project we asked for feedback from panel members about their experiences of taking part. They were very positive, for example: "*Feels like I've been contributing back to society by being part of this*", "*We had a real and valued input and effect*", and "*This is a golden opportunity to have a real input into making a change*".

Northern Gas Network People's Panel (phase 2) - Britain has eight gas distribution networks, each covering a separate geographical area of Britain. Each network is owned and managed by a distribution company. Because they are natural monopolies, they are regulated by Ofgem. Northern Gas Network (NGN) is the gas distribution company covering north east England, including Yorkshire and north Cumbria.

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After the success of the NGN People's Panel (a mini-public of 50 people initially convened to contribute to the development of NGN's business plan before being submitted to Ofgem) in 2018/19, Involve was asked to reconvene the panel for a one day session in November 2019. Panel members heard about the impact of their previous deliberations on the NGN business plan, including:

- A new commitment to reinstating land following gas pipe works within three days, two days quicker than the regulatory minimum;
- Introducing new targets to reconnect gas to appliances within two hours (previously there was no target) and offering to pay £20 in compensation if this is not delivered on time; and
- Committing to doubling their investment in innovation into areas like green gases.

The panel then focused on two specific programmes being developed by NGN ('Making Every Contact Count' and the 'Hardship Fund') and discussed the potential on-going role of the panel. Following the meeting, NGN have begun to plan for a continuing role for the panel in its work over the coming years.

Sciencewise - Involve has continued its long-term relationship with the Sciencewise programme, which we run in partnership with UK Research and Innovation. Sciencewise is an internationally recognised public engagement programme which enables policy makers to develop socially informed policy with a particular emphasis on science and technology. Dialogues supported during 2019/20 include:

- The Centre for Data Ethics and Innovation dialogue on online targeting, which had a significant impact on the content of the Centre's advice to government;
- Connected and Automated Vehicles dialogue for the Department for Transport; and
- A Genomics England dialogue on genomics medicine.

Public dialogue on DEFRA's 25 year Environment Plan - Involve has been commissioned by the Department for Environment, Food and Rural Affairs to support the department to better understand people's values and priorities for the environment. The project includes a rapid evidence review, a series of six wider community engagement events and five public dialogue workshops. The coronavirus lockdown has led to the dialogue phase being postponed, and we have been exploring with DEFRA ways in which we can complete this phase of the project.

Just Algorithms - Involve has worked with the University of East Anglia on a research project, exploring the appetite of stakeholders within and outside government for an observatory of public perspectives and views about the use of algorithms and Artificial Intelligence in the delivery of public services. The research has looked at the extent to which the civil society community is already engaging with the issue, and the existing literature on how well such observatories work. The project, which will be reporting its findings later in 2020, follows on from work that Involve has been doing for some time now on the use of data.

In-work poverty - In 2019/20 Involve worked with the Joseph Rowntree Foundation and a small group of individuals experiencing in-work poverty. The project aims to work directly with this group to coproduce research and advocacy around the issue. Over the course of 2019/20 we delivered a number of coproduction workshops to identify the key gaps in current research and advocacy, and started to develop advocacy activity. The project aims to complete during 2020/21.

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Innovations

Innovation in Democracy Programme - Involve led a consortium (including The Democratic Society, mySociety and the RSA) to deliver a major programme in local democracy, commissioned and funded by the Department for Digital, Culture, Media and Sport and the Ministry of Housing, Communities and Local Government. The programme supported three local authorities and their partnerships (Dudley Metropolitan Borough Council, Greater Cambridge Partnership, and Test Valley Borough Council) to involve citizens in decision-making through innovative models of deliberative democracy. In addition, a peer learning network for the participating authorities was established, which ran throughout the programme, and this included a conference which we ran in partnership with Public Square and Luminare in January 2020.

Outcomes from the programme include:

- Recommendations from the local citizens' assemblies have been presented to the Executives of each of the participating authorities;
- Senior stakeholders within the participating authorities have commented positively on the benefits and value of engaging citizens in this way; and
- A summary of the programme is being shared with all members of the House of Commons and the House of Lords.

Other innovations in local democracy - during 2019/20 Involve delivered three other citizens' assemblies for local authorities wanting to deepen their engagement with their residents:

- **Camden Citizens' Assembly on the climate crisis** - we designed and facilitated Camden's climate assembly, which brought together 50 randomly selected residents from across the London Borough of Camden in July 2019, to develop an approach for how Camden can best tackle the climate crisis. The assembly was asked to develop a series of actions at three scales: home, neighbourhood, and the council, and it recommended a total of 17 actions. These were presented to a full council meeting on 7 October 2019 and received unanimous support from councillors from all political parties. The actions will now set the direction of a new Climate Action Plan for Camden to be published in 2020;
- **Waltham Forest Citizens' Assembly on hate incidents** - the London Borough of Waltham Forest wanted to work with its citizens to find ways to stop hate and make the borough a place where everyone can feel welcome and safe. An assembly of 45 residents, representing the diversity of the borough, met during February and March 2020. The assembly developed six recommendations for combating hate, which will be used by the council and its partners in developing their policies and action plans; and
- **Kingston Citizens' Assembly on air quality** - this assembly brought together 38 randomly selected residents from across the Royal Borough of Kingston upon Thames, and met over two weekends in November and December 2019. It was tasked with developing recommendations on: *how can we collectively improve air quality in the borough?* The assembly developed five recommendations and a series of detailed actions that the council, residents and others should take. The recommendations were presented by members of the assembly to full council on 17 December 2019 at the Guildhall.

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Civic Innovation Programme Northern Ireland - Involve has been supporting the Community Foundation for Northern Ireland in the initial stages of their new Civic Innovation programme, which offers grant funding, training, mentoring, and other support to civil society organisations with new ideas for involving the public in decision-making. Following the first stage of the programme, 14 teams were awarded seed funding to develop civic innovation 'prototypes'. Involve's role was to develop an online knowledge base of methods and case studies to support the teams' learning, to provide feedback to each of the teams as they developed their ideas, and to provide mentoring. The programme is due to move into its next phase in June 2020.

Driverless Vehicles Manchester - Working with Transport for Greater Manchester (TfGM), Involve ran a Citizens' Conversation on the future of driverless vehicles in Greater Manchester. This was part of a series of citizens' debates on this topic across Europe, North America and Singapore, organised by French organisation Missions Publiques. Participants worked together to explore how their lives might be impacted by the introduction of driverless vehicles, identifying their priorities and concerns and how the technology could be regulated, and how their ideas might be put into action in Greater Manchester. The findings will inform the global report produced by Missions Publiques that will inform policy-making around driverless vehicle technology at an international level. The recommendations will also feed into and influence TfGM's policy agenda around this area.

Practitioners Network on Deliberative Democracy - following the rise in interest in citizens' assemblies, in part driven by their focus at a local level on climate change, Involve convened two workshops for practitioners, with the aim of building capacity and understanding of the practice of deliberative democracy as well as facilitating peer to peer support and collaboration amongst the community. Supported by a grant from the Network for Social Change, the practitioners group has developed best practice standards and principles for the effective delivery of citizens' assemblies. Following the coronavirus lockdown the group has met online, specifically to explore online approaches for citizens' assemblies.

Financial review

2019/20 has been a very successful year in terms of our funding. Significant sources of funding included the Climate Assembly UK, the Innovation in Democracy programme, and Sciencewise.

At 31 March 2020 Involve had total funds of £398,132 (2019: £241,016), of which £270,350 were general funds, with the balance being our designated fund of £40,748 and restricted funds of £87,034. Historically, Involve's funding has come from a mix of grants and contracts, with little or no core funding. In 2017 we received our first significant core-funding grant (£60,000 from the Joseph Rowntree Charitable Trust). In 2018 we successfully applied for further unrestricted core funding from the Joseph Rowntree Charitable Trust, amounting to £150,000 payable over a period of three years from January 2019. However, most of our income continues to come from contracts and restricted grants.

Looking ahead to the future, our longer-term 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.

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On 15 May 2019 we made a serious incident report to the Charity Commission regarding an incidence of fraud outside of our organisation which affected Involve. One of our clients had their email account hacked and an invoice from us was intercepted by the hackers, spoofed, and then sent on to our client with the bank details changed. Our client paid the invoice into what he believed was our account. The incident came to light when we chased our invoice for payment. The matter was investigated and reported to trustees, the police, our insurers, our accountants and also to the Charity Commission because of the risk of loss of income amounting to £15,100. Subsequently, our client was compensated for the loss by his bank and they were able to pay the invoice in full. Although the fraud did not relate to Involve's systems, we made a number of changes to our security and financial controls to minimise the risk of this happening in future.

Reserves policy

Involve's cash reserves comprise our general fund and a designated fund. Each year we budget to make a modest surplus on the general fund, and in 2019/20 we significantly exceeded our target. Our target for the year was a surplus of £33,000. At 31 March 2020 the general fund stood at £270,350, compared to the balance brought forward at the start of the financial year of £104,501 - a surplus of £165,849.

Involve has one designated fund, which we hold as a reserve. At 31 March 2020 this fund held £40,748. 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. We estimate that actual close-down costs would be less than the figure currently held in the designated fund.

Trustees had originally intended to undertake a strategic review of Involve's reserves during 2019/20, alongside the development of our plans for Future Involve (see Future Plans below). However, the coronavirus pandemic has meant that we have put our Future Involve plans on hold for the time being. Trustees approved a no-growth budget for 2020/21, as an interim measure, which will be kept closely under review as the year goes on. If circumstances allow, trustees will revisit the plans for Future Involve, and the re-consideration of our reserves policy, during 2020/21.

Going concern

The trustees have considered the impact that the COVID-19 pandemic will have on Involve's current and future financial position. The expected implications are:

- A risk that some of our current projects may be delayed till later in the year, and that some may be cancelled altogether. This will impact on our anticipated cash flows;
- Whilst the lockdown is in place it is not possible to run in-person public participation events, and it is uncertain when and how we will be able to return to working in-person. Whilst some commissioners are embracing the shift to online participation, others are cautious about going down this route. This may, therefore, also have some impact on our cash flows;
- We have not needed (as at May 2020) to furlough any of our staff, because our work programmes have been operating at full capacity; and
- The pandemic is having a profound effect on the work of public sector organisations, and some of these organisations are wanting to actively engage their citizens in adapting their policy responses. There is likely, therefore, to be an on-going appetite for good quality public engagement and we will continue to respond to invitations to tender. In addition, we have been successful in attracting grant funding, in collaboration with the University of Westminster, to research public deliberation in a time of coronavirus.

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Involve is taking the following steps to mitigate the threats that COVID-19 may pose to the organisation:

- Trustees have reconstituted their Finance Subcommittee, which started meeting fortnightly from mid April 2020, in order to keep a very close watch over the financial impacts of the pandemic;
- Trustees have reviewed the anticipated income streams on all of our current projects and have identified the at-risk projects. Trustees have modelled the cash flow scenarios, including the worst-case (i.e. all the at-risk projects are cancelled). The worst-case scenario has a significant, but not critical, impact on the projected cash balances and trustees consider that this will be manageable, given other funding opportunities that are likely to arise. Trustees are also regularly reviewing the pipeline of future opportunities;
- We continue to actively review the at-risk projects with the various commissioners involved;
- Involve has always kept a very close and active watch over its cash flow projections, and the pandemic is no different in that regard. We have well-established trigger points in the cash projections when trustees would start taking action to manage any potential insolvency;
- Trustees are keeping the option of staff furloughs under very close review, and have also considered the other financial support measures on offer from the government. We have deferred our VAT payment (for quarter 4 of 2019/20) until later in the year;
- Involve starts 2020/21 with a significant balance in the general fund (our highest ever brought-forward balance) which gives the organisation a cushion to help manage financial pressures;
- We continue, as before, to actively pursue a range of funding opportunities. Involve has a successful track record of winning bids and attracting funding. As pointed out above, the pandemic has created a demand for some public sector organisations to engage more actively with their residents, although we expect there to be some risk to public sector spending over the medium term; and
- We have been proactive and agile in re-shaping our current projects to enable them to continue to operate online. For example, we have been able to successfully complete Climate Assembly UK (a complex set of deliberations involving over 100 participants and around 25 staff), despite having to cancel the final Assembly weekend due to the risks of coronavirus transmission. We have also been able to attract further grant funding to enable us to complete the Climate Assembly. We have learnt a great deal from the shift to online deliberation (and have been sharing learning with our practitioner networks), and we will take this learning and agility forward for our upcoming projects.

The trustees consider that Involve will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved, for the following reasons:

- Involve holds unrestricted reserves of £311,098 (the combined total of the general and designated funds);
- Cash flow projections indicate a positive cash balance for at least 12 months ahead (assuming that all of our current projects go ahead this year);
- At least one of our grant funders has indicated that they are willing to be flexible in applying restrictions and they have unrestricted some funds;
- Involve's successful track record of securing funding gives trustees some assurance that we will be able to continue to secure a pipeline of funding; and
- We will manage any demands for increased capacity in ways that minimise the on-going liability for costs, for example by engaging additional staff on short-term contracts or by drawing on our pool of associates.

The trustees therefore consider it appropriate to adopt the going concern basis for the preparation of the accounts, as detailed in note 1(b) to the financial statements.

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For the year ended 31 March 2020

Fundraising

Involve solicits funding from grant-giving bodies (both restricted and unrestricted grants) as well as bidding for consultancy work. All of the work we undertake is in furtherance of our charitable objectives. Other than a donations page on our website, and ad hoc invitations to donate (for example via our newsletter), The Involve Foundation does not actively solicit funds from the public. Donations comprise a very small proportion of our annual income, typically less than 0.05 percent. We engage the Charities Aid Foundation to process the donations we receive. We do not use any other professional fundraiser or commercial participator. The Involve Foundation did not receive any complaints about its fundraising in 2019/20.

We are not currently registered with the Fundraising Regulator, but we are reviewing this. We are also reviewing whether we should sign up to the Code of Fundraising Practice.

Principal risks and uncertainties

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

- **COVID-19** - many of the risks, mitigations and opportunities related to the pandemic have already been covered in the sections above, but the principal risks relate to the risk of our staff becoming ill, the potential impact on current income streams with projects being delayed or cancelled, and the uncertainties about the emergence from lockdown, the return to in-person events, and the shift to online deliberation. It is a highly fluid situation, which we are keeping under very close review. Some of the mitigation measures we are taking have been outlined above. In respect of staff safety, we moved to working from home the week before the government's mandated lockdown. We have always been a geographically dispersed team, and our cloud-based systems have meant that we have been able to quickly shift to working from home. We have also taken additional steps to support our team's mental health during lockdown;
- **Capacity to respond to demand, and deliver projects** - notwithstanding the uncertainties associated with COVID-19, we continue to have on-going programmes of work, and the potential for future opportunities mean that we may have acute peaks in demands for capacity. We are familiar with this risk and we manage it 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; and
- **Future Involve** - during 2019/20 we have been developing significant plans for reshaping the organisation to more effectively deliver our strategic aims. We are calling these plans Future Involve, and we say more about them in Future Plans below. The key risks associated with the shift to Future Involve, some of which have been affected by the COVID-19 pandemic, are: being able to strategically shift our funding to more core funding and less ad hoc reactive funding; and having to slow the pace of reshaping the organisation's structure given the on-going effects of the pandemic, and the impact this will have on being able to develop our capacity in advocacy, communications, and capacity building. The risks are still very uncertain, and trustees will be reviewing the Future Involve plans as the year proceeds.

Future plans

There is a growing recognition that our current model of democracy is not fit for purpose, and people are increasingly looking for ways to make it better. Our work demonstrates how. Over the coming years we plan to accelerate the work we have started to demonstrate how a different type of democracy is possible. We want to seize the current malcontent and channel it into creating change in a positive direction.

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For the year ended 31 March 2020

We have long had a reputation for designing and delivering world class participatory and deliberative decision-making processes, but we are clear that this is not enough to achieve the scale of change that is required. Our 2017 strategy identified the need for us to significantly increase our advocacy and communications capacity, and to build external networks, in order to shift the narrative about democracy and embed the principles of openness, participation and deliberation within institutions. We have since broadened our strategy to cover capacity building and standard setting so that organisations and practitioners are helped to make that shift to a better democracy.

During 2019/20 we have been refining our strategy and developing our plans and business models for reshaping the organisation to enable us to help deliver that better democracy for the UK. We have called these plans Future Involve. The timing of Future Involve has been affected by the coronavirus pandemic, and trustees will be reviewing the pace of these plans as the year progresses.

In terms of Involve's commissioned and grant-funded programmes for 2020/21, these include a project with Camden Council (and supported by Wellcome) to pilot distributed dialogues within communities (as opposed to running single mini-publics events), and a project working with the New Citizenship Project and the Government of Jersey to deliver a citizen's jury on assisted dying and a citizens' assembly on climate change.

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. We also registered as a charity with the Office of the Scottish Charity Regulator on 10 April 2017. Involve's 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 2020 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 Risk Subcommittee, which was reconstituted at the end of 2019/20.

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; and
- 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.

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Report of the trustees

For the year ended 31 March 2020

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 vision and mission and attempt to achieve a balance of skills and experience on the Board.

Four of our trustees, including our then Chair, came to the end of their six-year terms in Summer 2019. We undertook a round of trustee recruitment early in 2019, and appointed four new trustees during 2019/20.

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.

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 2019/20, 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 subcommittee 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 17 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 pay scales are approved by trustees. We will be reviewing our pay policy and pay scales in 2020. We reviewed our staff development and appraisal process, and introduced a new process, in 2018/19.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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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 charity and of the income and expenditure of the charity for that period. 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 accounting 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; 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.

In so far as the trustees are aware:

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

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

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 trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

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

Approved by the trustees on 24 September 2020 and signed on their behalf by



Ed Cox, Chair



Golam Morshed, Treasurer

Independent auditors' report

To the members of

The Involve Foundation

Opinion

We have audited the financial statements of The Involve Foundation (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cashflows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 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 Charities and Trustees Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent auditors' report

To the members of

The Involve Foundation

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the trustees

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

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

Independent auditors' report

To the members of

The Involve Foundation

Our responsibilities for the audit of the financial statements

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

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

Use of our report

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

Alison Godfrey

Date: 24 SEPTEMBER 2020

Alison Godfrey FCA
(Senior Statutory Auditor)

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 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income from:					
Donations		-	6,135	6,135	320
Charitable activities	3	642,994	1,213,537	1,856,531	1,062,590
Investments		-	248	248	193
Total income		<u>642,994</u>	<u>1,219,920</u>	<u>1,862,914</u>	<u>1,063,103</u>
Expenditure on:					
Raising funds		-	41,795	41,795	49,540
Charitable activities		<u>657,400</u>	<u>1,006,603</u>	<u>1,664,003</u>	<u>983,197</u>
Total expenditure	5	<u>657,400</u>	<u>1,048,398</u>	<u>1,705,798</u>	<u>1,032,737</u>
Net income / (expenditure)		(14,406)	171,522	157,116	30,366
Transfers between funds		<u>4,925</u>	<u>(4,925)</u>	<u>-</u>	<u>-</u>
Net movement in funds	7	(9,481)	166,597	157,116	30,366
Reconciliation of funds:					
Total funds brought forward		<u>96,015</u>	<u>145,001</u>	<u>241,016</u>	<u>210,650</u>
Total funds carried forward		<u><u>86,534</u></u>	<u><u>311,598</u></u>	<u><u>398,132</u></u>	<u><u>241,016</u></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 15 to the accounts.

The Involve Foundation

Balance sheet

As at 31 March 2020

	Note	£	2020 £	2019 £
Fixed assets				
Tangible assets	10		10,532	9,017
Current assets				
Debtors	11	202,449		205,294
Cash at bank and in hand		<u>414,493</u>		<u>179,749</u>
		616,942		385,043
Liabilities				
Creditors: amounts falling due within 1 year	12	<u>(229,342)</u>		<u>(153,044)</u>
Net current assets			<u>387,600</u>	<u>231,999</u>
Net assets	14		<u><u>398,132</u></u>	<u><u>241,016</u></u>
Funds	15			
Restricted funds			86,534	96,015
Unrestricted funds				
Designated funds			40,748	40,500
General funds			<u>270,850</u>	<u>104,501</u>
Total charity funds			<u><u>398,132</u></u>	<u><u>241,016</u></u>

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 24 September 2020 and signed on their behalf by



Ed Cox, Chair



Golam Morshed, Treasurer

The Involve Foundation

Statement of cash flows

For the year ended 31 March 2020

	2020	2019
	£	£
Cash used in operating activities:		
Net movement in funds	157,116	30,366
<i>Adjustments for:</i>		
Depreciation charges	4,492	1,454
Dividends, interest and rents from investments	(248)	(193)
Decrease / (increase) in debtors	2,845	(57,090)
Increase / (decrease) in creditors	76,298	63,386
Net cash provided by / (used in) operating activities	240,503	37,923
Cash flows from investing activities:		
Dividends, interest and rents from investments	248	193
Purchase of tangible fixed assets	(6,007)	(10,471)
Net cash provided by / (used in) investing activities	(5,759)	(10,278)
Increase / (decrease) in cash and cash equivalents in the year	234,744	27,645
Cash and cash equivalents at the beginning of the year	179,749	152,104
Cash and cash equivalents at the end of the year	414,493	179,749

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

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. Despite the impact of the ongoing Covid-19 pandemic, the charity holds unrestricted reserves of £311k and a cash balance of £414k at 31 March 2020. The charity also has significant confirmed funding for 20/21 and a positive cash flow forecast for the next 12 months. On this basis the trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

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 2020

1. Accounting policies (continued)

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. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's 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:

	2020	2019
Raising funds	7.0%	11.0%
Charitable activities	93.0%	89.0%

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:

Website	3 years straight line basis
Computer and office equipment	3 years straight line basis

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.

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

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.

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.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are depreciation as described in note 1(i).

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

2. Prior period comparatives

	Restricted £	Unrestricted £	2019 Total £
Income from:			
Donations	-	320	320
Charitable activities	436,941	625,649	1,062,590
Investments	-	193	193
Total income	436,941	626,162	1,063,103
Expenditure on:			
Raising funds	-	49,540	49,540
Charitable activities	517,116	466,081	983,197
Total expenditure	517,116	515,621	1,032,737
Net income / (expenditure)	(80,175)	110,541	30,366
Transfers between funds	63,733	(63,733)	-
Net movement in funds	(16,442)	46,808	30,366

3. Income from charitable activities

	Restricted £	Unrestricted £	2020 Total £
Grant income*	642,994	62,500	705,494
Consulting income	-	1,148,937	1,148,937
Training	-	2,100	2,100
Total income from charitable activities	642,994	1,213,537	1,856,531

* The unrestricted grant income of £62,500 is funding received from the Joseph Rowntree Charitable Trust as a contribution to core costs.

	Restricted £	Unrestricted £	2019 Total £
Prior period comparative:			
Grant income	436,941	42,500	479,441
Consulting income	-	576,989	576,989
Training	-	6,160	6,160
Total income from charitable activities	436,941	625,649	1,062,590

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

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 2020 was £230,000 (2019: £52,000). There are no unfulfilled conditions or contingencies attaching to these grants.

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Direct costs	-	1,052,963	-	1,052,963
Grants payable (note 6)	-	123,488	-	123,488
Staff costs (note 8)	18,257	244,489	170,578	433,324
Other staff costs	-	-	5,979	5,979
Premises costs	-	-	20,086	20,086
Office and IT costs	-	-	17,936	17,936
Other costs	5,388	-	40,396	45,784
Trustee meeting costs	-	-	1,438	1,438
Audit fees	-	-	4,800	4,800
Sub-total	23,645	1,420,940	261,213	1,705,798
Allocation of support and governance costs	<u>18,150</u>	<u>243,063</u>	<u>(261,213)</u>	<u>-</u>
Total expenditure	<u>41,795</u>	<u>1,664,003</u>	<u>-</u>	<u>1,705,798</u>

Total governance costs were £14,003 (2019: £12,584).

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

5. Total expenditure (continued)

Prior period comparative	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Direct costs	-	527,879	-	527,879
Grants payable (note 6)	-	1,610	-	1,610
Staff costs (note 8)	19,308	259,254	142,993	421,555
Other staff costs	-	-	2,830	2,830
Premises costs	-	-	25,799	25,799
Office and IT costs	-	-	17,169	17,169
Other costs	6,372	-	24,570	30,942
Trustee meeting costs	-	-	553	553
Audit fees	-	-	4,400	4,400
Sub-total	25,680	788,743	218,314	1,032,737
Allocation of support and governance costs	23,860	194,454	(218,314)	-
Total expenditure	49,540	983,197	-	1,032,737

6. Grants payable

	2020 £	2019 £
<i>Grants paid to institutions:</i>		
RSA	53,900	-
The Democratic Society	12,900	-
SocietyWorks Ltd	21,450	-
Cambridge County Council	6,493	-
Dudley Metropolitan Borough Council	15,358	-
Test Valley Borough Council	13,386	-
Leaders Unlocked	-	1,610
	123,488	1,610

All grants paid in 2020 were for the Innovation in Democracy project. No support costs have been allocated to grants payable.

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

7. Net movement in funds

This is stated after charging:

	2020	2019
	£	£
Depreciation	4,492	1,454
Operating lease payments	17,807	19,923
Trustees' remuneration	3,000	Nil
Trustees' reimbursed expenses	666	57
Auditors' remuneration:		-
▪ Statutory audit (excluding VAT)	4,800	4,400
▪ Other services	6,165	6,610
	<u>6,165</u>	<u>6,610</u>

Trustees' remuneration relates to Julie Mellor's facilitation services at the Climate Assembly UK. No trustee was paid for their role as trustee. Trustees' reimbursed expenses relate to payments made to 3 (2019: 1) trustees for reimbursed meeting, accommodation and travel expenses.

8. Staff costs and numbers

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	377,757	373,432
Social security costs	36,469	35,812
Pension costs	19,098	12,311
	<u>433,324</u>	<u>421,555</u>

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

The key management personnel of the charitable company comprise the Director and Head of Operations. The total employee benefits of the key management personnel were £91,326 (2019: £85,563).

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

	2020	2019
	No.	No.
Average head count	<u>11.10</u>	<u>11.30</u>

9. Taxation

The charity 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 2020

10. Tangible fixed assets

	Website £	Computer and office equipment £	Total £
Cost			
At 1 April 2019	10,471	-	10,471
Additions in year	<u>-</u>	<u>6,007</u>	<u>6,007</u>
At 31 March 2020	<u>10,471</u>	<u>6,007</u>	<u>16,478</u>
Depreciation			
At 1 April 2019	1,454	-	1,454
Charge for the year	<u>3,491</u>	<u>1,001</u>	<u>4,492</u>
At 31 March 2020	<u>4,945</u>	<u>1,001</u>	<u>5,946</u>
Net book value At 31 March 2020	<u><u>5,526</u></u>	<u><u>5,006</u></u>	<u><u>10,532</u></u>
At 31 March 2019	<u><u>9,017</u></u>	<u><u>-</u></u>	<u><u>9,017</u></u>

11. Debtors

	2020 £	2019 £
Trade debtors	176,373	126,919
Prepayments	1,786	1,938
Accrued income	23,100	74,707
Other debtors	<u>1,190</u>	<u>1,730</u>
	<u>202,449</u>	<u>205,294</u>

12. Creditors : amounts due within 1 year

	2020 £	2019 £
Trade creditors	141,234	68,642
Accruals	21,275	31,472
Other taxation and social security	39,847	48,074
Deferred income (see note 13)	21,667	1,000
Other creditors	<u>5,319</u>	<u>3,856</u>
	<u>229,342</u>	<u>153,044</u>

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

13. Deferred income

	2020 £	2019 £
At 1 April 2019	1,000	8,724
Released during the year	(1,000)	(8,724)
Deferred during the year	<u>21,667</u>	<u>1,000</u>
At 31 March 2020	<u><u>21,667</u></u>	<u><u>1,000</u></u>

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

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	10,532	10,532
Current assets	86,534	40,748	489,660	616,942
Current liabilities	<u>-</u>	<u>-</u>	<u>(229,342)</u>	<u>(229,342)</u>
Net assets at 31 March 2020	<u>86,534</u>	<u>40,748</u>	<u>270,850</u>	<u>398,132</u>
Prior period comparatives				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	9,017	9,017
Current assets	96,015	40,500	248,528	385,043
Current liabilities	<u>-</u>	<u>-</u>	<u>(153,044)</u>	<u>(153,044)</u>
Net assets at 31 March 2019	<u>96,015</u>	<u>40,500</u>	<u>104,501</u>	<u>241,016</u>

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

15. Movements in funds

	At 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2020 £
Restricted funds					
Ministry of Justice - Teeside Reform Prisons	1,523	-	(2,343)	820	-
MH:2K Mental Health Project - Round 2	6,555	-	(743)	-	5,812
Coalition for Deliberative Democracy	35,683	-	(506)	-	35,177
Citizens Convention on UK Democracy	2,254	-	(5,380)	3,126	-
Innovation in Democracy	50,000	230,000	(280,979)	979	-
Climate Assembly UK	-	360,000	(353,137)	-	6,863
Distributed Dialogue on data sharing	-	45,270	(9,061)	-	36,209
Practitioners' Network on Citizens' Assemblies	-	7,724	(5,251)	-	2,473
Total restricted funds	96,015	642,994	(657,400)	4,925	86,534
Unrestricted funds					
<i>Designated funds:</i>					
Stability fund	40,500	248	-	-	40,748
<i>Total designated funds</i>	<i>40,500</i>	<i>248</i>	<i>-</i>	<i>-</i>	<i>40,748</i>
General funds	104,501	1,219,672	(1,048,398)	(4,925)	270,850
Total unrestricted funds	145,001	1,219,920	(1,048,398)	(4,925)	311,598
Total funds	241,016	1,862,914	(1,705,798)	-	398,132

Transfers between funds

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

Purposes of restricted funds

Ministry of Justice - Teeside Reform Prisons Involve completed their work on the open government aspects of this Ministry of Justice-funded project, following their work done in 2018 with two Reform Prisons in North East England.

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 project was funded by Wellcome and the four local authority areas.

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

15. Movements in funds (continued)

Purposes of restricted funds (continued)

Coalition for Deliberative Democracy Building a coalition of supporters of participatory and deliberative democracy to advocate for its adoption. Funded by the Esmee Fairbairn Foundation.

Citizens Convention on UK Democracy Designing a Citizens' Convention for UK Democracy, to involve the public in democratic and constitutional reform. Funded by Joseph Rowntree Charitable Trust.

Innovation in Democracy This project was funded by the Department for Digital, Culture, Media and Sport and the Ministry of Housing, Communities and Local Government. Delivered in partnership with the Democratic Society, the RSA and mySociety, this programme supported three local authorities in England to involve their citizens in decision-making through innovative models of deliberative democracy.

Climate Assembly UK The first UK-wide citizens' assembly on climate change took place in early 2020, bringing together 110 citizens from across the UK, randomly selected to be representative of the national population. The Assembly was commissioned by six select committees of the House of Commons, and looked at how the UK can meet its target of net zero greenhouse gas emissions by 2050. The work was funded by the UK parliament, the Esmee Fairbairn Foundation and the European Climate Foundation.

Distributed Dialogue on data sharing Funded by Wellcome and the London Borough of Camden (and initially by the Scottish Government), this project will pilot models of distributed, community-based dialogue, which will explore how the data sharing debate can be widened and sustained.

Practitioners' Network on Citizens' Assemblies This grant from the Network for Social Change helped to establish a growing network of engagement practitioners to share learning and build capacity for deliberative democracy, including learning from recent citizens' assemblies.

Purposes of designated funds

Stability fund This fund enables Involve, if necessary, to close down the organisation in an orderly and honourable manner.

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2020

15. Movements in funds (continued)

Prior period comparatives

	At 1 April 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2019 £
Restricted funds					
Potter Open Government Network	-	1,500	(8,048)	6,548	-
Wellcome Young People and Mental Health	-	-	(1,000)	1,000	-
Ministry of Justice - Teeside Reform Prisons	4,166	-	(2,643)	-	1,523
Big Lottery Fund (via Scottish Council for Voluntary Organisations)	-	42,934	(63,968)	21,034	-
MH:2K Mental Health Project - Round 2	72,983	18,573	(85,001)	-	6,555
The Building Change Trust - Deliberative Democracy Training	4,266	3,635	(10,320)	2,419	-
The Building Change Trust - Assembly for Northern Ireland	31,042	170,758	(231,736)	29,936	-
Citizens Assembly on Social Care	-	100,541	(103,337)	2,796	-
Coalition for Deliberative Democracy	-	40,000	(4,317)	-	35,683
Citizens Convention on UK Democracy	-	9,000	(6,746)	-	2,254
Innovation in Democracy	-	50,000	-	-	50,000
Total restricted funds	112,457	436,941	(517,116)	63,733	96,015
Unrestricted funds					
<i>Designated funds:</i>					
Stability fund	40,307	193	-	-	40,500
<i>Total designated funds</i>	<i>40,307</i>	<i>193</i>	<i>-</i>	<i>-</i>	<i>40,500</i>
General funds	57,886	625,969	(515,621)	(63,733)	104,501
Total unrestricted funds	98,193	626,162	(515,621)	(63,733)	145,001
Total funds	210,650	1,063,103	(1,032,737)	-	241,016

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16. Operating lease commitments

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

	2020	2019
	£	£
Amount falling due:		
Within 1 year	4,548	5,308
Within 1 - 5 years	<u>-</u>	<u>-</u>
	<u><u>4,548</u></u>	<u><u>5,308</u></u>

17. Related party transactions

Claire Ainsley, a trustee, was also a Director of the Joseph Rowntree Foundation during the financial year 31 March 2020, from whom Involve received £67,489 of consultancy income (2019: £nil) in the financial year ending 31 March 2020.

Julie Mellor, a trustee, is also a trustee of The Young Foundation. Involve have a lease agreement with The Young Foundation for rental of office space. The lease can be terminated without penalty on 3 months notice. During the year, Involve paid rent of £15,347 to The Young Foundation (2019: £15,785).

Edward Cox, a trustee, was also a Director of RSA during the financial year 31 March 2020, who are a partner organisation in delivering the Innovation in Democracy programme. During the year, Involve paid £53,900 to RSA in line with the programme agreement and £999 for another collaborative event (2019: £nil).