



## **NEIGHBOURHOOD WATCH NETWORK**

(Charity No. 1173349)

### **Annual Report and Accounts 2019/20**

*As the national umbrella organisation of the largest voluntary movement for crime prevention in England and Wales, we support people to prevent and reduce crime by coming together with their neighbours to create safer, stronger and active communities.*

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## Introduction

The Trustees of Neighbourhood Watch Network (NWN) submit their annual report and financial statements for the year ended 31 March 2020.

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

## Delivering Our Charitable Purpose

The Objects of NWN, as set out in the Constitution dated 10 April 2017 are to:

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

To achieve these objects, we provide tools and information to help people reduce their chances of becoming a victim of crime, and signpost them to local schemes aimed at strengthening community cohesion and wellbeing, and we collaborate with other organisations to extend the reach of our work as far as possible.

Local Neighbourhood Watch schemes reflect the needs of the local community and their activities include sharing crime prevention advice and information, running awareness campaigns, holding social events and awards for local people and businesses, and leading community projects. Neighbourhood Watch volunteers help in many ways including litter picking, responses to civil emergencies and educating young people to avoid knife crime and anti-social behaviour.

Neighbourhood Watch schemes can make a real, long-lasting difference to communities: as well as helping to reduce crime they increase neighbourliness and community wellbeing and strengthen the voice of the community with councils, the police and other public services. By joining in with the work of the movement, supporters receive information on their local scheme and our national campaigns.

At a national level, we work closely with many other organisations such as major charities, government departments, and policy and research institutions to assess our impact and plan for future improvements.

## Main Activities

The core functions of NWN as an umbrella body for the Neighbourhood Watch movement in England and Wales are:

- Representing the interests and raising the profile and agenda of the Neighbourhood Watch movement in England and Wales, and providing practical support for its members to further their work in their communities, particularly through information resources on crime prevention advice.
- Maintaining the intellectual property of the NW movement, including the brand identity and online presence.

- Identifying and managing national sponsorship, fundraising and other partnership opportunities and co-ordinate national campaigns.
- Monitoring and evaluating the impact of the movement's work, through data collection and commissioned research, and identifying means of continual improvement, particularly by sharing best practice among the movement.

## Public Benefit & Contribution Made by Volunteers

The public benefit from the activities carried out by the Charity by:

- Having access to information and advice on crime prevention and personal security;
- Being part of better connected and more resilient communities – the Charity facilitates the work of Neighbourhood Watch volunteers to maintain and develop community-based Neighbourhood Watch schemes which in turn contribute to better connected and more resilient communities, where crime and anti-social behaviour can be reduced and also the incidence and impact of loneliness and isolation.

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

Neighbourhood Watch volunteers (estimated to number at least 2.3 million individuals) work through their local schemes, many of which are charities in their own right. So, while this is not a direct contribution to NWN, it is important for NWN to recognise the significant social value created within communities by preventing crime, reducing the fear of crime, alleviating loneliness and isolation and providing practical assistance between neighbours.

## Achievement and Performance

NWN's main strategic aims for the year were to:

- **Provide a great service to Neighbourhood Watch members, by supporting and developing existing schemes**

In 2019/20, NWN continued its strategic focus on improving services to Neighbourhood Watch members. This work has included 8 crime reduction toolkits including ones for burglary and youth isolation. Our partnership with ERA, the leading provider of home security solutions continued for a third year and their regular support in developing information and advice on burglary prevention (including a new toolkit) has been invaluable. All toolkits and many other resources can also be accessed by the public at [www.ourwatch.org.uk](http://www.ourwatch.org.uk). NWN also held 3 summer seminars in Leeds, Cardiff and London attended by 190 volunteers from Neighbourhood Watch schemes which were warmly received as a means of sharing experiences and learning. Additional seminars have been held for smaller groups around the country, focusing on using social media and raising funds.

NWN's new website also includes an Inspiration section, based on a database of Neighbourhood Watch Good Practice case studies. One example is the campaign run in Leicestershire by the Neighbourhood Watch Association in conjunction with the Police which provided young people with information about the dangers of carrying knives, being with someone carrying a knife and the consequences of using one. With support from a local Youth Worker and a PCSO, young

people were informed about the consequences of knife crime and what to do if they became aware of someone carrying a weapon or witnessed an attack. The sessions for young people between the ages of 11 and 18 were organised with a Youth Café in Earl Shilton, Leicestershire and included videos featuring players from Leicester City FC and the boxer Anthony Joshua. Interactive discussions and follow-up engagement have helped to break down barriers between police and young people.

- **Grow the charity, by attracting new members and schemes and engaging them in Neighbourhood Watch campaigns**

By representing Neighbourhood Watch nationally, NWN seeks to raise the profile of the movement and encourage local participation. Communication is therefore a key function. Our newsletter regularly reaches 650,000 supporters, and we have increased social media audience across various platforms by 6,000 to 28,000 individuals. NWN staff were interviewed by broadcast media over 50 times. During Neighbourhood Watch Week (our main national campaign), Twitter impressions doubled to 150,000 and website visits of over 20,000 increased by 32% from previous years.

The Inspiration casebook was a focus of Neighbourhood Watch Week held from 17<sup>th</sup> – 23<sup>rd</sup> June with the strapline 'More than You Would Expect' and was accessed over 6,000 times during the campaign. This was primarily an online campaign and we received supportive messages via Twitter from police forces, Police & Crime Commissioners and sponsor/partner organisations as well as Nick Hurd, the policing minister. Our average monthly impressions on Twitter are approx. 70,000 but in June, with all the activity surrounding Neighbourhood Watch Week, we doubled our impressions to 147k. There was an increase in the number of schemes, members and coordinators during June with 112 new schemes created (compared to 29 in the previous year), 35 new coordinators and 517 more scheme members.

Partnerships with the Co-op (through the Neighbour of the Year Awards) and with the Big Lunch continued to attract attention and enhance the perception of Neighbourhood Watch as a community-based movement that helps prevent crime by bringing people together.

The Neighbour of the Year project secured over 300 nominations attracted significant media interest. Nilesh Chohan from Headingley, Leeds was this year's winner, in recognition of his work with a residents' group. He holds regular "Welcome to all Residents" street events, providing a platform for neighbours – new and old – to get to know each other. Over the past six years, Nilesh has raised over £10,000 for local charities through neighbourhood curry nights.

Britain's love of curry was also the springboard for a pilot collaboration with The Soldier's Charity during the month of September 2019, under the banner *Together for Good Big Curry*. We hope to build on the learning from these events and developing future campaigns with new corporate partners.

- **Extend our reach, by developing focused work to promote Neighbourhood Watch in areas of high crime, deprivation or need.**

Another strategic priority for NWN is extending the reach of our work to areas at greatest risk of crime, and to build engagement among a more diverse audience including younger people and those from black and minority ethnic backgrounds, both of which are generally under-represented in our movement. In 2019/20 we commissioned a survey of people outside our membership base and discovered a clear appetite for building connections in their communities.

While there is more work to be done on our response, we have appointed a Development Manager to work on the revival or strengthening of Neighbourhood Watch in selected target areas.

Online scams and fraud are of increasing concern with Action Fraud, the national reporting centre receiving over 740,000 notifications in the year to March 2019, of which 35% were from individuals. Older people are often targeted by scammers and can be especially vulnerable. Work continued on the NESTA-funded "Communities that Care" project in Thames Valley providing training for older volunteers to support their neighbours, and learning from this project was incorporated into the launch of "Cyberhood Watch", which is one result of a new sponsorship arrangement with internet security software experts, Avast. Our partnership will amplify Avast's own "Secure Britain" campaign which raises awareness of how every household can protect their home computers with freely available software. We also established a relationship with National Trading Standards Scams Team to collaborate on increasing public awareness of fraud prevention.

- **Strengthen our ability to demonstrate the impact of Neighbourhood Watch activities**

Work has continued on improving our ability to measure the impact of Neighbourhood Watch activities. Nottingham Trent University (NTU) were commissioned to analyse National Crime Survey data and to compare this with the presence of Neighbourhood Watch schemes. However, this exercise was not able to provide evidence of a direct link between these factors at a local level. While more intensive analysis might have provided more evidence, it was felt that a new approach was needed that also used more up-to-date information (the NTU work was based on survey data for 2016/17). Subsequent work has included a collaboration with University College London on an Impact Survey Tool, which has been tested with local Associations and is due to be rolled-out for more widespread use in 2020/21.

## **Future Plans**

In 2020/21 we aim to refresh the strategic plan to take account of learning from the implementation of the first phase of work since 2018, and also of changes in the external environment. It is clear that there is an ongoing need to extend the reach of our work so that information on keeping safe from crime is easily accessible to all citizens as a civic right, without the need to become a formal member of Neighbourhood Watch. However, we also know that a vibrant Neighbourhood Watch is a valuable asset to many communities, so we need to sustain and develop membership as an additional offer. It is also vital that we build awareness of Neighbourhood Watch among all sections of communities, celebrating the strengths that come from diversity and inclusion. The onset of the Coronavirus pandemic has brought new challenges to our movement but it is clear that Neighbourhood Watch supporters and volunteers have been in the vanguard of community-based responses, and have demonstrated the relevance and value of what we do and the way we work. When the time comes, we will seek to capture the learning from the pandemic into our longer-term strategy as well as celebrate the outstanding contributions of so many people.

## Financial review

### Financial position

The detailed figures for the year ended 31 March 2020 are set out in the financial statements that follow the Trustees' Report.

There was a net deficit in the year of £146,378 (2018/19: surplus of £252,165). The deficit was planned as additional funds had been received in previous years for projects that extended into 2019/20. This left total funds of the charity at £291,666 (2018/19: £438,044) at the end of the year.

### Reserves

Total funds held by NWN may include those that are –

- Restricted by the donor or funder for specific activities or programmes and that cannot be used for the general purposes of the charity,  
and/or those that are
- Received in one financial year as part of a grant for work to be carried out wholly or partly in future financial years.

The existence or level of these funds do not imply that there has been an underspend but may result from a variety of circumstances including timing differences between NWN's financial year and that of our funders.

The balance of funds constitutes the charity's unrestricted funds reserve which should be at a level to maintain a positive cashflow for day-to-day operations and provide sufficient funds for contingencies including scaling back operations in the event of a downturn in funding or for a winding-up of the organisation in the event of more significant loss of revenue. Unrestricted funds may also be designated for investment in future developments as part of NWN's long-term strategy.

The trustees review the reserves policy at least annually and have agreed on an unrestricted reserve fund of £105,000, which is more than three months of all budgeted operating costs. At the end of the year, the reserves held, after taking into account restricted funds and some designated amounts and the carrying amount of fixed assets was £187,000. Although this is 79% above the minimum level, the trustees expect funds surplus to immediate requirements to be applied to implementation of the strategic plan currently under development. The trustees have also mandated the new Finance and Audit Committee to monitor reserves on a quarterly basis and to recommend any changes to the policy to the Board.

### Going concern

After reviewing the Charity's forecasts, projections and its reserves, the trustees have a reasonable expectation that NWN has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

## **Sources of funds**

NWN's core costs are currently covered by sponsorship income from three commercial partners - Co-operative Group (home insurance), ERA (home security products) and Avast (internet security software). In addition, the Home Office provides a grant of £280,000 to fund key deliverables through programmes and projects.

Trustees recognise the risks arising from reliance on a narrow base of funders and have agreed an increase in fundraising capacity to address this. There appears to be strong potential for increasing revenue from additional commercial sponsors but this will take sustained investment of time from the Head of Fundraising and the CEO.

## **Fundraising Practices**

Neighbourhood Watch Network is registered with the Fundraising Regulator and is fully compliant with the Code of Fundraising Practice. Our Head of Fundraising is an Individual Member of the Institute of Fundraising. In the year 2019/20 we did not carry out any direct marketing or face-to-face fundraising and received no complaints related to our fundraising practices. We are committed to always protecting vulnerable people and will ensure adherence to the Code of Fundraising practice and clear guidelines should we undertake different types of fundraising in the future. All marketing materials contain clear instructions on how a person can be removed from mailing lists.

## **Risk Management**

Trustees review the main risks facing the charity on a regular basis. The current risk register highlights the reliance on a narrow range of funders mentioned above and the related need to better demonstrate the impact of Neighbourhood Watch activities, particularly in respect of crime prevention. NWN also recognizes the need to extend its reach and develop a stronger offer that is relevant to all parts of society and that builds engagement among younger people, those from ethnic minority backgrounds and those most at risk from crime. All of these issues are being addressed in NWN's new strategy which is being co-created with members. The charity has also insured against risks where practical to do so.

## **Structure, governance and management**

### **Legal structure**

Neighbourhood Watch Network was registered as a Charitable Incorporated Organisation (CIO) on 9th June 2017. The charity replaced Neighbourhood & Home Watch Network, a registered charity and company which was then dissolved. The voting membership of the CIO is explained below; trustees are also voting members.

### **Governance**

NWN's governing document is its Constitution, dated 10 April 2017 which is available on NWN's website [www.ourwatch.org.uk](http://www.ourwatch.org.uk). The overall governance, finance and operations of NWN are controlled by the Trustees, within the regulatory framework set by the Charity Commission.

The Constitution, resolutions and complementary procedures set by the Board, are the rules that NWN operates by, and by which decisions are made. The Trustees are ultimately responsible for NWN.

## **Members**

NWN's membership structure aligns with the 43 Police Force areas across England and Wales and each of these can form a "Force Level Association" and become voting members of NWN by signing a Memorandum of Understanding covering joint working arrangements and providing a common framework of ethics and standards. There are currently 30 of these Force Level Associations. The exception to the national structure is the Metropolitan Police Force Area which is organized around the 32 London Boroughs and which collectively account for 4 votes within the membership.

Individual membership of local Neighbourhood Watch Associations does not confer membership of the CIO.

## **Trustees**

The governing document states that there must be between 4 and 12 trustees in post at any time. Trustees who serve at the date of this report, and those who served during the year under review are set out on page 11.

The trustees delegate much of the day-to-day management of the Charity to the CEO, but remain ultimately responsible. Their responsibilities are active, not passive, and include:

- regular evaluation of the strategic direction of the Charity and its management policies
- evaluation of outcomes and the effectiveness with which the CEO and management implement them
- monitoring legal compliance
- management of risks related to the Charity's activities

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

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

All trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed are set out in note 6 to the financial statements.

## **The Board's operations**

The Board of Trustees meets at least four times a year to conduct its business and oversee progress against strategic and operational plans. Trustees are also involved in various working groups that support strategic workstreams. In 2020, the Board established a Finance and Audit Committee to oversee the Charity's finances (including reserves), income generation and risk management, and to report regularly to the Board on these matters.

## **Appointment and retirement of trustees**

The Trustees are elected by the Members at NWN's Annual General Meeting (AGM) and others may be co-opted by the Board between Annual General Meetings, provided that the total number of trustees does not exceed twelve. Members are entitled to nominate candidates for election as trustees at the AGM and other trustees are recruited through advertising and evidence-based recruitment processes against the trustees' role description.

### **Board recruitment and induction**

The Board is responsible for ensuring that it is made up of trustees who are collectively able to fulfil the governance function of the Board and therefore needs to have a mix of skills, both those which relate to the objectives of NWN and more generic skills and experience such as legal and financial.

The Board regularly undertakes a self-assessed skills audit against the set of skills it has identified as being essential for the governance of the Charity; this enables the Board to identify skills gaps, which informs the recruitment process and training needs. Trustees are able to access learning and development opportunities relevant to their trustee position.

### **Management**

The Trustees delegate day-to-day running of the charity to the CEO who reports directly to the Board. The CEO leads a staff team of 9 salaried staff (7.8 full-time equivalents). The Chair and Treasurer hold a meeting with the CEO each month. The Board receives regular reports on operational performance and provides oversight and scrutiny of results, using a set of key performance indicators.

### **Remuneration**

The remuneration of the CEO is set by the Board and the remuneration of other staff is set by the CEO. In all cases, this is informed by formal and informal benchmarking information from comparable organisations in the voluntary sector, the responsibilities of each individual role and the requirements of the person specification.

## Reference and administrative details

**Charity name:** Neighbourhood Watch Network  
**Charity number:** 1173349

**Principal office:** Room WG07, Vox Studios, 1-45 Durham Street, London SE11 5JH

### Trustees at the date of this report:

Ian Bretman	Chair, appointed January 2020
Peter Buchanan	appointed January 2020
Rebecca Bryant OBE	appointed June 2020
Mohamed Hammeda	appointed July 2020
Kirsty McHugh (*)	
Sue Pillar	appointed June 2020
Kardaya Singh Rooprai (*)	Treasurer

(\*) indicates a trustee who served throughout the year under review (2019/20).

### Former Trustees who served during the reporting period

Craig Cox	stood down at AGM September 2019
Rachel Griffin	resigned July 2019
David Huse	Chair until January 2020, resigned April 2020
Alison McWhinnie	stood down at AGM September 2019
Joe Pearce	resigned January 2020
Derek Pratt	resigned June 2020
Jessica Taplin	resigned July 2019

**Key management personnel:** John Hayward-Cripps, Chief Executive Officer

**Auditors:** Moore Thompson, Bank House, Broad Street, Spalding, PE11 1TB

**Bankers:** HSBC, 41 Market Place, Loughborough, LE11 3EJ

## Trustees responsibilities

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

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

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

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

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

In so far as the Trustees are aware:

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

BY ORDER OF THE BOARD OF TRUSTEES

**Ian Bretman**

Chair

Date: 27 October 2020

## **Independent Auditor's Report to the Trustees of Neighbourhood Watch Network**

### **Opinion**

We have audited the financial statements of Neighbourhood Watch Network (the 'charity') for the year ended 31 March 2020 which comprise Statement of Financial activities, Balance sheet, Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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, 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 Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

Continued...

## **Other information**

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

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

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

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

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Continued...

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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](http://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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Thompson, Statutory Auditor

Spalding

Date: 29 October 2020

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

## Financial Statements

### Statement of Financial activities for the year ended 31 March 2020

	Notes	Unrestricted funds	Restricted funds	31 March 20 Total	31 March 19 Total
<b>Income from:</b>					
Charitable activities	2	280,000	64,987	344,987	685,000
Other trading activities	3	113,534	-	113,534	131,476
Investments	-	664	-	664	577
<b>Total income</b>		<b>394,198</b>	<b>64,987</b>	<b>459,185</b>	<b>817,053</b>
<b>Expenditure on:</b>					
Charitable activities	4	479,869	66,351	546,220	528,613
Raising funds	4	59,343	-	59,343	36,275
<b>Total expenditure</b>		<b>539,212</b>	<b>66,351</b>	<b>605,563</b>	<b>564,888</b>
<b>Net (expenditure)/income</b>		<b>(145,014)</b>	<b>(1,364)</b>	<b>(146,378)</b>	<b>252,165</b>
Transfers between funds	11	2,400	(2,400)	-	-
<b>Net movement in funds</b>		<b>(142,614)</b>	<b>(3,764)</b>	<b>(146,378)</b>	<b>252,165</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		406,090	31,954	438,044	185,879
<b>Total funds carried forward</b>	<b>11</b>	<b>263,476</b>	<b>28,190</b>	<b>291,666</b>	<b>438,044</b>

All income and expenditure relate to continuing activities.

There are no other gains or losses other than those stated above.

Notes 1 – 13 form part of the financial statements.

**Balance sheet  
at 31 March 2020**

	Notes	31 March 2020	31 March 2019
<b>Fixed assets</b>			
Intangible fixed assets	8	16,971	-
Tangible fixed assets	8	2,874	6,567
<b>Total fixed assets</b>		<b>19,845</b>	<b>6,567</b>
<b>Current assets</b>			
Cash at bank and in hand		259,475	384,939
Debtors	9	79,967	82,474
<b>Total current assets</b>		<b>339,442</b>	<b>467,413</b>
<b>Creditors: amounts due within one year</b>	10	<b>(67,621)</b>	<b>(35,936)</b>
<b>Net current assets</b>		<b>271,821</b>	<b>431,477</b>
<b>Total net assets</b>		<b>291,666</b>	<b>438,044</b>
<b>Funds of the charity</b>			
	11		
Unrestricted funds			
Designated funds		148,236	237,053
General funds		115,240	169,037
<b>Total unrestricted funds</b>		<b>263,476</b>	<b>406,090</b>
Restricted funds		28,190	31,954
<b>Total funds</b>		<b>291,666</b>	<b>438,044</b>

The financial statements were approved by the Board of Trustees and signed on their behalf:

Ian Bretman  
Chair

Kardaya Rooprai  
Treasurer

Date: 27 October 2020

Date: 28 October 2020

**Cash flow statement  
for year ended 31 March 2020**

	Notes	31 March 20	31 March 19
<b>Cash flows from operating activities:</b>			
(Deficit)/Surplus for the year		(146,378)	252,165
Adjustments for:			
Investment income recognised in the SOFA		(664)	(577)
Depreciation and amortisation of fixed assets	8	5,740	2,036
Movement in working capital:			
Decrease/(increase) in debtors	9	2,507	(25,937)
Increase/(decrease) in creditors	10	31,685	(335,686)
<b>Total cash flows from operating activities</b>		<b>(107,110)</b>	<b>(107,999)</b>
Cash flows from investing activities			
Purchase of tangible fixed assets	8	(2,047)	(594)
Purchase of intangible fixed assets	8	(16,971)	-
Investment income		664	577
<b>Total cash flows from investing activities</b>		<b>(18,354)</b>	<b>(17)</b>
<b>Total net cash flows</b>		<b>(125,464)</b>	<b>(108,016)</b>
Cash and cash equivalents at the beginning of year		384,939	492,955
<b>Cash and cash equivalents at the end of year</b>		<b>259,475</b>	<b>384,939</b>

## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies

#### a. Statutory information

Neighbourhood Watch Network is a Charitable Incorporated Organisation registered in England and Wales. The address of the registered office is Room WG07, Vox Studios, 1-45 Durham Street, London SE11 5JH.

#### b. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with:

- Charities SORP (FRS 102) - *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*
- FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland
- The Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102.

#### c. Critical accounting judgements and estimates

When preparing the financial statements in line with FRS 102, the trustees are required to make judgements and estimates. The estimates and judgements are based on historical experiences and other factors that are considered relevant including expectations of future events. The estimates and judgements include:

- Accruals: costs not yet invoiced (see Expenditure policy below)
- Allocation of support costs (see Expenditure policy below); and
- Depreciation and impairment (see Fixed Assets policy below).

In the view of the trustees, no assumptions concerning the future have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### d. Going concern

In December 2019, disease Covid-19 caused by a coronavirus started circulating across the world, and was declared a pandemic in March 2020. On 23 March the UK government advised against all nonessential travel and for individuals to stay at home.

As the charity does not rely on donations from the general public, the pandemic has not caused a significant change to the anticipated income and expenditure of the charity.

Given the Home Office grant agreed for the year ending 31 March 2021 and the reserves currently held, the trustees believe that while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. The trustees therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

## 1. Accounting policies (continued)

### e. Income

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

### f. Expenditure

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

Expenditure is attributed to the following areas:

- *raising funds*
- *charitable activities*

Where expenditure cannot be directly attributed to these areas, it is allocated to them on a usage or head count basis. Support costs, such as general management, finance, office rent and governance costs are allocated in this way. Governance costs are costs associated with the general running of the charity and include audit, strategic management and trustees' meetings and reimbursed expenses.

**Raising funds** relate to the costs in carrying out activities that are intended to generate income, such as staff time managing grant applications and developing commercial sponsorship agreements.

**Charitable activities** are costs incurred in delivering activities and services for the charity's beneficiaries. These include providing information and resources to Neighbourhood Watch members and the general public on the Ourwatch.org.uk website, staff costs for delivering campaigns and project.

The charity is unable to recover the majority of VAT charged. This irrecoverable VAT is included in the costs of those items to which it relates.

### g. Fund accounting

Restricted funds are funds which arose when donors gave them for particular restricted purposes which are narrower than the general purposes of the charity. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 11 to the financial statements.

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the note 11 to the financial statements.

**1. Accounting policies (continued)**

**h. Operating leases**

Payments made under operating leases are charged to the SOFA when incurred. The charity does not acquire assets under finance leases.

**i. Fixed assets**

**Tangible fixed assets** costing more than £350 are capitalised and are held on the balance sheet at cost less accumulated depreciation and impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

- Office equipment: 25% reducing balance
- Furniture and fittings: 20% reducing balance

**Intangible fixed assets** are held on the balance sheet at cost less accumulated amortisation and impairment losses.

The Ourwatch.org.uk website for the national Neighbourhood Watch Network is capitalised as an intangible asset and amortised on a straight line basis over its expected useful life of 3 years.

Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

**j. Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments

**k. Debtors**

Trade and other debtors are recognised at the settlement amounts due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

**l. Creditors**

Creditors 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 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.

## 1. Accounting policies (continued)

### n. Pensions

Pension costs comprise the costs of the charity's contribution to its employee's pension schemes. The charity provides a money purchase scheme which is available to all employees.

## 2. Income from charitable activities

	31 March 2020			31 March 2019		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
Grants						
Home Office	280,000	-	<b>280,000</b>	640,000	-	<b>640,000</b>
NESTA	-	34,987	<b>34,987</b>	-	45,000	<b>45,000</b>
Partners	-	30,000	<b>30,000</b>	-	-	-
<b>Total</b>	<b>280,000</b>	<b>64,987</b>	<b>344,987</b>	<b>640,000</b>	<b>45,000</b>	<b>685,000</b>

## 3. Income from other trading activities

	31 March 2020			31 March 2019		
	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
Sponsorship						
ERA	50,000	-	<b>50,000</b>	50,000	-	<b>50,000</b>
Co-op	40,063	-	<b>40,063</b>	30,000	48,412	<b>78,412</b>
Other	21,700	-	<b>21,700</b>	-	-	-
Commission						
Patlock	1,771	-	<b>1,771</b>	3,064	-	<b>3,064</b>
<b>Total</b>	<b>113,534</b>	<b>-</b>	<b>113,534</b>	<b>83,064</b>	<b>48,412</b>	<b>131,476</b>

## 4. Expenditure

	31 March 2020			31 March 2019		
	Raising funds	Charitable activities	Total	Raising funds	Charitable activities	Total
Direct costs						
Staff costs	38,727	246,389	<b>285,116</b>	23,028	218,839	<b>241,867</b>
Other direct costs	1,050	166,352	<b>167,402</b>	1,774	200,744	<b>202,518</b>
Grants repaid*	-	9,000	<b>9,000</b>	-	-	-
Support costs	19,566	124,479	<b>144,045</b>	11,473	109,030	<b>120,503</b>
<b>Total</b>	<b>59,343</b>	<b>546,220</b>	<b>605,563</b>	<b>36,275</b>	<b>528,613</b>	<b>564,888</b>
Split between						
Unrestricted funds	59,343	479,869	<b>539,212</b>	36,275	450,485	<b>486,760</b>
Restricted funds	-	66,351	<b>66,351</b>	-	78,128	<b>78,128</b>
<b>Total</b>	<b>59,343</b>	<b>546,220</b>	<b>605,563</b>	<b>36,275</b>	<b>528,613</b>	<b>564,888</b>

\* Grants repaid are any part of a grant received, that is unspent and needs to be returned to the funder.

## 5. Analysis of support costs

Support costs are allocated to *raising funds* and *charitable activities* on a usage basis determined from an activities-based time split of non-support staff costs.

	31 March 2020			31 March 2019		
	Raising funds	Charitable activities	Total	Raising funds	Charitable activities	Total
Staff costs (CEO, finance, admin)	7,760	49,369	<b>57,129</b>	6,538	62,129	<b>68,667</b>
Office running costs (rent, IT)	6,877	43,749	<b>50,626</b>	3,354	31,872	<b>35,226</b>
Professional fees (HR, legal)	412	2,622	<b>3,034</b>	73	695	<b>768</b>
Governance (audit, trustee expenses)	4,517	28,739	<b>33,256</b>	1,508	14,334	<b>15,842</b>
<b>Total</b>	<b>19,566</b>	<b>124,479</b>	<b>144,045</b>	<b>11,473</b>	<b>109,030</b>	<b>120,503</b>

## 6. Governance costs

Auditor' remuneration is included within governance costs. The amount payable in the year to the auditor was £4,700+VAT (2018/19: £4,550+VAT).

Trustees give their time and expertise without charge and do not receive any other benefit from the charity. They are reimbursed for travel and subsistence costs incurred when fulfilling their duties as trustees. During the year 8 trustees (2018/19: 10) were reimbursed a total of £8,979 (2018/19: £10,465).

## 7. Staff costs and remuneration of key management personnel

	31 March 2020	31 March 2019
Wages and salaries	286,650	246,201
Social security costs	26,553	23,555
Pension costs	9,647	3,148
<b>Total employment costs</b>	<b>322,850</b>	<b>272,904</b>
Other staff related costs	19,395	37,630
<b>Total staff related costs</b>	<b>342,245</b>	<b>310,534</b>
<i>Split between:</i>		
Raising funds	38,727	23,028
Charitable activities	246,389	218,839
Support costs	57,129	68,667
<b>Total staff related costs</b>	<b>342,245</b>	<b>310,534</b>

The average head count of staff employed throughout the period was 8.4 (2018/19: 7.3).

There was 1 member of staff (2018/19: 1) whose total employee benefits (excluding employer pension costs) were between £70,001-£80,000.

## 7. Staff costs and remuneration of key management personnel (continued)

### *Key management personnel*

The Chief Executive is considered 'key management personnel'. The total cost of employee benefits (salary and employer's National Insurance and pension contributions) for key management personnel in the year was £86,352 (2018/19: £84,994).

## 8. Fixed assets

### **Intangible assets – Ourwarch.org.uk website**

During the year, a new website was launched. The development costs of the new website were capitalised.

Cost	
1 April 2019	38,316
Additions	16,971
Disposals	(38,316)
At 31 March 2020	16,971
Amortisation	
At 1 April 2019	38,316
Charge for the year	-
Disposals	(38,316)
At 31 March 2020	-
Net book value at 31 March 2020	16,971
Net book value at 31 March 2019	-

### **Tangible assets**

A detailed review of the fixed asset register, together with an office move during the year, resulted in many of the historic pieces of office equipment and fixtures and fittings being disposed of.

	Office equipment	Fixtures and fittings	Total
Cost			
1 April 2019	33,482	1,931	35,413
Additions	919	1,128	2,047
Disposals	(31,338)	(1,931)	(33,269)
At 31 March 2020	3,063	1,128	4,191
Depreciation			
At 1 April 2019	27,588	1,258	28,847
Charge for the year (including undepreciated amounts on disposals)	5,049	691	5,740
Disposals	(31,338)	(1,931)	(33,269)
At 31 March 2020	1,299	18	1,317
Net book value at 31 March 2020	1,764	1,110	2,874
Net book value at 31 March 2019	5,894	673	6,567

## 9. Debtors

	31 March 2020	31 March 2019
Trade debtors	30,329	15,000
Other debtors	11,803	4,000
Prepayments and accrued income	37,835	63,474
<b>Total</b>	<b>79,967</b>	<b>82,474</b>

## 10. Creditors

	31 March 2020	31 March 2019
Trade creditors	7,752	8,965
Other taxes and social security	26,180	7,709
Other creditors	18,414	11,705
Accruals and deferred income	15,275	7,557
<b>Total</b>	<b>67,621</b>	<b>35,936</b>

## 11. Funds

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
Unrestricted funds					
Designated funds					
Advancement fund	60,000	-	(4,213)	-	55,787
Project funds	177,053	-	(87,174)	2,570	92,449
<b>Total designated funds</b>	<b>237,053</b>	<b>-</b>	<b>(91,387)</b>	<b>2,570</b>	<b>148,236</b>
General fund	169,037	394,198	(447,825)	(170)	115,240
<b>Total unrestricted funds</b>	<b>406,090</b>	<b>394,198</b>	<b>(539,212)</b>	<b>2,400</b>	<b>263,476</b>
Restricted funds					
NESTA	18,284	34,987	(45,302)	-	7,969
Devon and Cornwall	-	30,000	(9,779)	-	20,221
Patlock Fund	2,270	-	(2,270)	-	-
Segmentation fund	9,000	-	(9,000)	-	-
CQC Leaflet Fund	2,400	-	-	(2,400)	-
<b>Total restricted funds</b>	<b>31,954</b>	<b>64,987</b>	<b>(66,351)</b>	<b>(2,400)</b>	<b>28,190</b>
<b>Total funds</b>	<b>438,044</b>	<b>459,185</b>	<b>(605,563)</b>	<b>-</b>	<b>291,666</b>

### Designated funds

**Advancement fund** is money received from the Home Office and designated by the trustees for the 'Advancement Areas' programme, which aims to deliver a framework for Neighbourhood Watch development in areas of high crime areas, underrepresented communities and in areas of social disadvantage. The fund is paying for a full-time development manager for one year.

**Project fund** is money received from the Home Office and designated by the trustees for the charity to deliver a series of intervention projects to support the trustees' 10-point strategy.

## 11. Funds (continued)

### Restricted funds

**NESTA grant fund** is funding received from NESTA (a national grant-making charity, [www.nesta.org.uk](http://www.nesta.org.uk)) for the 'Communities that Care' project. £7,969 remained unspent at the end of the year.

**Devon and Cornwall grant** is money received to fund a part time post based and working in the Devon and Cornwall Force area. This fund is expected to run for two years.

**Force area Patlock commission fund** is money received from Patlock, the manufacturer of a patio locking system, where for each product sold, £5 is donated to the local force area association, and the charity receives an administration fee of £2. In previous years this had been treated as a restricted fund however, the money due to local force area associations is accounted for as a creditor immediately as it is received and is no longer treated as a restricted fund.

**Segmentation grant fund** was formed from a grant received from the Home Office between 2015-2017 for a project to test the application and measurable impact of the serious and organised crime public intervention model. After discussing the fund with the Home Office, it was agreed the unspent fund would be returned to the Home Office and the fund wound up.

**Care Quality Commission (CQC) leaflet and survey fund** was formed from money received in September 2015 from the CQC for the charity to deliver a survey and leaflet distribution on behalf of the CQC. After discussing the fund with the CQC, it was agreed the fund could be transferred to general funds.

## 12. Operating leases

The charity had one operating lease at the balance sheet date, for rented office space. The minimum non-cancellable lease payments are:

	31 March 2020	31 March 2019
Not later than one year	8,400	14,874
Later than one year and not later than 5 years	-	655

### 13. Prior year comparatives

#### Statement of Financial Activities for year ended 31 March 2019

	Notes	Unrestricted funds	Restricted funds	Total
<b>Income from:</b>				
Charitable activities		640,000	45,000	685,000
Other trading activities		83,064	48,412	131,476
Investments		577	-	577
<b>Total income</b>		<b>723,641</b>	<b>93,412</b>	<b>817,053</b>
<b>Expenditure on:</b>				
Charitable activities		450,485	78,128	528,613
Raising funds		36,275	-	36,275
<b>Total expenditure</b>		<b>486,760</b>	<b>78,128</b>	<b>564,888</b>
<b>Net income</b>		<b>236,881</b>	<b>15,284</b>	<b>252,165</b>
Transfers between funds		(3,000)	3,000	-
<b>Net movement in funds</b>		<b>233,881</b>	<b>18,284</b>	<b>252,165</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		172,209	13,670	185,879
<b>Total funds carried forward</b>		<b>406,090</b>	<b>31,954</b>	<b>438,044</b>