

# The Involve Foundation

## Report and Audited Financial Statements

### 31 March 2019

Company no. 5669443

Charity no. (England & Wales) 1130568

Charity no. (Scotland) SC047314

# Reference and Administrative Details

For the year ended 31 March 2019

Company number	5669443
Charity numbers	1130568 and SC047314
Registered office and operational address	18 Victoria Park Square, London, E2 9PF
Trustees	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <p>Claire Ainsley (appointed 8 April 2019)  Edward Cox (appointed 5 June 2019)  Jessica Greenhalf (resigned 17 June 2019)  Ed Mayo (resigned 24 July 2019)  Julie Mellor  Golam Morshed  Patrick Middleton (resigned 28 June 2018)  Paul Skidmore  Sharon Squires (appointed 8 April 2019)  Jack Stilgoe (resigned 17 June 2019)  Catarina Tully (resigned 17 June 2019)</p>
Company Secretary	Tim Hughes
Key management personnel	<p>Tim Hughes (Director)  Clive Mitchell (Head of Operations)</p>
Bankers	<p>Unity Trust Bank, 9 Brindley Place, Birmingham, B1 2HB</p> <p>CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET</p>
Auditors	<p>Godfrey Wilson Limited  Chartered Accountants and Statutory Auditors  5th Floor Mariner House, 62 Prince Street, Bristol BS1 4QD</p>

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 March 2019.

The reference and administrative details set out on page 1 form 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, activities, achievements, and performance

Involve's vision is of a democracy that works for people, by sharing power and solving problems. Our mission is to bring citizens and decision-makers together to tackle our toughest challenges.

We believe that decision-making needs to be more:

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

In 2017 we embarked on a new strategy to deepen the way that democracy is understood and practiced in the UK to reflect these principles. This identified the need for us to work across the areas of **agenda setting**, **coalition building** and **participation practice** in order to develop:

- **New innovations** – to demonstrate better ways of doing democracy;
- **New institutions** – to embed those innovations in the fabric of our democracy; and
- **New norms** – to deepen how people understand and talk about democracy.

The strategy supports our core charitable objectives, which are:

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

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.

We have continued to pioneer participatory processes that involve people in decisions that affect their lives. From involving young people in influencing policy and service delivery on youth mental health, to bringing residents into national government to help shape policy on the safety of high-rise buildings, 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 on decisions in the fields of data and science innovation. These fast-paced technologies will have deep impacts on how we live our lives. Our work shows how the public can be involved in shaping them in a responsible way.

Highlights of our work in 2018/19 include:

**The Citizens' Assembly on Social Care** – Commissioned by two Select Committees of the House of Commons (the Health and Social Care Select Committee and the Housing, Communities and Local Government Select Committee), the Assembly brought together 47 randomly selected members of the public from across England, who met over two weekends in April and May 2018. The Assembly's recommendations were reflected in the Select Committees' report on the future funding of adult social care in England.

**The Citizens' Assembly for Northern Ireland** – Held in October and November 2018—and made up of 75 people from across Northern Ireland—the Assembly explored how the social care system for older people could be reformed to be fit for the future. The Assembly agreed 3 high-level resolutions and made 27 recommendations, which were then passed to the Department of Health for consideration. A survey of MLAs found that 52% agreed (compared to 19% who disagreed) that “A future Executive

should pay close attention to the findings of the Citizens' Assembly for Northern Ireland pilot on social care”.

**Scotland's priorities for funding the agricultural sector post-brexite** – Involve, with Mark Diffley Consulting and Research, were commissioned by the Scottish Government to engage a cross-section of the Scottish public on their attitudes, value and priorities for farming, agricultural environments and support for rural communities. The work included two, weekend-long deliberative Citizens' Forums, which were led by Involve. The outputs will help to inform Scottish Government policy in this area.

**Young people taking the lead in tackling mental ill-health** – Working with our project partners Leaders Unlocked, we completed the second round of the MH:2K programme, in Birmingham, Central Lancashire, North Tyneside, and Nottingham and Nottinghamshire. This brought the total number of young people involved in MH:2K to-date to over 3,400, including the 127 diverse young people who led the work as Citizen Researchers in their area, making it the biggest youth-led project on mental health ever undertaken in the UK. In November 2018, the Citizen Researchers launched MH:2K's recommendations to an audience of over one hundred national stakeholders in Parliament.

**Tackling complex issues in science, technology and data** – We've continued our successful role in supporting the UK Government to deliver, and independently assure, its **Sciencewise** programme. Since it started in 2004, Sciencewise has run over 50 public dialogues on a wide range of science and technology policy issues. Dialogues in 2018/19 included genome editing, clean growth, and human augmentation.

We worked with Deepmind to run a series of stakeholder roundtables that explored the different frames that people are using to understand the impact of **Artificial Intelligence** and the role the public must play in the development of these technologies.

Involve has been working with the Home Office on its National Law Enforcement **Data** Programme, facilitating workshops involving the Home Office and civil society organisations. The purpose has been to establish a productive space for constructive conversations about the implications of the programme. It is an example of an open policy process, designed to ensure that policy is informed and scrutinised from a range of perspectives.

We worked with the Open Data Institute (ODI) to explore what assurances the public need around how their data could be governed through **data trusts**. A data trust takes the concept of a legal trust and applies it to data. They operate by allowing individuals or organisations to entrust control of some of their data to the trust, which then takes decisions on the use of the data on their behalf. Our work with the ODI involved

designing a decision-making process for a data trust pilot to enable it to take open and deliberative decisions.

**Embedding change** - Since 2012 we have coordinated the UK Open Government Network (OGN) – a coalition of citizens and civil society organisations campaigning for open government in the UK. The OGN – and its sister networks in Northern Ireland, Scotland and Wales – collaborate with and challenge the governments of the UK to develop and implement ambitious open government reforms through the UK’s membership of the Open Government Partnership. Over the course of 2018, the OGN and UK Government worked together to develop the UK National Action Plan for Open Government 2019-21, which was published to coincide with the 2019 Open Government Summit hosted by the Canadian government and civil society.

## 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.

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, in order to shift the narrative about democracy and embed the principles of openness, participation and deliberation within institutions. Building the resources and capacity to achieve this will continue to be a significant focus for us over the coming year.

Over the next year we plan to make progress towards our vision by:

- Identifying and evidencing the problems that our target audiences care about and that our vision will solve
- Identifying the innovations and asks that can best progress change towards our vision right now
- Building the evidence for our vision and asks
- Building and mobilising support for our vision and asks
- Building profile for our vision and asks
- Taking advantage of opportunities to create change.

# Financial review

2018/19 has been a successful year in terms of our funding. Significant sources of funding included the Citizens' Assembly on Social Care, the Citizens' Assembly for Northern Ireland, Sciencewise, roundtables on Artificial Intelligence for Deepmind, and our open space work for the Home Office.

At 31 March 2019 Involve had total funds of £241,016 (2018: £210,650), of which £104,501 were general funds, with the balance being our designated fund of £40,500 and restricted funds of £96,015. 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 from the Joseph Rowntree Charitable Trust (£30,000 of which we received in 2018/19). In 2018 we successfully applied for further unrestricted core funding from the Joseph Rowntree Charitable Trust, amounting to £150,000 covering a period of three years from January 2019 (£12,500 of this grant was received during 2018/19).

Looking ahead to the future, our strategy is to continue to re-balance our sources of funding and generate a higher proportion of core funding. This will help us to sustain focus on our strategic goals.

## Reserves policy

Involve has one designated fund, which we hold as a reserve. At 31 March 2019, this fund held £40,500. We hold this in a deposit account with the CCLA, which is a charity fund manager that invests its clients' funds in various ways. Other than the CCLA account, trustees have decided not to have any investments.

The purpose of the designated fund is to enable Involve to weather shocks and remain resilient, and (if necessary) close the organisation with honour. The target level of this reserve is currently £70k, being equivalent to one month's overheads plus redundancy costs. The current level of the designated fund is £40,500. We will be reviewing our reserves policy in 2019, including the basis for calculating the target level, and will adjust the reserves level if necessary.

Trustees have identified that, over the longer term, Involve should build a higher level of reserves, in order to support our strategic objectives.

## Going concern

In the opinion of the trustees, Involve is a going concern. We have been successful this year with fundraising. We have also continued to manage our core costs, for example by employing additional staff on a temporary basis to manage peaks in demand.

Looking ahead, we have recently secured a commission from the government to deliver a major Innovations in Democracy programme in local government in 2019/20, in partnership with The Democratic Society, the RSA, and mySociety. We have a pipeline of potential funding and we continue to actively seek both consultancy and grant funding. Involve has a long-standing and successful track record of securing income to deliver our charitable objectives.

## Fundraising policy

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, The Involve Foundation does not engage in activities which solicit funds from the public via, for example, phone calls or face to face campaigns. For that reason it is not currently registered with The Fundraising Regulator, but this may change over the coming years as the fundraising strategy develops. The Involve Foundation did not receive any complaints about its fundraising.

## 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.

- **Sustainable funding** – Our organisational strategy requires us to work in some new ways. It also implies a shift in our sources of funding, with more core funding and less ad hoc, reactive funding. We are making some progress with these transitions, including our successful re-application in 2018 for a core-funding grant. We have also been successful in attracting some significant funding to deliver projects that are on strategy. As a result, we can choose which pieces of tendered work we go for in terms of their strategic fit. In 2019/20 we will continue to focus on attracting more significant core funding, and we will be further exploring our strategic role and organisational model.



- **Political uncertainties and instability at a national UK level, given the context of brexit** – A significant proportion of our work and our funding involves engagement with government organisations, at various levels. We are managing this risk in various ways: seeking to build our core-funding base and looking to grow our reserves where possible. The uncertain political landscape also presents opportunities, including a renewed appetite for more deliberative forms of democracy. Involve’s strong reputation in this field means that we are well placed to respond to the opportunities.
- **Capacity to respond to demand and deliver projects** – We manage this risk in several ways: by paying careful attention to the way we manage staff and the way we support their development and career progression, by regularly reviewing capacity and matching this to opportunities, by making temporary appointments to manage peaks in demand, and by working with our Associates and partnering with other organisations where appropriate. We are also exploring if we should have a role in supporting capacity-building in the wider participation sector, and how we might do that.

## 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 2019 there were 7 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. During 2018/19 the Board had one sub-committee, a Finance and Audit Sub-Committee, chaired by the Treasurer, which met quarterly in advance of the Board meeting.

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

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

## Recruitment and appointment of trustees

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

Due to the nature of Involve's work, which is oriented towards participation, democratic practice and building capacity, the trustees have agreed that suitably experienced individuals are required to exercise adequate governance. Trustees identify potential new Board members through relevant networks and contacts and by open recruitment, followed by interview. When appointing new members, trustees look for a commitment to Involve's mission and attempt to achieve a balance of skills and experience on the Board. Trustees had identified that we need to continue to strengthen the diversity of our Board.

Three of our trustees, including our Chair, came to the end of their six-year terms in 2019. We therefore undertook a round of trustee recruitment early in 2019, and have appointed three new trustees.

## 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 2018/19, and details of our Associates and partner organisations, is available on our website: [www.involve.org.uk](http://www.involve.org.uk).

Involve has an established conflicts of interest policy for trustees. Trustees, and senior management staff, are required to complete an annual declaration of interests. Declaring interests is a standing item at the start of all Board and committee meeting agendas. The policy outlines how any interests are then handled at the meeting, guided by the overall principle that trustees should not be able to unduly influence decision-making on issues where they have an interest. Note 17 in the notes to the financial statements provides details of related party transactions in the financial year ending 31 March 2019. Our new Chair, Edward Cox, is a Director at the RSA. We are partnering with the RSA on our Innovations in Democracy programme. One of our other new trustees, Claire Ainsley, is Executive Director at the Joseph Rowntree Foundation. We are being funded by the Joseph Rowntree Foundation in 2019/20, for a project on in-work poverty.

## 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 2019/20. We reviewed our staff development and appraisal process, and introduced a new process, in 2018/19.

# Statement of responsibilities of the trustees

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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 £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

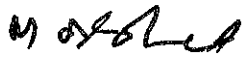
## Auditors

Godfrey Wilson Limited were 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 12 September 2019 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Ed Cox'.

Ed Cox, Chair

A handwritten signature in black ink, appearing to read 'Golam Morshed'.

Golam Morshed, Treasurer

## **Independent auditors' report**

**To the members of**

**The Involve Foundation**

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### **Opinion**

We have audited the financial statements of The Involve Foundation (the 'charity') for the year ended 31 March 2019 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 2019 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**

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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.

### **Other matter**

The financial statements for the year ended 31 March 2018 were not audited because the charitable company was below the audit threshold.

### **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

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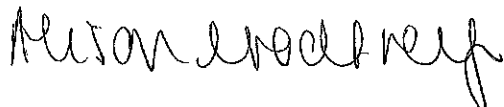
#### **Our responsibilities for the audit of the financial statements**

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](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 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.



Date: 19 SEPTEMBER 2019

**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 2019**

	Note	Restricted £	Unrestricted £	2019 Total £	2018 Total £
<b>Income from:</b>					
Donations		-	320	<b>320</b>	100
Charitable activities	3	436,941	625,649	<b>1,062,590</b>	744,341
Investments		-	193	<b>193</b>	95
<b>Total income</b>		<u>436,941</u>	<u>626,162</u>	<u><b>1,063,103</b></u>	<u>744,536</u>
<b>Expenditure on:</b>					
Raising funds		-	49,540	<b>49,540</b>	55,116
Charitable activities		<u>517,116</u>	<u>466,081</u>	<u><b>983,197</b></u>	<u>642,103</u>
<b>Total expenditure</b>	5	<u>517,116</u>	<u>515,621</u>	<u><b>1,032,737</b></u>	<u>697,219</u>
<b>Net income / (expenditure)</b>		(80,175)	110,541	<b>30,366</b>	47,317
Transfers between funds		<u>63,733</u>	<u>(63,733)</u>	-	-
<b>Net movement in funds</b>	6	(16,442)	46,808	<b>30,366</b>	47,317
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>112,457</u>	<u>98,193</u>	<u><b>210,650</b></u>	<u>163,333</u>
<b>Total funds carried forward</b>		<u><u>96,015</u></u>	<u><u>145,001</u></u>	<u><u><b>241,016</b></u></u>	<u><u>210,650</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 14 to the accounts.

**The Involve Foundation**

**Balance sheet**

**As at 31 March 2019**

	Note	£	2019 £	2018 £
<b>Fixed assets</b>				
Tangible assets	9		9,017	-
<b>Current assets</b>				
Debtors	10	205,294		148,204
Cash at bank and in hand		<u>179,749</u>		<u>152,104</u>
		385,043		300,308
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	11	<u>(153,044)</u>		<u>(89,658)</u>
<b>Net current assets</b>			<u>231,999</u>	<u>210,650</u>
<b>Net assets</b>	13		<u>241,016</u>	<u>210,650</u>
<b>Funds</b>				
Restricted funds	14		96,015	112,457
Unrestricted funds				
Designated funds			40,500	40,307
General funds			<u>104,501</u>	<u>57,886</u>
<b>Total charity funds</b>			<u>241,016</u>	<u>210,650</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 12 September 2019 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 2019**

	<b>2019</b>	2018
	£	£
<b>Cash used in operating activities:</b>		
Net movement in funds	<b>30,366</b>	47,317
<i>Adjustments for:</i>		
Depreciation charges	<b>1,454</b>	157
Dividends, interest and rents from investments	<b>(193)</b>	(95)
Decrease / (increase) in debtors	<b>(57,090)</b>	(72,726)
Increase / (decrease) in creditors	<b>63,386</b>	27,292
<b>Net cash provided by / (used in) operating activities</b>	<b>37,923</b>	1,945
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	<b>193</b>	95
Purchase of tangible fixed assets	<b>(10,471)</b>	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(10,278)</b>	95
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>27,645</b>	2,040
Cash and cash equivalents at the beginning of the year	<b>152,104</b>	150,064
<b>Cash and cash equivalents at the end of the year</b>	<b>179,749</b>	152,104

## The Involve Foundation

### Notes to the financial statements

For the year ended 31 March 2019

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

##### b) Going concern basis of accounting

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

##### c) Income

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of consultancy services is deferred until criteria for income recognition are met.

##### d) Donated services and facilities

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

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

##### e) Interest receivable

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

## The Involve Foundation

### Notes to the financial statements

For the year ended 31 March 2019

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#### 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:

	2019	2018
Raising funds	11.0%	16.6%
Charitable activities	89.0%	83.4%

##### i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

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 2019**

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#### **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 2019

2. Prior period comparatives

	Restricted £	Unrestricted £	2018 Total £
<b>Income from:</b>			
Donations	-	100	100
Charitable activities	314,639	429,702	744,341
Investments	-	95	95
<b>Total income</b>	<b>314,639</b>	<b>429,897</b>	<b>744,536</b>
<b>Expenditure on:</b>			
Raising funds	-	55,116	55,116
Charitable activities	295,510	346,593	642,103
<b>Total expenditure</b>	<b>295,510</b>	<b>401,709</b>	<b>697,219</b>
<b>Net income / (expenditure)</b>	<b>19,129</b>	<b>28,188</b>	<b>47,317</b>
Transfers between funds	3,470	(3,470)	-
<b>Net movement in funds</b>	<b>22,599</b>	<b>24,718</b>	<b>47,317</b>

3. Income from charitable activities

	Restricted £	Unrestricted £	2019 Total £
Grant income*	436,941	42,500	479,441
Consulting income	-	576,989	576,989
Training	-	6,160	6,160
<b>Total income from charitable activities</b>	<b>436,941</b>	<b>625,649</b>	<b>1,062,590</b>

\* The unrestricted grant income of £42,500 is funding received from the Joseph Rowntree Charitable Trust as a contribution to core costs.

Prior period comparative:

	Restricted £	Unrestricted £	2018 Total £
Grant income	314,639	30,000	344,639
Consulting income	-	397,535	397,535
Training	-	2,167	2,167
<b>Total income from charitable activities</b>	<b>314,639</b>	<b>429,702</b>	<b>744,341</b>

## The Involve Foundation

### Notes to the financial statements

#### For the year ended 31 March 2019

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#### 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 2019 was £52,000 (2018: £78,000). There are no unfulfilled conditions or contingencies attaching to these grants.

#### 5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2019 Total £
Direct costs	-	527,879	-	<b>527,879</b>
Grants payable*	-	1,610	-	<b>1,610</b>
Staff costs (note 7)	19,308	259,254	142,993	<b>421,555</b>
Other staff costs	-	-	2,830	<b>2,830</b>
Premises costs	-	-	25,799	<b>25,799</b>
Office and IT costs	-	-	17,169	<b>17,169</b>
Other costs	6,372	-	24,570	<b>30,942</b>
Trustee meeting costs	-	-	553	<b>553</b>
Audit fees	-	-	4,400	<b>4,400</b>
<b>Sub-total</b>	<b>25,680</b>	<b>788,743</b>	<b>218,314</b>	<b>1,032,737</b>
Allocation of support and governance costs	<u>23,860</u>	<u>194,454</u>	<u>(218,314)</u>	<u>-</u>
<b>Total expenditure</b>	<b><u>49,540</u></b>	<b><u>983,197</u></b>	<b><u>-</u></b>	<b><u>1,032,737</u></b>

*\*the total of grants payable in 2019 and 2018 was to Leaders Unlocked.*

Total governance costs were £12,584 (2018: £2,912).



**The Involve Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2019**

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**5. Total expenditure (continued)**

<b>Prior period comparative</b>	<b>Raising funds</b>	<b>Charitable activities</b>	<b>Support and governance costs</b>	<b>2018 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Direct costs	-	233,759	-	233,759
Grants payable	-	86,254	-	86,254
Staff costs (note 7)	19,883	154,684	126,755	301,322
Other staff costs	-	-	648	648
Premises costs	-	-	14,593	14,593
Office and IT costs	-	-	23,294	23,294
Other costs	1,817	-	32,620	34,437
Trustee meeting costs	-	-	337	337
Independent examination	-	-	2,575	2,575
Sub-total	21,700	474,697	200,822	697,219
Allocation of support and governance costs	33,416	167,406	(200,822)	-
Total expenditure	55,116	642,103	-	697,219

## The Involve Foundation

### Notes to the financial statements

#### For the year ended 31 March 2019

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#### 6. Net movement in funds

This is stated after charging:

	2019 £	2018 £
Depreciation	1,454	157
Operating lease payments	19,923	-
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	57	176
Independent examiner's remuneration:		
▪ Independent examination (excluding VAT)	-	2,575
▪ Other services	-	5,998
Auditors' remuneration:		
▪ Statutory audit (excluding VAT)	4,400	-
▪ Other services	6,610	-
	<u>6,610</u>	<u>-</u>

Trustees' reimbursed expenses relate to payments made to 1 (2018: 1) trustee for reimbursed travel expenses.

#### 7. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	373,432	267,258
Social security costs	35,812	24,506
Pension costs	12,311	9,558
	<u>421,555</u>	<u>301,322</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 £85,563 (2018: £78,877).

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

	2019 No.	2018 No.
Average head count	<u>11.30</u>	<u>8.30</u>

#### 8. 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 2019

9. Tangible fixed assets

	Website £	Computer and office equipment £	Total £
<b>Cost</b>			
At 1 April 2018	-	2,746	2,746
Additions in year	10,471	-	10,471
Disposals	-	(2,746)	(2,746)
	<u>10,471</u>	<u>-</u>	<u>10,471</u>
At 31 March 2019	<u>10,471</u>	<u>-</u>	<u>10,471</u>
<b>Depreciation</b>			
At 1 April 2018	-	2,746	2,746
Charge for the year	1,454	-	1,454
On disposals	-	(2,746)	(2,746)
	<u>1,454</u>	<u>-</u>	<u>1,454</u>
At 31 March 2019	<u>1,454</u>	<u>-</u>	<u>1,454</u>
<b>Net book value</b>			
<b>At 31 March 2019</b>	<u><u>9,017</u></u>	<u><u>-</u></u>	<u><u>9,017</u></u>
At 31 March 2018	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

10. Debtors

	2019 £	2018 £
Trade debtors	126,919	124,702
Prepayments	1,938	19,495
Accrued income	74,707	4,007
Other debtors	1,730	-
	<u>205,294</u>	<u>148,204</u>

11. Creditors : amounts due within 1 year

	2019 £	2018 £
Trade creditors	68,642	3,432
Accruals	31,472	42,069
Other taxation and social security	48,074	31,618
Deferred income (see note 12)	1,000	8,724
Other creditors	3,856	3,815
	<u>153,044</u>	<u>89,658</u>

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2019

12. Deferred income

	2019 £	2018 £
At 1 April 2018	8,724	11,578
Released during the year	(8,724)	(11,578)
Deferred during the year	<u>1,000</u>	<u>8,724</u>
At 31 March 2019	<u><u>1,000</u></u>	<u><u>8,724</u></u>

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

13. Analysis of net assets between funds

	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>
<b>Net assets at 31 March 2019</b>	<u><b>96,015</b></u>	<u><b>40,500</b></u>	<u><b>104,501</b></u>	<u><b>241,016</b></u>
<b>Prior period comparatives</b>				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Current assets	112,457	40,307	147,544	300,308
Current liabilities	<u>-</u>	<u>-</u>	<u>(89,658)</u>	<u>(89,658)</u>
<b>Net assets at 31 March 2018</b>	<u><b>112,457</b></u>	<u><b>40,307</b></u>	<u><b>57,886</b></u>	<u><b>210,650</b></u>

**The Involve Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2019**

**14. Movements in funds**

	At 1 April 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2019 £
<b>Restricted funds</b>					
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)	-	<b>1,523</b>
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)	-	<b>6,555</b>
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)	-	<b>35,683</b>
Citizens Convention on UK Democracy	-	9,000	(6,746)	-	<b>2,254</b>
Innovation in Democracy	-	50,000	-	-	<b>50,000</b>
<b>Total restricted funds</b>	<b>112,457</b>	<b>436,941</b>	<b>(517,116)</b>	<b>63,733</b>	<b>96,015</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Stability fund	40,307	193	-	-	<b>40,500</b>
<i>Total designated funds</i>	<b>40,307</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>40,500</b>
General funds	57,886	625,969	(515,621)	(63,733)	<b>104,501</b>
<b>Total unrestricted funds</b>	<b>98,193</b>	<b>626,162</b>	<b>(515,621)</b>	<b>(63,733)</b>	<b>145,001</b>
<b>Total funds</b>	<b>210,650</b>	<b>1,063,103</b>	<b>(1,032,737)</b>	<b>-</b>	<b>241,016</b>

**Transfers between funds**

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

**Purposes of restricted funds**

Potter Open Government Network This was a grant to audit the openness of UK government and agree the advocacy priorities of the Open Government Network.

## The Involve Foundation

### Notes to the financial statements

For the year ended 31 March 2019

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#### 14. Movements in funds (continued)

##### Purposes of restricted funds (continued)

Wellcome Young People and Mental Health	The MH:2K pilot project has developed an innovative, youth-led model for influencing research and decision-making around youth mental health prevention, support and services.
Ministry of Justice - Teeside Reform Prisons	This Ministry of Justice-funded project has enabled us to work with two Reform Prisons in North East England, to support them to become more open and accountable organisations.
Big Lottery Fund (via Scottish Council for Voluntary Organisations)	This was a grant, in partnership with the Scottish Council for Voluntary Organisations, Welsh Council for Voluntary Action and Northern Ireland Environment Link, to build the capacity of citizens and civil society across the United Kingdom to contribute and input to policy-making and service delivery in progressing the UN Sustainable Development Goals (SDGs).
MH:2K Mental Health Project - Round 2	An innovative, youth-led approach to influencing decision-making around youth mental health prevention, support and services, in four areas in England.
The Building Change Trust - Deliberative Democracy Training	Delivery of training on deliberative public engagement for public sector and civil society organisations in Northern Ireland.
The Building Change Trust - Citizens' Assembly for Northern Ireland	The Citizens' Assembly for Northern Ireland will put Northern Irish citizens at the heart of decision making on an important regional issue. The Assembly will consist of 50 to 100 citizens selected to be broadly representative of the Northern Irish population. It will meet over two weekends in Autumn 2018 to consider and give recommendations on an issue of regional significance (to be selected in due course).
Citizens Assembly on Social Care	An assembly of just under 50 English citizens, selected to be representative of the broader population, which considered the best way to sustainably fund adult social care in England in the long term.
Coalition for Deliberative Democracy	Development of a coalition of senior leaders in favour of deliberative democracy, including research into stakeholders' current views, attitudes and needs.
Citizens Convention on UK Democracy	Scoping and development of a Citizens' Convention on UK Democracy.
Innovation in Democracy	Trialling the involvement of citizens in decision-making at local government level through innovative models of deliberative democracy.

The Involve Foundation

Notes to the financial statements

For the year ended 31 March 2019

14. Movements in funds (continued)

Purposes of designated funds

Stability fund

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

Prior period comparatives

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

## The Involve Foundation

### Notes to the financial statements

For the year ended 31 March 2019

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#### 15. Financial instruments

	2019	2018
	£	£
Financial assets measured at amortised cost	383,105	280,814
Financial liabilities measured at amortised cost	<u>(103,970)</u>	<u>(49,316)</u>

Financial assets measured at amortised cost comprise cash, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

#### 16. Operating lease commitments

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

	2019	2018
	£	£
Amount falling due:		
Within 1 year	5,308	-
Within 1 - 5 years	<u>-</u>	<u>-</u>
	<u>5,308</u>	<u>-</u>

#### 17. Related party transactions

Julie Mellor, a trustee, is also a trustee of NESTA, from whom Involve received £2,000 (2018: £nil) in the financial year ending 31 March 2019.

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 £15,785 to The Young Foundation (2018: £10,113).