

New Economy Organisers Network

Annual Report and Financial Statements

31 December 2020

Company Limited by Guarantee
Registration Number
09712562 (England and Wales)

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Contents

Reports

Reference and administrative information	1
Directors' report	2
Independent auditor's report to the board of directors	10

Financial statements

Income and expenditure account	15
Balance sheets	16
Notes financial statements	17
Detailed profit and loss account	25

Reference and administrative information

Directors	Victoria Cabral Paul Cotterill Chris Fairley Victoria Langer Ilyas Nagdee Adarsh Peruvamba Mehreen Rahman
Registered address	Oxford House Derbyshire Street Bethnal Green London United Kingdom E2 6HG
Company registration number	09712562
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Handelsbanken 3 Thomas More Square London E1W 1WY

Directors' report 31 December 2020

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The New Economy Organisers Network (NEON) is a network of activists working to build an economy based on social and environmental justice. Our members come from hundreds of trade unions, grassroots groups, non-governmental organisations (NGOs), faith-based campaigns, political parties and movements.

We run training, share skills and coordinate together on campaigns helping people to lead movements like Just Treatment (organising patients to fight for the NHS) through to working with our members to get over 1,500 media bookings across the UK's biggest TV/Radio outlets by the end of 2020. We're ambitious and the team is agile, fast paced and committed to actually changing things.

To build the power of movements for social and economic justice we organise our work around these goals:

Connect – we want to bring people together who aren't usually in the same room, working across many different issues and from many different struggles because together there is strength. In particular, we want to build the power of campaigners and organisers from groups most often affected by injustice to help change the leadership of our movements.

Focus – is about how we support our members' work to transform our social and economic systems through prioritising key battles. Our aim is to help members work together to win bigger change on key battleground issues, such as health and precarious work.

Build – means supporting the development of key institutions that underpin the wider progressive movement. The range and diversity of groups needed is wide – from campaign groups to policy or training institutes. We help our members develop excellent institutions and structures that support them.

To build a culture and community that lasts, we organise around three values:

Solidarity – we're here to change the systems and that requires working together across issues and sectors that aren't normally in the same room. This means placing anti-oppression at the heart of our work and building the power of people most often affected by injustice to change the leadership of our movements.

Generosity - is about sharing our time, resources and learning with one another as we support each other's work. It means being open and honest with one another, especially when we hit problems, and thinking creatively about how we positively built from there.

Respect - is the bottom line for all relationships in NEON. It means being respectful of different backgrounds and life experiences and giving space for all voices to be heard. This often means listening more than we talk and being open to changing ourselves as a result of what we hear.

PRINCIPAL ACTIVITIES (continued)

Our objectives

The objectives of NEON are to advance any charitable, benevolent or philanthropic purpose including without limitation promoting awareness of the impact of the economic system on poverty, inequality and social and environmental justice.

Our work in 2020

2020 was a strange year. From the pandemic and it's fallout, to the wild fires, floods, and the violence of the far right, we continue to come face to face with a system that's designed to fail the people who live within it. The impacts of these failures are playing out in real time, and are getting worse.

And yet there is much to be proud of! The incredible solidarity and bravery shown by organisers around the world standing up to and beating back the far right, the hundreds of thousands of nurses, doctors and frontline workers who have cared for society and for one another. The world is a much better place because of the work that our communities have done. In that spirit we want to share 10 examples of things we're proud of that the NEON community has done over the last 12 months:

1. This year the Spokesperson's Network got over 1,500 TV/Radio bookings putting social, economic and environmental justice in front of tens of millions, most of them delivered by women and People of Colour. Some of our favourites were Bella Sankey correcting Julia Hartley-Brewer on immigration law that got viewed over a million times, Miriam Brett on Question Time talking about track and trace consultants versus nurses' salaries, Fatima Ibrahim calling for stronger climate action on the Today Programme, Dalia Gebrial shutting down Culture Wars framing on Politics Live, and a specially trained cohort of doctors and nurses (like Dr Sonia Adesara) who from the start of the pandemic were carrying out constant media advocacy work to push for a more effective response from the government to the crisis. We welcomed 60 new spokespeople and saw a new Spokes network launch by allies in Australia. Together we're changing who is in the news and what's said.

2. The movement for Black lives was amongst the biggest uprisings in the UK – and in other parts of the world. We are proud to be supporting some of the organisers who made this happen in the UK, from coaching and supporting TNA (Tribe Named Athari) who organised a number of the biggest protests, to media training for BLM UK and getting over 50 bookings for the cause in June alone. This is on top of the great work of KIN, one of a number of groups we are proud to incubate at NEON.

3. Nurses United and front line workers have been winning battles on PPE, rights at work, and the future of the NHS: they've run two sets of protests in 36 cities around the UK, support a Facebook group of over 83k nurses and launched amazing campaigns on PPE, pay for nurses and a new Nurses of Colour network to fight the injustice. We're proud to have incubated Nurses United and supported frontline workers with spokes training alongside the groundbreaking patient organising of groups like Just Treatment on global fair access to the vaccine. Collectively they're building a mandate for a substantially better funded NHS that can focus on the root causes of ill health.

PRINCIPAL ACTIVITIES (continued)

Our work in 2020 (continued)

4. Together, the NEON staff and community helped set the public narrative on key Covid-19 battlegrounds in public debate: this started early on with a core Covid-19 messaging doc accessed thousands of times and written within hours of the lockdown being announced - with messaging that emphasised the disproportionate impacts of the crisis on communities of colour, pointing to the shaky foundations of the UK economy as a reason for our world-losing Covid response - phrases repeated often across the media. We worked with NEF on polling which showed that just 6% of the public wanted to return to the old economy making national headlines. This message discipline is showing that together we can change the terms of debate on key economic and social issues.

5. We trained 50 exhausted but enthusiastic health workers, activists and policymakers from the health movement: on how to take a step back, take stock and reflect on the movement, switching much of our work online; we also ran over 15 webinars for groups across the movement in response to the pandemic on topics such as mutual aid, fundraising, online facilitation and activism in a crisis. And working with Align, to publish a report on how social movements are responding to Covid.

6. Members of NEON helped keep climate high on the agenda ahead of COP 2021 as a key plank of the recovery in a year it could have been lost: coming hot on the heels of our help for the climate debate in last year's election, we worked with the Build Back Better coalition to keep green jobs and bold climate targets on the political radar. We trained dozens of climate and environment spokespeople from both the UK and across the world and we were part of the team who delivered the Framing Climate Justice project. We've also started working with the COP Coalition ahead of next year's climate talks in Glasgow - and we'll be training up activists, comms professionals and others to ensure our movement is as strong as possible as the climate roadshow comes to town.

7. Over 100 activists are delivering better comms during the pandemic as part of the progressive communications network we run. From comment piece writing with the Guardian, to proofreading and creating perfect press releases - we moved our trainings online quickly, and gave people the skills they needed to do better comms; these press officers were involved in some big things too - from the University of London cleaners winning a 10 year outsourcing battle, to pushing for the Government to introduce a ban on petrol and diesel cars to campaigning against the migrant health surcharge.

8. Before the first lockdown had even begun we were supporting the development of what would become a national network of thousands of Mutual Aid groups: providing critical support in their communities to people who were shielding and self-isolating, and fundamentally shifted the pandemic narrative from self-interested toiletpaper riots among the supermarket shelves, to community resilience, solidarity and interdependence. We handled all the media requests for the fledgling network, and programmed a series of webinars specifically aimed at boosting skills and capacity for the newly formed groups.

PRINCIPAL ACTIVITIES (continued)

Our work in 2020 (continued)

9. NEON has doubled in size to continue supporting incredible movements: this year we welcomed 9 new staff members taking our total to 15 people including our new joint exec director structure, a restructure around comms and movement building, a new larger core hub to underpin our org development all so that we're ready in 2021 to meet the huge surge in demands and requests we're seeing from the movements we work with.

10. We did all of this whilst putting radical care for our people at the forefront: Started by Charlotte Millar who has now handed over the Exec Director: Org Dev mantle to Rachel Diamond-Hunter, we have redoubled our commitment to building NEON and doing our work right. That means systems and processes that are human-centred, it means anti-oppression and liberatory practice built into all this work from the start, and thinking creatively and radically about what it means to work in 2020. Over the next year, we're hoping to be able to start sharing some of the policies and practices we're experimenting with so we can make working in progressive orgs a better experience than it often is.

2020 has been a hard year for so many of us - in activism and our own lives. We write this list to give you some hope and pride in the work we do together and to know that we are making a difference.

Incubated Organisations

During this time we also continued to support our three incubated groups - for whom we provide coaching and back-end services for a small 5% service charge. These groups bring in their own funds which we host and are accounted for in these accounts. In 2020 these groups were Just Treatment, Nurses United and Kin.

Kinfolk Network (KIN) formally left the incubation programme in April 2021 and is currently running as a separate entity. We have now begun incubating a new organisation Breathe which focuses on climate justice and community organising.

Of the overall income received £289,845 (2019: £130,979) was raised by our incubated organisations, any income related to incubated organisations are treated as separate from NEON core income. And grants to incubated organisations are reported separately to NEON grants (unless stated otherwise in the contract).

In 2020, the income raised by incubated organisations is as follows:

- Just Treatment - £176,089
- KIN - £60,000
- Nurses United - £53,756

Overall expenditure for incubated organisations in 2020 is £233,281 (as stated in the income and expenditure account) up from £106,423 in 2019.

PRINCIPAL ACTIVITIES (continued)

NEON in 2021

We have big plans for 2021 and here's some highlights:

- We'll be launching revamped versions of our coaching and messaging programmes next year;
- We'll be launching two new programmes: *Transformative Organising* training packed with skills for groups building power on the frontline and *Strategic Comms Support* that'll help movements build a plan to win longer term framing battles;
- This will all be underpinned by our key battlegrounds of Climate, Health, Housing and Migration

FINANCIAL REVIEW

Expenditure

NEON's core cost of programme delivery has fallen to £735,799 from £746,010 last year due to COVID restrictions moving our in-person events online. Our administrative expenses have risen to £403,361 (2019: £262,685) due to a planned expansion of our team from 8 to 15 members of staff at the end of 2020. A COVID adaption budget was implemented partway through the year to account for restrictions due to lockdown policies. We end the year in a healthy financial and organisational position with a positive cash flow. All grant related project deliverables were met in a timely manner.

Income

In 2020 we've seen our total revenue (including the incubated organisations) grow from £1.19M (2019) to £1.40M. We ended the year with a surplus of £259,368 (2019: £172,903), all surpluses generated will be used in line with our future planned activities and agreements with funders.

The increase in funding has been largely underpinned by new grants from Urban Movement Innovation and ECF, as well as by existing and renewed grants from the Lankelly Chase, KR Foundation, OSF, Friends Provident, Partners for a New Economy amongst others.

We also received grants for our incubated projects: Just Treatment received a renewed grant from the Open Society Foundation (formerly Open Society Institute), and a new grant from The Funding Network. KIN received grants from the National Lottery. Nurses United received a grant from OSF (Open Society Foundation), Funding for Social Change and the Guerilla Foundation.

Income and cost allocation

Our finances are split into projects (aligned to activity) and each project has a fixed contribution to core costs. There are currently 3 hubs in the organisation and 21 projects that sit within these hubs.

Grant income received is typically for the support of specific projects, as listed in note 3 to the financial statements. All spend is allocated to specific projects and income sources, in addition to cost code.

FINANCIAL REVIEW

Income and cost allocation (continued)

Where grant income is restricted to a specific cost within the project, (such as a staff member's salary) or has a further specific restriction, these terms are complied with and reported to each individual project funder.

Core operational and staff costs are calculated as an overhead for each project and costed into project budgets.

Cost Controls

Each project is forecasted, and a budget is created and monitored monthly to ensure the project is on target. This is overseen by the senior finance manager & executive director. It is reviewed on a quarterly basis by the team and board. Any costs over a certain value are separately authorised by an additional authorised staff member. Any variances to the budget must be authorised by a senior finance manager and executive director according to our policies.

Non-charitable income and activity

The vast majority of NEON's income are grants from charitable organisations and are tied exclusively to charitable activities. It is treated as restricted funding for accounting purposes. Income not in this category represented 8% (2019 - 6%) of total income during the period. Non-grant related income comes from three sources; training, consultancy, small & large donations without charitable restrictions.

All work on non-charitable activities carried out by staff was funded through income from non-charitable sources, and was controlled and monitored by using timesheets in a separate ring-fenced budget code. Similarly, all administrative and governance support for non-charitable activities was funded entirely through non-charitable income, with no impact on NEON's core operations or staff budget.

All of the activities we carry out further the objects of NEON, and are guided by our impartiality policy.

DIRECTORS

The directors who served the company during the year were as follows and were in post for the whole year unless otherwise noted:

Director	Appointed/resigned
Victoria Cabral	Appointed 29 January 2020
Paul Cotterill	
Sirio Canos Donnay	Resigned 29 January 2020
Chris Fairley	Appointed 29 January 2020
Victoria Langer	Appointed 29 January 2020
Ilyas Nagdee	Appointed 29 January 2020
Adarsh Peruvamba	Appointed 29 January 2020
Mehreen Rahman	Appointed 29 January 2020
Howard Reed	Resigned 29 January 2020
Wilfred Hyde Sullivan	Resigned 18 September 2020
Samuel Peter Tarry	Resigned 18 September 2020

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- ◆ the director has taken all the steps that they ought to have taken as a director in order to make their self aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report 31 December 2020

Small companies provisions statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Signed by the Board on 23 September 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Paul Cotterill', written in a cursive style.

Paul Cotterill

Director

**Independent auditor's report to the members of New Economy Organisers Network
the year ended 31 December 2020**

Opinion

We have audited the financial statements of New Economy Organisers Network (the 'company') for the year ended 31 December 2020 which comprise the income and expenditure account, the statement of financial position 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 company's affairs as at 31 December 2020 and of its surplus for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors 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 the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of similar entities;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud (continued)

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure;
- ◆ tested the implementation of key financial controls;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

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

Buzzacott LLP 24.9.2021

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Income and expenditure account for the year ended 31 December 2020

	Notes	2020 £	2019 £
Income	3	1,402,196	1,185,407
Cost of programme delivery	4	(735,799)	(746,010)
Gross surplus		666,397	409,524
Administrative expenses		(403,361)	(262,685)
Operating surplus		263,036	176,712
Interest payable and similar expenses		(3,668)	(3,809)
Surplus before tax	5	259,368	172,903
Taxation		—	—
Surplus for the financial year		259,368	172,903
Retained earnings brought forward		610,222	437,319
Surplus for the financial year		259,368	172,903
Retained earnings carried forward		869,590	610,222

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

In line with project delivery plans agreed with funders, the surplus mainly represents core and project funding carried forward for the work in 2021 and beyond.

Balance sheet 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	7	4,758	5,287
Tangible assets	8	15,192	12,228
		<u>19,950</u>	<u>17,515</u>
Current assets			
Debtors	9	2,301	1,305
Cash at bank and in hand		906,018	648,921
		<u>908,319</u>	<u>650,226</u>
Creditors: Amounts falling due within one year	10	<u>(58,679)</u>	<u>(57,519)</u>
Net current assets		<u>849,640</u>	<u>592,707</u>
Net assets		<u>869,590</u>	<u>610,222</u>
Capital and reserves			
Income and expenditure account	11	869,590	610,222
Total reserves		<u>869,590</u>	<u>610,222</u>

The directors have taken advantage of special exemptions conferred by Part 15 of the Companies Act 2006 and FRS 102 Section 1A applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company qualifies as a small company.

Approved and authorised by the Board on 23 September 2021 and signed on its behalf by:



Paul Cotterill

Director

Company registration number 09712562 (England and Wales)

1. General information

The company is a company limited by guarantee incorporated in England and Wales.

The address of its registered office and the principal place of business is:

Oxford House
Derbyshire Street
Bethnal Green
London
E2 6HG

The company has limited itself to not-for-profit activities as laid out in its articles and described in our principal activities above.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal account policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors considers that there is no material uncertainty about the company's ability to continue as a going concern. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts. In making this assessment, they have given consideration to the impact of Covid-19 on the operations and finances of the company and the existing level of reserves available to the company, as further detailed within the directors' report.

Statement of compliance

These financial statement have been prepared in accordance with Financial Reporting Standard 102 Section 1 A – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Basis of preparation

The financial statements are prepared in Sterling and rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

2. Accounting policies (continued)

Income recognition

Income comprises the consideration for the provision of services and income receivable under grant funding arrangements and the fair value of the consideration received or receivable for the provisions of services in the ordinary course of the company's activities. Revenue is shown net of sale/value added tax, returns, rebates and discounts.

Income from grants is recognised when entitlement is demonstrable, there is certainty regarding the amount and any conditions attached are wholly within the control of the Company. Where grants include performance conditions, the income is deferred until the performance conditions are met.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	20% reducing balance

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Asset transfer	10% reducing balance

2. Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Notes to the financial statements 31 December 2020

3. Income

	31 December 2020 £	31 December 2019 £
Grants and donations (see below)		
. NEON programmes	1,024,687	981,445
. Incubated programmes	289,845	130,979
	1,314,532	1,112,424
Income from programmes		
. NEON programmes	87,664	72,984
	87,664	72,984
Total	1,402,196	1,185,408

During the year the following grants and donations were received and, where appropriate, were treated as restricted income.

	31 December 2020 £	31 December 2019 £
NEON Programmes		
. Oak Foundation via the New Economics Foundation	—	147,174
. Lankelly Chase	155,000	135,000
. Urban Movement Innovation	144,500	—
. Partners for a New Economy	142,500	75,000
. Friends Provident	84,000	96,000
. KR Foundation	69,939	99,872
. Open Society Foundation (formerly Open Society Institute)	66,230	61,301
. Open Society Initiative for Europe	61,498	—
. Paul Hamlyn	59,000	50,000
. Bertha Foundation	54,020	50,000
. Joseph Rowntree Charitable Trust	30,000	20,000
. Trust for London	25,000	42,500
. Unbound Philanthropy	25,000	30,000
. Barrow Cadbury Fund (Grant purpose to: develop and expand a spokesperson network for progressive voices)	22,000	23,500
. Treebeard Trust	20,000	—
. ECF	16,000	—
. ThirtyPercy Foundation	15,000	—
. Samworth Foundation	15,000	—
. Roger Manser – Green New Deal	10,000	2,500
. Solberga Foundation	10,000	—
. New Economics Foundation	—	45,600
. Global Wallace Foundation	—	30,651
. Tudor Trust	—	25,000
. Bén & Jerrys Foundation Fund of Tides Foundation	—	20,000
. Pickwell Foundation	—	10,000
. Donations	—	1,677
. New Venture Fund	—	6,817
. Esmée Fairbairn Foundation - Green New Deal	—	4,100
. Polden Puckham – Green New Deal	—	3,500
. Max Wakefield	—	540
. Susan Seymour – Green New Deal	—	400
. The Democracy Collaborative	—	313
	1,024,687	981,445

Notes to the financial statements 31 December 2020

3. Income (continued)

	31 December 2020 £	31 December 2019 £
Incubated projects		
Just Treatment		
. Open Society Foundation (formerly Open Society Institute)	154,851	39,445
. Paul Hamlyn	4,000	—
. The Funding Networks	7,238	—
. New Economics Foundation	10,000	—
Kin		
. National Lottery	50,000	20,000
. Joseph Rowntree Charitable Trust	10,000	—
. Edge Funders Alliance	—	17,070
Nurses United		
. Isla Foundation via JMG Foundations	20,000	—
. Open Society Foundation (formerly Open Society Institute)	12,818	54,464
. Paul Hamlyn	7,000	—
. Roger Manser	5,000	—
. Funding for Social Change	7,130	—
. Guerilla Foundation	1,808	—
	289,845	130,979

4. Cost of programme delivery

	31 December 2020 £	31 December 2019 £
NEON programmes	502,518	639,587
Incubated programmes	233,281	106,423
Total	735,799	746,010

5. Staff numbers

The average number of persons employed by the company (including directors) during the year was 18 (2019 - 11).

In 2020 there were no directors who were employed as staff (2019 - none).

6. Surplus before tax

Arrived at after charging:

	31 December 2020 £	31 December 2019 £
Depreciation and amortisation expense	4,328	3,644
Payments under operating leases	29,507	29,507
Foreign currency (losses)/gains	(3,668)	(3,809)
Auditor remuneration (excluding VAT)		
. Audit	7,240	6,500
. Other services	1,820	1,750

7. Intangible assets

	Trademarks, patents and licenses £	Total 2020 £
Cost or valuation		
At 1 January 2020	8,482	8,482
At 31 December 2020	8,482	8,482
Amortisation		
At 1 January 2020	3,195	3,195
Amortisation charge	529	529
At 31 December 2020	3,724	3,724
Carrying amount		
At 31 December 2020	4,758	4,758
At 31 December 2019	5,287	5,287

The intangible asset related to the purchase of NEON's IP from NEF in the 2015/16 financial year.

8. Tangible assets

	Other property, plant and equipment £	Total 2020 £
Cost or valuation		
At 1 January 2020	20,402	20,402
Additions	8,062	8,062
Disposals	(1,299)	(1,299)
At 31 December 2020	27,165	27,165
Depreciation		
At 1 January 2020	8,174	8,174
Charge for the period	3,799	3,799
At 31 December 2020	11,973	11,973
Carrying amount		
At 31 December 2020	15,192	15,192
At 31 December 2019	12,228	12,228

Notes to the financial statements 31 December 2020

9. Debtors

	31 December 2020 £	31 December 2019 £
Trade debtors	275	200
Prepayments	2,026	1,105
	2,301	1,305

10. Creditors: Due within one year

	31 December 2020 £	31 December 2019 £
Trade creditors	4,750	31,320
Taxation and social security	19,295	9,098
Accruals	30,423	12,215
Other creditors	4,209	4,886
	58,677	57,519

11. Capital and reserves

The value in equity relates to restricted funds of £704,404 (2019 - £481,911) and unrestricted funds of £165,186 (2019 - £128,311) carried forward.

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Unrestricted funds	128,311	176,329	(139,454)	165,186
Restricted funds	481,911	1,225,867	(1,003,374)	704,404
	610,222	1,402,196	(1,142,828)	869,590

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Unrestricted funds	28,531	162,088	(62,308)	128,311
Restricted funds	408,788	1,023,319	(950,196)	481,911
	437,319	928,661	(675,538)	610,222

12. Related party transactions

In the previous year, ended 31 December 2019, payments of £1,800 (2020 - £nil) were made to Herminda Burgos-Lukes for consultancy services provided to the company during the year.

There were no further transactions with related parties.

13. Operating lease commitments

At 31 December 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2020 £	31 December 2019 £
Not later than 1 year	14,754	14,754
	14,754	14,754

14. Post Balance Sheet Event

Following the year end, one of the incubated projects within NEON, KIN was transferred to a separate legal entity, KINfolk Network CIC which is independent of NEON.

As at 31 December 2020 NEON restricted funds included £69,213 in relation to the KIN project. The restricted balances as at the transfer date of 23 April 2021 which were assessed as £69,213 were transferred to KINfolk Network CIC.

Detailed profit and loss account Year to 31 December 2020

The following information does not form part of the statutory financial statements.

	31 December 2020 £	31 December 2019 £
Income (analysed overleaf)	1,402,196	1,185,407
Cost of programme delivery (analysed overleaf)	(735,799)	(746,010)
Gross surplus	666,397	439,397
Administrative expenses		
Employment costs (analysed overleaf)	(278,311)	(173,259)
Premises costs (analysed overleaf)	(37,696)	(35,226)
General administrative expenses (analysed overleaf)	(80,637)	(48,149)
Finance charges (analysed overleaf)	—	(2,407)
Depreciation costs (analysed overleaf)	(6,717)	(3,644)
	(403,361)	(262,685)
Operation surplus	263,036	176,712
Interest payable and similar charges (analysed overleaf)	(3,668)	(3,809)
Surplus before tax	259,368	172,903

Detailed profit and loss account Year to 31 December 2020

	31 December 2020 £	31 December 2019 £
Income		
Income from programmes	46,005	72,984
Grants	1,356,191	1,112,424
	1,402,196	1,185,408
Cost of programme delivery		
Direct costs	(270,183)	(412,164)
Wages and salaries (excluding directors)	(442,003)	(314,439)
Staff pensions (defined contribution)	(23,613)	(19,407)
	(735,799)	(746,010)
Employment costs		
Wages and salaries (excluding directors)	(215,999)	(131,320)
Staff NIC (employers)	(62,312)	(41,939)
	(278,311)	(173,259)
Premises costs		
Rent	(31,894)	(32,110)
Insurance	(5,802)	(3,116)
	(37,696)	(35,226)
General administrative expenses		
Office expenses	(1,677)	(961)
Computer software and maintenance costs	(24,546)	(9,102)
Printing, postage and stationery	(5,974)	(486)
Sundry expenses	—	—
Travel and subsistence	(9,174)	(310)
Accountancy fees	(37,557)	(32,754)
Legal and professional fees	(1,709)	(4,536)
	(80,637)	(48,149)
Finance charges		
Bank charges	—	(2,407)
Depreciation costs		
Amortisation of asset transfer	(2,389)	(587)
Depreciation of plant and machinery (owned)	(4,328)	(3,057)
	(6,717)	(3,644)
Interest payable and similar expenses		
Foreign currency (losses)/gains	(3,668)	(3,809)