

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Chairman's statement	2 - 3
Trustees' report	4 - 16
Independent examiner's report	17
Statement of financial activities	18
Balance sheet	19 - 20
Statement of cash flows	21
Notes to the financial statements	22 - 43

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

G Walker, Chair
D Blackith (appointed 22 July 2020)
G Lamb (appointed 19 August 2020)
J Henderson, Vice Chair
A N Jackson
A M Croymans
D M Jeffery
C Wright (appointed 19 August 2020)
J M Townshend
H Deacon

Company registered number

04009541

Charity registered number

1089347

Registered office

3 Abbey Street, Hartlepool, TS24 0JR

Company secretary

A Jackson

Accountants

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Co-operative Bank Plc, Olympic House, 6 Olympic Court, Off Montford Street, Salford, M5 2QP

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

What a time this has been for everyone! We have had a lengthy period of total lockdown, and huge stresses and pressures for families, and everyone involved in keeping the show on the road at CFNE. I must begin therefore by paying tribute to our workforce of staff and volunteers, who have all been critical to the continued provision of high quality services to our users, in spite of the restrictions we have worked with. An enormous thank you to all of them who continued to "make it happen" and to Graham for his work in finding, understanding and translating the guidance into something that we could work with, and for his work this year more than almost any other, in seeking funding and new arrangements and contract adjustments to allow us to continue.

Along with everyone else in the workplace and the sector, adapting to change has been our key skill during this difficult time. Our ability to do so has meant that somewhat to our surprise, we have turned what might have been a disaster, into a success story. In financial terms at least, we have ended the last financial year with a small profit, and when taking into account CFNE's loan to establish the Fostering Service (CFF) in its early years, our reserves have been maintained, and even grown a little. Even more surprisingly we are on track for a good 2021/22 with funds in sight for the year at this early stage – no mean achievement this year, or indeed any other! Things are looking promising for 2022 as well, although there is a little more work to do and we are conscious that some big projects end in the middle of the year.

So how has this happened? Well to a large extent, digital working has worked well for us in most services, and adjustments to our contracts by other providers has helped too. The DWP Moving on project, now nearing the end of its official contract period, has been notable for both of these things. The DWP were one of the first funders to allow us to work digitally, and to adjust their terms from payment by results to first of all a payment based on our previous months, and now an "open book" accounting basis. We were so grateful for their prompt and unsolicited offer. After an early period of adjustment in getting the home working digital offer safe and operational, the work with most service users moved on and referrals again kept coming in. Digital working also positively helped us in offering the group programme for Parenting with Conflict, because digital groups allowed people from distant and disparate areas to attend in a way that would not have been possible with only small numbers. This project was therefore an early success, and funding has been offered for a further year, on the same basis, allowing us some security for the next financial year and the ability to continue what has been a very important piece of work for those families in high conflict particularly, who live in our area.

Another success story has been mediation, which was another service to move to online delivery, something which opened up referrals from a much wider area. Again referrals have exceeded our expectations, and from anticipating a reduction in income from mediation this year, we have again exceeded our expectations. Unfortunately we are still waiting for a final decision as to whether the contract for this work will allow digital working to continue at the scale we would like now that the immediate necessity for it is reducing – we are conscious that digital delivery may be limited to around half of all delivery. Nevertheless, as not all our mediation work is funded by this contract, our private work can continue on either basis, whichever is most appropriate for our users.

Our work with young people was more challenged by the restrictions on working, and in later months, face to face work was allowed with some young people where the need was highest. For others, digital work opened up some new activities online, such as baking – how creative is that! For others meeting in the park at a distance offered some opportunities. This is the service that was most looking forward to getting back to face to face work in 2021, but again, the volunteers showed enormous creativity in keeping going with their work supporting young people. We are hopeful that new restrictions aren't necessary as we wind up 2021 and move into 2022, but have contingencies in place to again deliver digitally and though "walks and talks" (weather dependant!).

The only area to really suffer was our new IAPT trainee scheme, which we hoped would provide training for 4 therapists, paid for by the NHS, and who we hoped would be the basis of an emotional wellbeing service offer for young people. Unfortunately these 4 trainees were only just recruited when lockdown happened so they didn't even get chance to get to know the service and the other staff. Only some of the 4 were allowed to work digitally, and that took some time to clarify, so referrals were slow and it was hard going. However, we did manage to help a lot of children and families, and get people through their qualification. We were pleased to get NHS funding again for 2021/22 from the local CCG to establish this service for young people who need extra

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

help.

We grant funded Changing Futures Fostering (CFF), our subsidiary Company, to develop and deliver a fostering agency. We are pleased to see this grant funding has been well utilised; the fostering service has grown and developed, and with initial OFSTED registration in place, we were able to advertise and recruit foster families. CFF now have a number of approved foster parents and are hopeful that this success continues to be built upon in 2022. This is an embryonic service, and has provided many challenges, particularly in this pandemic year, but we are pleased to be able to report on its success at this early stage. Strenuous efforts are being made to ensure that it develops and meets its targets and we look forward to supporting more young people, and more foster parents who are willing to open their families and their lives to these children and young people who need their support.

We are also pleased to be a key part of the new DWP Kickstart scheme, and received funding for this in April 2021. We have 2 people in post supporting the apprentices to obtain and to keep jobs in our localities, and it is showing success.

So adapting to change has been both critical to our continued success as an organisation, and also to developing our staff in ways neither they, nor we, might ever have imagined. The Board has also been challenged to hold its regular meetings by Zoom, and like many of our workforce, some people have found it more challenging than others – dare I say, myself! We have welcomed new board members this year who have never met any of the others face to face and have never stepped inside our offices, but still have been willing and enthusiastic about joining and supporting our organisation.

The pandemic has changed the way we work, perhaps forever, and Graham is now busy helping the workforce to combine digital working with time spent in the office – a blended work style now that was not really considered before, other than to achieve peace and quiet to finish a report or a funding application! This blend is important because we discover that people still need people to interact with; to develop their skills with; to gain support from; to contribute to each other in a thousand small and large ways. We are an organisation dedicated to relationship building and improvement, and we know this more than most. For the next year, we must learn how to put these new skills into our workplace and lives, and use them to our mutual advantage. We must not hide away from real people forever, but nor need we return absolutely to “how we were” without taking anything from the experience and learning how to adapt again to new circumstances.

So at the end of what could have been a disastrous year, I must end, as I began, with a very large and sincere thank you, to all members of Changing Futures NE – we couldn't have done it without you, and both I and the Board, are very grateful for your hard work and continued support. We look forward to another successful year for the company and for all of you. Thank You



G Walker
Chairman

Date: Dec 1, 2021

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the Charity for the year 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

• Aims and objectives

The objects of the Charity (as amended on 10th July 2019) are :
specifically restricted for the public benefit to the promotion of the upbringing and care of children and young people in need from all backgrounds, cultures and faiths or none, in particular by:

- Promoting their better care and safeguarding them.
- Providing assistance to them and their families and carers
- Promoting their health
- Promoting their education and establishment in life.

The charity promotes the benefit of children and young people in particular through recognition of the interconnectedness of human systems and the role of the family and the community in creating the environmental conditions to enable children and young people to thrive.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES (continued)

• **Our vision, mission and key strategies**

The Charity is founded on the fundamental belief that relationships matter to people. They can catalyse joy. They can lead to profound misery. People with a variety of strong, healthy relationships are better able to thrive, and better deal with challenges presented by life. Through enhancing the relational resources available to children, family members, and community members and indeed those agencies and workers that make up the village around the family, the Charity seeks to bring about lasting social change.

Changing Futures North East seeks to make the North East of England, and Hartlepool in particular, a place where people have happier, healthier relationships than anywhere else in the country.

The organisation seeks to enable people and communities to flourish, through:

- Primarily enabling individuals and couples to have healthier couple relationships, improving children's outcomes and wider societal outcomes
- Enabling family systems to have better communication and better functioning relationships
- Enabling organisations to establish and maintain healthier relationships, internally and externally, and better support key couple relationships
- Enabling everyone to increasingly recognise and value the importance of relationships, and use this knowledge to improve relationships

• **The values that underpin what we do and how we work**

The way the organisation thinks and operates will be reflective of and congruent with specific beliefs and values:

- Relationships matter to people, and have a tremendous impact on their happiness, health and life chances; different people within families and communities have different needs, but all have the right to multiple stable attachments within and outside of the family where power is not distributed harmfully. We will focus on helping people have healthy relationships.
- Early help is socially, ethically & financially better than late intervention, and is a cost effective and ethical way of enabling social change. Some people are not helped early enough to prevent significant difficulties developing, and their needs must be catered for too. We will help people as early as we can but not exclude those who have been failed by the systems around them.
- People are complex social creatures that influence, and are influenced by, a range of internal and external factors; we must think and, as appropriate, work with, people's internal worlds and people's wider systems in order to best enable change.
- All people have potential, and are best helped by demonstrating belief in them and enabling them to achieve their own self determined goals
- Parents love their children; families are an asset to work with, and family members have a key role to play in promoting healthy family functioning and children's welfare
- Reflective organisations where healthy relationships between workers and agencies are the norm enable better outcomes for customers.
- By modelling healthy ways of relating within the workplace and creating an environment conducive to effective communication and emotional regulation (that treats employees with the same respect we treat people in the community we help) we will best realise the organisation's social ambitions.
- People deserve to be safe in their relationships and their activities. We strive to keep staff, volunteers, family members and the wider public safe in our work.
- Work that is shaped and in some cases led by the community can have more reach and impact than work that is not; we will embed participation across the organisation and expand opportunities for people to have a voice and influence on what we do and how we do it.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES (continued)

● **Our history and current focus**

Changing Futures North East began life as an estate based youth provider. In around 1997, a group of Headland residents and development workers banded together to consult young people as to their needs, and how they might better be met through youth provision in the area. The culmination of this work was the development of the Abbey Street Youth Project, led by a young person's steering group and supported by the wider community. At this point, the organisation formalised as Headland Future Limited.

The Charity still pursues its original mission to improve the lives of children and young people. Over time, the work of the organisation has shifted, based on learning that for many young people, direct work with them can only have so much impact. True change is enabled when the family context children live in is warm, nurturing, and free of poorly managed conflict, with healthy parental relationships in particular.

Changing Futures North East now operates across North East England, seeking to give young people the best chance to thrive by supporting key relationships in families, and enabling other agencies to maintain a focus on these key relationships to improve the impact of their work.

The Charity has set up a subsidiary company, Changing Futures Fostering, to enable provision of a fostering service for children and young people.

● **The people we work with**

The Charity has the privilege to work with children, young people, families and organisations in the North East of England, particularly in the Tees Valley.

The parents and organisations we work with are passionate about meeting the needs of children, and have a range of superb assets at their disposal. The children we work with care about their parents, their siblings and their peers, and want to enjoy life and succeed. The individuals we work with care about the people in their lives, want what's best for them, and want to be happy.

It is an unfortunate truth that many of those that ask for our help have been through forms of hardship (for instance, poverty, the trauma of losing a loved one, bullying, conflict laden and sometimes violent relationships, abuse) and that difficulties in their lives have left them with challenges that they are struggling to overcome successfully. However, they have shown much resilience, determination, and loyalty to others in their lives; our job, when asked, is to help people to draw on these assets and build on their strengths, identifying their own goals and then catalysing their own change.

Different help is sometimes targeted to different groups, for instance separated families. The majority of families who accessed separation support had low incomes, and most former couples were in long term conflict. Evidence shows poorly managed and enduring couple conflict is highly detrimental to children's outcomes (especially when combined with material deprivation). Conflict where there are financial difficulties, or children and families live in poverty, is far more likely to result in poorer outcomes for children.

Much of the Charity's work is with people living in deprived communities (in Hartlepool the majority of the people we work with live in areas where children's outcomes are worse than in other areas, and there is material poverty). Some of the Charity's work is specifically targeted towards those that have suffered multiple disadvantages. Some work is focused on enabling people to develop the strengths and resources to avoid hardship through preventative programmes and collaboration with other agencies.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES (continued)

- **The people who enable change for children and families**

Across the year 2020/21 23 staff and 40 volunteers helped children and families, in addition to 8 people who volunteered as Trustees. The Charity would like in particular to thank those committed individuals who give up so much of their time to support people in the community, without whose help we would be unable to provide anywhere near the current level of service.

ACHIEVEMENTS AND PERFORMANCE

- **Main achievements of the Charity**

Service delivery

- Build an emotional wellbeing offer that increases access for children and families to psychological services
- Enable young people to secure jobs, ideally sustainable jobs
- Ensure delivery of a therapeutic fostering offer
- Expand our national mediation offer
- Retain couple relationship work as a core part of the organisations delivery portfolio

The Charity helped 1061 people through its service provision compared to 661 people in 2019/20 and 271 in 2018/19 . Much of this increase was due to DWP, Parent Connectors work and IAPT.

The table below shows numbers of people who benefited from our help in 2020/21, 2019/20 and 2018/19. Direct beneficiaries are people we worked with ourselves; indirect beneficiaries are estimates about others who may have benefitted from our work (usually children, where we have worked with their parents to help resolve conflict, improve parenting capacity or resolve a legal dispute).

	Practitioners	Direct beneficiaries	Indirect beneficiaries (estimated)	Total
Main activities 20/21	20	674	367	1061
Main activities 19/20	30	366	265	661
Main activities 18/19	32	384	234	650

- **Enable young people to secure jobs, ideally sustainable jobs**

Changing Futures North East has acted as a “gateway” that has brought together 11 non-profits or socially minded businesses that intend to create up to 76 jobs for out of work young adults aged 16 – 25. Funding for these posts has been accessed through the governments Kickstart scheme. These agencies intend to invest in mentoring, coaching and training to help employees gain a range of skills that will help them either sustain their jobs with their employers, or be well placed to move into employment elsewhere. A majority of employers intend for roles to be extended beyond the initial six months if their business plans are achieved.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Ensure delivery of a therapeutic fostering offer**

Funding has been given to Changing Futures Fostering Limited which has achieved Ofsted registration and has attracted interest from prospective foster parents. A therapeutic training model has been developed and piloted with fostering applicants or prospective applicants as part of their assessment process. We look forward to reporting on progress after the organisations full first year of operation.

- **Expand our national mediation offer**

Tees Valley Mediation is the trading name for our Mediation service and traditionally provided mediation in Tees Valley and East Durham. This year saw the expansion of the project across England, targeting privately paying people further afield. Mediation enables couples to resolve a legal dispute usually around children but also in connection with their finance arrangements following a separation or divorce. Over the pandemic we have increasingly offered mediation digitally and hope that the Legal services Commission will allow digital mediation to continue into the future. It has proven to be efficient, effective and convenient for busy adults and parents.

In 2020/21:

- 299 referrals were received, which represents a 13% increase on the previous financial year. From these referrals we supported 137 people with an initial piece of work.
- 58 couples then went on to engage in mediation which is a 70% increase from last years' figure of 34.
- Of those 58 couples 76% reached a Mediation Agreement.
- **Retain couple relationship work as a core part of the organisations delivery portfolio**
- **Department for Work and Pensions Contract (subcontracted from RELATE to CFNE to operate in Tees Valley)**

The Reducing Parental Conflict programme is being funded by the Department for Work and Pensions. As part of the programme, relationship support interventions will be offered to parents in conflict in four target geographies. The North East is one of these areas. We commenced delivery in 2019/20. The contract had been due to end in 2021 but it has been extended by a further year. This project represents a large part of the organisations work across 2020/21.

Unfortunately, because this project is part of a research piece delivered under contract from a government department we are unable to publicly publish results as we had hoped to. We will discuss detailed results when we are allowed to in the Annual Report and on our website.

As a result of the pandemic the payment model switched from payment by results to a grant model. This has helped provide stability throughout the pandemic. The move to digital working brought fresh challenges regarding how to effectively engage with couples who live together, some of whom may be living in violent or abusive relationships. We invested in a thorough and wide-reaching review of our domestic violence and abuse policies and procedures and made a number of enhancements which were paired with professional training. Performance of this project has been very good, with parents reporting substantial positive changes as a result of their work with the project. Help has generally been provided through Mentalisation based therapy for couples or parenting when separated groupwork.

- **Build an emotional wellbeing offer that increases access for children and families to psychological services**
- **Mentoring**

The mentoring service traditionally worked with young people, usually in groups, for at least 12 months. A volunteer mentor works with each child. We developed the project to offer Adverse Childhood Experiences Groups for parents and separately for Children. These are based on Rockpools model. Rockpool succinctly explain what ACES are and why helping people who have experienced ACES matters:

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

“Adverse Childhood Experiences (ACEs) are stressful or traumatic experiences, including abuse, neglect and a range of household dysfunctions such as witnessing domestic violence or growing up with substance abuse, mental illness, parental discord or incarceration. Living with ACEs results in individuals developing coping and lifestyle strategies that are based on poor parental attachment and the effects of trauma.

Because of covid, we had to innovate and we delivered some group content online and otherwise had one to one phone sessions with some parents. When restrictions allowed we ran groups and had face to face meetings in homes and in the community. Outcomes were less “expected” and included coping with pressures of everyone at home better, access to food and other emergency aid. We supported 35 families and over 70 people across the year.

- **Improving Access to Psychological Therapies (IAPT) for Children, Young People and Families**

Set up commenced in late January 2020 with referrals beginning in March. We worked with 5 people in this financial year. Full outputs and outcomes will be reported on next year. Referral pathways are being in the process of being built. The project has employed five staff who will have a small amount of delivery capacity a week to work with children and families, with the rest of their time spend on studying to achieve their qualification. The work is funded by Health Education England through the local Clinical Commissioning Group.

We worked with 102 people across the year with outcomes including improved mood, reduced anxiety and improved communication between family members

- **Co-construct a therapeutic fostering model with care leavers and foster parents**

A therapeutic model has been developed by children who used to be cared for by foster parents, in residential homes, and experienced foster parents. They have worked with Sarah Richardson, the new fostering manager, and Sally Wood, an experienced therapist, to develop a programme that is practical and helpful.

- **Other activities and performance**
- **Independent Visitors**

Independent Visitors guide, advise, listen to and befriend young people in care, sharing their experiences as well as trying new activities and spending quality time together. The Charity now offers Independent Visitors to young people in Hartlepool, Stockton, Middlesbrough, Darlington and Redcar. There has been growth in the number of young people supported.

	At 31st March 2020	At 31st March 2021
Children matched	18	35
Children on a waiting list	10	16

This year has been challenging as we have been able to support less new relationships than we would have liked to because of the pandemic. New relationships do not easily form by digital means, and many young people asked for a delay in meeting new volunteers until face to face work could happen. Many volunteers have adapted brilliantly including outdoor walk and talks, digital cooking or games from their respective homes, and text messages to young people who weren't comfortable on the phone or video.

We operate under an evidence-based theory of change that shows that healthy independent visitor relationships with looked after children can mitigate harm, improve stability and help children achieve positive outcomes. Therefore we measure success for this service based on the quality of the relationship. Over 90% of children who accessed the service reported that they gained a trusted friend/adult and all but one child rated the quality

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

of the relationship as 9/10 or 10/10 (10/10 being excellent).

• **Enabling systems change through partnerships and in educational settings**

- Be actively involved in partnerships leading to regeneration, greater collaboration between agencies and improved outcomes for children's and families
- Support parents and schools to work collaboratively as is possible given the pandemic and other pressures

Our staff have spent much of this work building partnerships with other agencies to respond to the pandemic. Some tangible examples included:

- A group looking at community led housing
- Another partnership to support families in one ward in Hartlepool
- A cross sector partnership creating kickstart jobs

Additionally, we have worked with schools and parents to help all adjust to challenges arising from educating children and living under pressure during covid.

Parent connectors were funded through our systems change project and providing parenting support to over 100 parents.

Business objectives

• **Build employment support for care experienced young people**

A Development Worker has started to work with young people to co-construct projects that address gaps in the employment support landscape; firm proposals will be put together in 2021.

• **Explore the viability of children's residential provision to compliment the fostering offer**

Initial background research has begun and will continue over the next year. The findings of the independent review into children's social care will be important to consider when thinking about investment in this area.

• **Evaluate the organisations effectiveness in enabling people to make changes in their own lives**

A wide-reaching consultation has begun that will report back in 2021.

Financial review

• **Year end position**

Overall, there has been an increase in income from £757,494 in the prior year to £840,863 in the current year. CCG funding received in December, paid in advance for the calendar year 2021, attributed to this increase. Expenditure also increased from £682,347 to £713,204.

Overall, there was an increase in funds of £127,659 Total funds at the year end were £974,368 of which £438,847 was restricted.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

• **Reserves policy**

Existing reserves and performance against targets. The Board determined in its 2015 —2021 Strategy that free reserves of circa £225,000 should be targeted. This has been achieved and the current level is £349,902. This is an increase from the last financial year of £17,827.

The Board set a target of achieving an average of growth in reserves equating to 4% of income between 2015/1 to 2020/21:

	Annual change	Income in year	Growth as % of income	Average to date
14/15-15/16	£60,248	£731,349	8.3%	8.3%
15/16-16/17	(£3,014)	£649,706	(0.5%)	3.9%
16/17-17/18	(£14,314)	£577,982	(2.5%)	1.8%
17/18-18/19	£34,231	£535,141	6.4%	2.8%
18/19-19/20	£89,250	£757,494	11.8%	4.7%
19/20-20/21	£17,827	£840,863	2.1%	4.3%

Targeted investment has been made in activities of importance to the development of the Charity in this current financial year.

• **Reserves policy rationale**

The Trustees consider that the performance of the Charity over the period is satisfactory. However, in their annual risk review the Trustees commented again on current and future economic conditions and political considerations creating or adding to uncertainty in the funding environment:

- A growing trend towards payment by results contracts, where investment is needed in work and only recouped if targets (for instance, outputs and outcomes) are achieved
- Pressure on local government and central government finances, with early help services at substantial risk as local authorities focus on acute need and meeting statutory obligations
- High competition for contracts and grant
- Reliance on sales generally to draw in revenue
- Children's social care review

The Board have considered how best the organisations strategic aims and objectives can be achieved in the context of the current and predicted environment and the organisations strengths and weaknesses. Their view is that sufficient reserves should be held to:

- Safeguard a limited number of services to vulnerable service users in the short term, until either replacement funding can be secured, other services can be brought in to offer support, or needs can be met by the Charity
- Providing working capital to ensure restricted funding remains restricted, and enable the Charity to operate in a PBR environment
- To cover liabilities in the unlikely event that the Charity is wound up
- To enable investment in development of new services, subject to a strong business case and likelihood of sustainable income and good outcomes from such services

Reserves should be managed in a way that, where it is necessary to hold them, they generate the best possible return for the Charity (including both financial and social return).

In respect of investment in development of new services, the Board are continuing to invest a substantial portion of reserves into the development of a fostering service because:

- The Board believe that this provision would meet an under-met need in an area with increasing market

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- demand in North East England in particular
- It builds from the organisations core competencies in supporting family functioning and addressing neglect and trauma
- It links to one of the priority areas of spending for Local Authorities – there is and will remain a statutory obligation to safeguard vulnerable children

Investment is being paired with two loans that have been secured.

Within the next one to two financial years the Board plan to expend up to a further £100,000 of free reserves to support the development of a therapeutic fostering service. The Board plans to retain a minimum of £50,000 to cover cashflow and any outstanding liabilities and winding up costs. With strong performance in the trading subsidiary the free reserves balance would remain substantially higher.

● **Material investments policy**

Under the Memorandum and Articles of Association the Charity has the power to make any investments which the Trustees see fit.

The charity currently only invests its funds in deposit accounts. The interest received is considered to be acceptable in the current economic environment.

● **Principal risks and uncertainties**

The Trustees actively review the major risks which the Charity faces as follows:

- A thorough annual audit of all risks
- Identification of risks that require monthly, quarterly and annual reports to be made to the Board
- Establishment of control measures to reduce risks Continued monitoring of risks through contract management groups and policy sub committees

The key risks the Charity is exposed to are broadly the same as those reported on last year:

- Seemingly relentless pressures on government funding in the fields the Charity currently operates in and linked contracts, with risks to the proper functioning of Children's Services departments and financial viability of some Local Authorities. Covid seems likely to exacerbate these risks.
- Higher competition for charitable funding as a result
- Shift on spending across current and prospective funders from earlier help services to those addressing specific marginalised or complex needs groups, or those that governmental agencies have a statutory obligation to help
- High dependence on 'sales' to generate revenue to enable the Charity to fulfil its objects, including;
 - o Spot purchase and client self-funding for Mediation and Independent Visitors services
 - o Payment by results model for the major Reducing Parental Conflict service
 - o Subject to securing loan investment, spot purchase model for Fostering service
 - o Requirement to recruit a high volume of volunteers to underpin delivery of Independent Visitors service
- Cashflow management given planned investment from reserves in Fostering and servicing of loan debt
- Generally sparse funding for direct delivery services supporting parental relationships which will become an issue after the DWP reducing parental conflict programme concludes
- Decreasing contract availability and money for back office functions (and direct management) threatening capacity for business development and ensuring quality provision
- The unknown implications of the pandemic on the community and funding
- Potential challenges in engaging with and supporting some children, young people and parents who may not be able to build meaningful relationships with staff digitally, hindering our ability to help and contract performance

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Measures have been put in place to control these risks, which are reviewed monthly to quarterly by the Board. This includes:

- Targeting dedicated grant funding for key development staff
- Prioritising development of existing and new services that there is a statutory obligation to supply – with us focusing in particular on Fostering and complimentary services like Independent Visitors
- Detailed multi-year cashflow modelling
- Regular check ins with staff, buddying systems for new staff with experienced staff, regular whole team digital meetings and development sessions
- Liaison with commissioners / funders of contracts where digital delivery may hinder performance in advance

• **Quality assurance and complaints**

Changing Futures North East is committed to standardising processes to ensure quality in multiple areas of business operations. Consequently the Charity pursues securing and maintaining relevant quality marks. The Charity holds the CHAS quality mark for health and safety and is using the foundations of the ISO 9001 system to build it's own system. The Charity has embedded an audit framework which includes gathering feedback from people we work with, attempt to work with, and looks for increasing evidence of people's participation (or voice and influence) in creation and running of projects.

The Charity operates under a modified complaints procedure for the DWP Reducing Parental Conflict programme, where there is right of appeal to the DWP and an independent arbitration scheme (ICE) that potentially carries a financial penalty of £4,000 per upheld complaint.

No complaints were informally received this financial year, as opposed to 2 in the previous financial year.

• **Going concern**

Despite the unexpected disruption of Covid the Charity has continued to adapt well and has increased its reach. Mediation sales have grown and the adaptation to digital delivery has helped reduce travel and room hire costs across the business.

Changing Futures Fostering, the subsidiary company, progressed at slower pace than had been hoped because of recruitment challenges during covid. However the Company is now doing well and should require less than forecast grant funding from CFNE to deliver against it's objects.

Whilst there remains uncertainty about the impact of Covid costs on public sector social programmes and on trust and foundation income over coming years, the Charity has a good reserves base and has expanded its portfolio of services in 2020 and 2021. The Company faces the usual challenges next year with some projects coming to an end, however some replacement funds have already been secured.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

• **Constitution**

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 June 2000 and updated on 24 January 2002, 7 April 2008 and 10th of July 2019.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

• **Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

• **Organisational structure and decision-making policies**

A board of Trustees of up to 12 members, who meet at least quarterly (more usually monthly), administer the Charity. New Trustees receive a full induction from the chair and the CEO. There are subcommittees covering safeguarding, finance, health and safety and human resources. The board specifically reviews its performance and composition annually through a dedicated meeting, which is informed in part by the results from Trustee appraisals.

Contract management groups meet for some contracts, generally operating between monthly and every six months (depending on size and scope of contracts). Day to day decision making is delegated to the CEO, Graham Alton, and in his absence the Deputy CEO, Martin Todd. Responsibility for particular work areas is delegated by the CEO to project or work area coordinators or managers.

• **Pay policy for key management personnel**

The pay of senior staff is reviewed annually by a pay and conditions sub group comprised of at least two Directors including the Chair.

Positions are mainly benchmarked against comparably sized charities operating in North East England, usually focusing on those operating within the child health and social care industry. Salaries paid for positions with similar duties and requisite skills in the public sector are taken into account. Guides on salaries from relevant bodies are also taken into account. Proposals of the committee are considered by the full Board who make the final decision

• **Related party relationships**

The Charity, Changing Futures North East (CFNE) has established a wholly owned subsidiary Company, Changing Futures Fostering Limited (CFF). The constitution of CFF allows the Board of CFNE to appoint three Directors to CFF; at this time they are one Trustee of CFNE, the CEO of CFNE and the Deputy CEO of CFNE. The Board of CFF can add three Directors (and has to date made one appointment). CFNE has granted funds to CFF to deliver a therapeutic fostering agency to help CFNE fulfil its Charitable objects. Any surplus generated by CFF will be returned to CFNE.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

Our key objectives for the next year are similar to last years, and include:

Enabling systems change through partnerships and in educational settings

- Be actively involved in partnerships leading to regeneration, greater collaboration between agencies and improved outcomes for children's and families
- Support parents and schools to work as collaboratively as is possible given the pandemic and other pressures

Service delivery

- Maintain and expand an emotional wellbeing offer that increases access for children and families to psychological services
- Enable young people to secure jobs, ideally sustainable jobs (particularly supporting care experienced people)
- Ensure delivery of a therapeutic fostering offer
- Maintain and where possible grow our mediation offer
- Sustainably expand our Independent Visitors offer
- Retain couple relationship work as a core part of the organisations portfolio

Business objectives

- Build employment support for care experienced young people
- Explore the viability of children's residential provision to compliment the fostering offer
- Evaluate the organisations effectiveness in enabling people to make changes in their own lives

Covid has resulted in new and enhanced risks which have been covered in the risk management section of this report. We note that Covid has also created new opportunities, namely:

- the switch to digital delivery expanding our potential market
- a move locally towards greater collaboration between agencies
- an enhanced focus on the value of community based support, seemingly reflected in retargeting of funding

Some of our key objectives for the year reflect how we intend to seize and explore these opportunities.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Approved by order of the members of the board of Trustees and signed on their behalf by:



G Walker
Chair of Trustees
Date: Dec 1, 2021

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent Examiner's Report to the Trustees of Changing Futures North East ('the Charity')

I report to the charity Trustees on my examination of the financial statements of the Charity for the year ended 31 March 2021.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent Examiner's Statement

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

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

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

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

Signed:



Dated: 1 December 2021

Heather O'Driscoll FCA

Waltons Clark Whitehill Limited
Chartered Accountants

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
INCOME FROM:					
Donations and grants	3	24,362	-	24,362	575
Charitable activities	4	698,833	115,300	814,133	737,598
Other trading activities	5	605	-	605	17,570
Investments	6	1,763	-	1,763	1,751
TOTAL INCOME		725,563	115,300	840,863	757,494
EXPENDITURE ON:					
Charitable activities	7	521,547	191,657	713,204	682,347
TOTAL EXPENDITURE		521,547	191,657	713,204	682,347
NET INCOME/(EXPENDITURE)		204,016	(76,357)	127,659	75,147
Transfers between funds	19	(62,531)	62,531	-	-
NET MOVEMENT IN FUNDS		141,485	(13,826)	127,659	75,147
RECONCILIATION OF FUNDS:					
Total funds brought forward		394,036	452,673	846,709	771,562
Net movement in funds		141,485	(13,826)	127,659	75,147
TOTAL FUNDS CARRIED FORWARD		535,521	438,847	974,368	846,709

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 43 form part of these financial statements.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)
REGISTERED NUMBER: 04009541

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	1,983	583
Tangible assets	13	371,418	383,780
Investments	14	10	10
		<u>373,411</u>	<u>384,373</u>
CURRENT ASSETS			
Debtors	15	49,813	125,030
Investments	16	80,419	79,388
Cash at bank and in hand		540,789	279,025
		<u>671,021</u>	<u>483,443</u>
Creditors: amounts falling due within one year	17	(23,207)	(21,107)
NET CURRENT ASSETS		647,814	462,336
Creditors: amounts falling due after more than one year	18	(46,857)	-
TOTAL NET ASSETS		974,368	846,709
CHARITY FUNDS			
Restricted funds	19	438,847	452,673
Unrestricted funds	19	535,521	394,036
TOTAL FUNDS		974,368	846,709

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)
REGISTERED NUMBER: 04009541

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



G Walker
(Chair of Trustees)

Date: Dec 1, 2021

The notes on pages 22 to 43 form part of these financial statements.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	214,205	16,462
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank interest	1,763	1,751
Proceeds from the sale of tangible fixed assets	-	(1,740)
Purchase of investment in subsidiary	-	(10)
Purchase of tangible fixed assets	(3,173)	-
Net movement on deposit (over 3 months)	(1,031)	(1,371)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(2,441)	(1,370)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from new borrowing	50,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	50,000	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	261,764	15,092
Cash and cash equivalents at the beginning of the year	279,025	263,933
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	540,789	279,025

The notes on pages 22 to 43 form part of these financial statements

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The registered office address is:

3 Abbey Street
Hartlepool
TS24 0JR

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Changing Futures North East 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.

2.2 Income

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Software database	-	4 years straight line
-------------------	---	-----------------------

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Fixtures and fittings	- 20% - 25% straight line
Office equipment	- 20% - 25% straight line

2.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 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 measured at amortised cost using the effective interest method.

2.8 Pensions

The Charity contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	1,440	1,440	575
Coronavirus Job Retention Scheme	1,748	1,748	-
Covid-19 grant income	21,174	21,174	-
	24,362	24,362	575
<i>Total 2020</i>	575	575	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Systems change work	-	91,628	91,628	239,769
Couple and family relationships	345,251	(15,306)	329,945	376,861
Working with children and young people	353,082	-	353,082	90,968
Core support	500	38,978	39,478	30,000
	<u>698,833</u>	<u>115,300</u>	<u>814,133</u>	<u>737,598</u>
<i>Total 2020</i>	<u>455,479</u>	<u>282,119</u>	<u>737,598</u>	

5. FUNDRAISING INCOME

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Room hire	145	145	1,300
Other income	460	460	16,270
	<u>605</u>	<u>605</u>	<u>17,570</u>
<i>Total 2020</i>	<u>17,570</u>	<u>17,570</u>	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	1,763	1,763	1,751
<i>Total 2020</i>	1,751	1,751	

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Systems change work	14,987	69,057	84,044	298,200
Couple and family relationships	314,591	56,546	371,137	303,333
Working with children and young people	191,969	66,054	258,023	80,814
	521,547	191,657	713,204	682,347
<i>Total 2020</i>	357,028	325,319	682,347	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Systems change work	60,297	23,747	84,044	298,200
Couple and family relationships	285,620	85,517	371,137	303,333
Working with children and young people	166,512	91,511	258,023	80,814
	<u>512,429</u>	<u>200,775</u>	<u>713,204</u>	<u>682,347</u>
<i>Total 2020</i>	<u>507,529</u>	<u>174,818</u>	<u>682,347</u>	

Analysis of direct costs

	Systems change work 2021 £	Couple and family relationships 2021 £	Working with children and young people 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	54,682	242,947	142,569	440,198	361,232
Project activities	202	15,839	5,258	21,299	77,191
Premises costs	-	1,610	-	1,610	9,172
Printing postage and stationery	164	3,467	1,357	4,988	6,369
Phone	362	1,945	1,470	3,777	1,548
Travelling	32	1,046	2,269	3,347	16,676
Other	420	2,521	1,169	4,110	3,755
Legal and Professional	4,435	5,130	2,200	11,765	15,663
Training	-	9,475	10,220	19,695	15,923
Website development	-	1,640	-	1,640	-
	<u>60,297</u>	<u>285,620</u>	<u>166,512</u>	<u>512,429</u>	<u>507,529</u>
<i>Total 2020</i>	<u>238,763</u>	<u>210,680</u>	<u>58,086</u>	<u>507,529</u>	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Systems change work 2021 £	Couple and family relationships 2021 £	Working with children and young people 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	5,873	21,151	22,632	49,656	48,362
Depreciation	1,672	6,021	6,442	14,135	14,561
Project activities	5,736	20,656	22,106	48,498	34,613
Premises costs	1,179	4,245	4,540	9,964	11,012
Printing postage and stationery	872	3,144	3,365	7,381	4,406
Phone	303	1,091	1,168	2,562	1,953
Repairs and renewals	1,111	3,996	4,275	9,382	7,894
Insurance	594	2,138	2,288	5,020	4,637
Travelling	11	41	44	96	2,136
Other staff costs	47	171	182	400	392
Other	4,817	17,351	18,565	40,733	1,055
Legal and Professional	500	1,801	1,927	4,228	26,993
Training	430	1,550	1,658	3,638	6,736
Website development	-	-	-	-	5,700
Governance costs (note 9)	602	2,161	2,319	5,082	4,368
	23,747	85,517	91,511	200,775	174,818
<i>Total 2020</i>	<i>59,437</i>	<i>92,653</i>	<i>22,728</i>	<i>174,818</i>	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Independent Examination	3,036	3,036	2,916
Professional fees	2,046	2,046	1,452
	<u>5,082</u>	<u>5,082</u>	<u>4,368</u>
<i>Total 2020</i>	<u>4,368</u>	<u>4,368</u>	

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	449,182	377,497
Social security costs	32,033	24,638
Contribution to defined contribution pension schemes	8,639	7,459
	<u>489,854</u>	<u>409,594</u>

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Charitable activities	18	14
Management and Administration	6	5
	<u>24</u>	<u>19</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration (including employers NI) paid to key management personnel was £105,490 (2020: £106,509).

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £NIL were reimbursed or paid directly to Trustees (2020 - £NIL)

12. INTANGIBLE ASSETS

	Software database £
Cost	
At 1 April 2020	2,000
Additions	2,280
	<hr/>
At 31 March 2021	4,280
	<hr/>
Amortisation	
At 1 April 2020	1,417
Charge for the year	880
	<hr/>
At 31 March 2021	2,297
	<hr/>
Net book value	
At 31 March 2021	1,983
	<hr/> <hr/>
At 31 March 2020	583
	<hr/> <hr/>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2020	571,080	9,615	109,202	689,897
Additions	-	-	893	893
At 31 March 2021	<u>571,080</u>	<u>9,615</u>	<u>110,095</u>	<u>690,790</u>
Depreciation				
At 1 April 2020	190,266	9,331	106,520	306,117
Charge for the year	11,422	284	1,549	13,255
At 31 March 2021	<u>201,688</u>	<u>9,615</u>	<u>108,069</u>	<u>319,372</u>
Net book value				
At 31 March 2021	<u>369,392</u>	<u>-</u>	<u>2,026</u>	<u>371,418</u>
At 31 March 2020	<u>380,814</u>	<u>284</u>	<u>2,682</u>	<u>383,780</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 April 2020	10
	<hr/>
At 31 March 2021	10
	<hr/> <hr/>
Net book value	
At 31 March 2021	10
	<hr/>
At 31 March 2020	10
	<hr/> <hr/>

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
Changing Futures Fostering Limited	11976708	3 Abbey Street, Hartlepool, TS24 0JR	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Changing Futures Fostering Limited	79,117	79,117	10

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. DEBTORS

	2021 £	2020 £
Trade debtors	16,398	83,104
Amounts owed by group undertakings	7,464	38,729
Other debtors	163	113
Prepayments and accrued income	25,788	3,084
	<u>49,813</u>	<u>125,030</u>

16. CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Bank deposit accounts	80,419	79,388

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans	3,143	-
Trade creditors	3,960	4,277
Other taxation and social security	13,068	13,800
Accruals and deferred income	3,036	3,030
	<u>23,207</u>	<u>21,107</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans	46,857	-
	<u><u>46,857</u></u>	<u><u>-</u></u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	6,667	-
	<u><u>6,667</u></u>	<u><u>-</u></u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds					
Revaluation Reserve	5,842	-	(175)	-	5,667
Moving on Relate	-	238,674	(212,103)	(19,376)	7,195
Independent Visitor	1,559	15,080	(12,719)	(2,675)	1,245
Independent Visitor Expenses	-	5,421	(5,459)	38	-
Independent Visitor Spot Purchase	1,100	2,200	-	-	3,300
Independent Visitor Teesside	1,856	9,000	(5,562)	(2,426)	2,868
IAPT	20,252	320,894	(142,771)	(63,573)	134,802
Mentoring	27,774	59,919	(51,863)	(20,482)	15,348
Covid relief	-	11,174	(9,158)	-	2,016
Employment support	-	10,000	(4,672)	(2,016)	3,312
	<u>58,383</u>	<u>672,362</u>	<u>(444,482)</u>	<u>(110,510)</u>	<u>175,753</u>
General funds					
General Fund	<u>335,653</u>	<u>53,201</u>	<u>(77,065)</u>	<u>47,979</u>	<u>359,768</u>
Total unrestricted funds	<u>394,036</u>	<u>725,563</u>	<u>(521,547)</u>	<u>(62,531)</u>	<u>535,521</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Restricted funds					
Abbey Project	374,792	-	(11,247)	-	363,545
Healthy Relationships, Better Childhood Early Action	46,858	26,628	(41,077)	(3,999)	28,410
Tudor Trust	-	37,000	(26,240)	(8,113)	2,647
The Henry Smith Charity	15,306	(15,306)	-	-	-
The Rayne Foundation	717	-	-	-	717
Ballinger Charitable Trust	15,000	-	(9,326)	(5,000)	674
Fostering	-	1,978	(84,546)	82,568	-
Comic Relief	-	65,000	(19,221)	(2,925)	42,854
	<u>452,673</u>	<u>115,300</u>	<u>(191,657)</u>	<u>62,531</u>	<u>438,847</u>
Total funds	<u>846,709</u>	<u>840,863</u>	<u>(713,204)</u>	<u>-</u>	<u>974,368</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Designated funds					
Revaluation Reserve	6,017	-	(175)	-	5,842
Moving on	-	-	(250)	250	-
Moving on Relate	6,907	260,168	(122,638)	(144,437)	-
Independent Visitor	-	22,129	(19,519)	(1,051)	1,559
Independent Visitor Expenses	-	9,915	(9,903)	(12)	-
Independent Visitor Spot Purchase	-	1,100	-	-	1,100
Independent Visitor Teesside	-	7,395	(3,114)	(2,425)	1,856
IAPT	-	50,129	(25,527)	(4,350)	20,252
Mentoring	-	60,569	(46,351)	13,556	27,774
	<u>12,924</u>	<u>411,405</u>	<u>(227,477)</u>	<u>(138,469)</u>	<u>58,383</u>
General funds					
General Fund	<u>240,585</u>	<u>63,970</u>	<u>(118,436)</u>	<u>149,534</u>	<u>335,653</u>
Total unrestricted funds	<u>253,509</u>	<u>475,375</u>	<u>(345,913)</u>	<u>11,065</u>	<u>394,036</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. STATEMENT OF FUNDS (CONTINUED)

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Restricted funds					
Abbey Project	386,219	-	(11,427)	-	374,792
Mentoring	9,040	-	-	(9,040)	-
Independent Visitor	1,623	-	-	(1,623)	-
Healthy Relationships, Better Childhood Early Action	92,268	239,769	(238,763)	(46,416)	46,858
Tudor Trust	5,000	-	(5,000)	-	-
Tees Valley Community Foundation	19	-	-	(19)	-
The Henry Smith Charity	8,988	12,350	(6,032)	-	15,306
The Rayne Foundation	14,896	-	(14,179)	-	717
Ballinger Charitable Trust	-	15,000	-	-	15,000
Fostering	-	15,000	(61,033)	46,033	-
	<u>518,053</u>	<u>282,119</u>	<u>(336,434)</u>	<u>(11,065)</u>	<u>452,673</u>
Total funds	<u>771,562</u>	<u>757,494</u>	<u>(682,347)</u>	<u>-</u>	<u>846,709</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

DESIGNATED FUNDS

Moving on

The Charity has a contract to deliver a "Reducing Parental Conflict" project which it does under its Moving On programme. Money secured to deliver the project has been designated to spend for that purpose. Transfers to core represent budgeted core cost contributions and any surplus made on delivery of the programme.

Mentoring

A Local Authority contract to provide a Mentoring Service to Children and Young People. This was previously shown as restricted but has been transferred to designated this year to better reflect that any surplus can be transferred to core. Money secured to deliver the project has been designated to spend for that purpose. A transfer was made from core to help fund this project with an amount designated for expenditure on this project in the next financial year.

Independent visitor and Independent visitor expenses and spot purchases

Local Authority contract to provide volunteer Independent Visitors to Children and Young People in Care. This was previously shown as restricted but has been transferred to designated this year to better reflect that any surplus can be transferred to core. Money secured to deliver the project has been designated to spend for that purpose and carried forward at the year end after any transfers to cover core costs.

IAPT (Improving Access to Psychological Therapies)

Income to expand availability of psychological therapies for children and parents by way of initially funding 5 students and then subsequently funded via a grant from CCG to be able to continue offering the service. Money secured to deliver the project has been designated to spend for that purpose. Transfers to core represent budgeted core cost contributions.

Covid Relief

Funding granted to help with any necessary adjustments i.e. home working, social distancing etc due to the pandemic. Some of this funding was used to part fund an Employment worker.

Employment support

Funding to support unemployment people gain employment placements through the Government Kickstart scheme. Additionally to support Young people to improve their chances of employment.

PURPOSES OF RESTRICTED FUNDS

Abbey Project

The Abbey Street Project represents funds raised to refurbish a building to be used by the Charity to provide facilities for the advancement of education and leisure time opportunities for children and young people. The main fund provider to the project was the community fund who kindly provided funding of £540,609 in circa 2001.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Healthy relationships, better childhood - early action

This fund represents investment to develop proposals for system change in Hartlepool to enable a shift in spending from acute to preventative and early intervention (Early Help) services. This funding came from Comic Relief. An underspend has been agreed with the funder and was used to employ 3 apprentices starting on the 1 April 2020.

The Tudor Trust

A grant from The Tudor Trust to contribute to the CEO salary. This grant is recurrent for 3 years ending in April 2023.

The Henry Smith Charity

This was funding towards the salary of a family support worker, the unspent amount brought forward was repaid to the funder in the current year.

The Rayne Foundation

This funding was also towards the salary of a family support worker. The funding received in the prior year was for two years. Any unspent funds will be carried forward for similar work.

Ballinger Charitable Trust

Income received towards the core costs of the Charity.

Fostering

The Charity has invested in a trading subsidiary which will run a fostering agency. The Board have identified that given local need, and potential for future revenue generation, the Charity's objects and financial performance will best be enabled through investment in the development and delivery of a fostering service.

Comic Relief

Building on previous funding for Healthy Relationships, Better Childhood this funding was granted to support improved Relationships in schools

Transfers are made between funds in order to reflect the element of funding received which is spent on core activities.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	7,873	363,545	371,418
Intangible fixed assets	1,983	-	1,983
Fixed asset investments	10	-	10
Current assets	595,719	75,302	671,021
Creditors due within one year	(23,207)	-	(23,207)
Creditors due in more than one year	(46,857)	-	(46,857)
Total	535,521	438,847	974,368

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	8,808	374,972	383,780
Intangible fixed assets	583	-	583
Fixed asset investments	10	-	10
Current assets	405,742	77,701	483,443
Creditors due within one year	(21,107)	-	(21,107)
Total	394,036	452,673	846,709

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	127,659	75,147
Adjustments for:		
Depreciation charges	14,135	14,561
Dividends, interests and rents from investments	(1,763)	(1,751)
Decrease/(increase) in debtors	75,217	(74,149)
Increase/(decrease) in creditors	(1,043)	2,654
Net cash provided by operating activities	214,205	16,462

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	117,928	41,897
Notice deposits (less than 3 months)	422,861	237,128
Total cash and cash equivalents	540,789	279,025

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	279,025	261,764	540,789
Debt due within 1 year	-	(3,143)	(3,143)
Debt due after 1 year	-	(46,857)	(46,857)
Liquid investments	79,388	1,031	80,419
	358,413	212,795	571,208

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. RELATED PARTY TRANSACTIONS

During the year the Charity paid £79,002 (2020: £33,961) to Changing Futures Fostering Limited, a wholly owned subsidiary. This payment was a grant and any unspent funds are due back to the Charity. At the year end a balance of £7,474 (2020: £38,729) was owed from this company to the Charity.






Changing futures approval accounts

Final Audit Report

2021-12-01

Created:	2021-12-01
By:	Changing Futures (admin@changingfuturesne.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAALdbp_ZpawjhReGaDytcQ-_hISYyowYRc

"Changing futures approval accounts" History

-  Document created by Changing Futures (admin@changingfuturesne.co.uk)
2021-12-01 - 11:25:56 AM GMT- IP address: 62.31.154.175
-  Document emailed to Gillian Ryden Walker (ashandgill1974@yahoo.co.uk) for signature
2021-12-01 - 12:07:24 PM GMT
-  Email viewed by Gillian Ryden Walker (ashandgill1974@yahoo.co.uk)
2021-12-01 - 3:36:18 PM GMT- IP address: 87.248.116.214
-  Document e-signed by Gillian Ryden Walker (ashandgill1974@yahoo.co.uk)
Signature Date: 2021-12-01 - 3:39:15 PM GMT - Time Source: server- IP address: 87.117.85.105
-  Agreement completed.
2021-12-01 - 3:39:15 PM GMT