

Registered number: 04009541
Charity number: 1089347

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CHANGING FUTURES NORTH EAST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

G Walker, Chair
D Blackith
G Lamb
A N Jackson
A M Croymans (resigned 10 July 2022)
D M Jeffery
C Wright (resigned 25 May 2021)
H Deacon (resigned 27 July 2022)

Company registered number

04009541

Charity registered number

1089347

Registered office

3 Abbey Street, Hartlepool, TS24 0JR

Company secretary

A Jackson

Accountants

Waltons Business Advisers 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

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

Reading last year's report I note that the primary focus was of continuous adaptation to new and challenging circumstances and a feeling that in spite of it all, CFNE had emerged in a stronger and better position than we might have expected after a year of almost continuous pandemic. Today, September 2022, my reflections on the last year and a half are more mixed. At the beginning, a sense of weariness, "oh not again", and a desire to move on and "get back to normal". Then in 2022, much more of "where are we now", what have we learnt and getting back to business with a renewed sense of drive and achievement.

To start with "what have we learnt" – perhaps the most important question a small business can ask itself – I think it is that we have resilience; the ability to adapt to circumstances beyond our control and continue to drive forward in changing the lives of our service users in very positive and creative ways. This is in no small measure due to the leadership of our CEO and senior managers, and the continuing enthusiasm from our staff and volunteers, to whom we owe a very large and heartfelt thank you. The pandemic forced us to think in a new way about how we work, and what does actually work. Out of it has come a blended work arrangement so that people can work from home and the office in a pattern that suits the needs of both. Similarly we have recognised that digital working is something to pursue as part of our "offer" to those who want to use our projects – not all are suitable, nor do all people who access it want it, but a surprising number have chosen digital operation and worked with us successfully to our mutual benefit. Again – well done for adaptation everyone!

Getting back to business has seen several successes this year. Perhaps most noteworthy is the DWP Reducing Parental Conflict project which completed in July 2022. Digital working was really successful in this workstream and particularly helped to facilitate the success of the groupwork component, perhaps to our surprise. The official research results are not out yet, but from our point of view we achieved more and better outcomes than anticipated, and we surpassed the milestones in some areas of the work. Our own analysis of outcomes and parents feedback shows a very successful project and we look forward to the official research. We also await with interest, possible new grants to target parental conflict work towards particular high need groups. The Board particularly wants to thank all the staff who participated in this project over what was probably the hardest of years. It is the success of their work that has directly contributed to changing the lives of the project users for the better. It has been an enormous effort and achieved real and positive results. Thank you for your hard work! Of course mediation is an important part of reducing parental conflict and has a life and funding cycle of its own, and this continues very successfully and apace. We have more referrals than ever since we have been able to offer digital work. Mediation helps couples move forward after relationship breakdown and achieves a high level of success. It also contributes more each year to our funding and we are looking at expanding our team of mediators in our future planning for this service.

We are supporting Councils with training and consultancy support around reducing parental conflict, and hope to be commissioned to do more in the next financial year.

Independent Visitors has grown, since the pandemic, but unfortunately work slowed for some time as it was not very amenable to digital delivery. Now that things are back to normal we have recruited more volunteers to help with this important work providing an independent friend and mentor for children in care, and our number of matches continues to grow. Our volunteers are doing an amazing job, reflected in the feedback from young people – have a look at our website for more feedback
<https://www.changingfuturesne.co.uk/volunteer/independent-visitors>.

Our longstanding Mentoring service (which tended to focus on emotional wellbeing support) ended in July 2022 as the local Council ended a number of Children's Services contracts due to financial challenges. Despite this we have substantially expanded our Emotional Wellbeing offer, providing support for children and young people struggling often as a consequence of, or exacerbated by, the pandemic and its ongoing impact.

Our grant to Changing Futures Fostering is showing positive impact. A "Good" Ofsted report earlier was a significant achievement for the team. We have been pleased with the progress in recruiting and training foster parents and in placing children. CFF is emerging into a confident future, helping the most disadvantaged children. Starting a project in a pandemic has presented challenges we did not dream about, but it really feels

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

like the agency is on the move. Thank you to the new team of foster parents who are doing superbly and making such a difference, and to Sarah, and the team!

So where are we now in September 2022? Again this year I could repeat the paragraph I wrote last year! We are projecting forwards into 2023/24 and can see that funding is again looking positive for next year with a large proportion either secured or likely to be. We end the financial year with a small surplus and healthy free reserves which have been maintained even after investing in CFF.

We are again entering a period of renewal of the Board with 2 people leaving after long and valuable contributions to our organisation. We are recruiting new members, hopefully with specific skills to complement the direction of CFNE. We are now working together with Graham and the staff to look forward at where next – which areas of work can we develop for the future which will fit with our vision, support our communities and families and provide sustainable services and funding. This process is exciting the interest and enthusiasm of everyone in CFNE and we intend a new 5–10 year plan to grow out of this process, directing thoughts and actions for years to come.

It only remains for me to say a very sincere thank you to all at CFNE, CFF and our respective board members for your hard work and commitment over another very difficult year; one which has seen us rise to the challenges presented with renewed vigour, and one which has enabled us to support more children, young people and families and help them also to rise to the challenges of life in 2022.



G Walker
Chairman

Date: 1/12/2022

CHANGING FUTURES NORTH EAST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the Charity for the year 1 April 2021 to 31 March 2022. 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)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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. We are an organisation that is more interested in what has happened to people than what's wrong with people, and we try to avoid labelling and stigmatising language (and encourage some parts of wider systems to reframe how they see and think about the people they work with).

The Charity has set up a subsidiary company, Changing Futures Fostering, to enable provision of a fostering service for children and young people. It has been particularly active in developing its emotional wellbeing programmes for children and families which is timely given the impact of the recent pandemic, its aftermath, and pressures arising from inflation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES (continued)

● **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, neglect) 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.

We target different help to different groups, for instance separated families, parents in relationships, children in care, other young people, 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. Following the DWP investing in supporting Councils to better support parental conflict, and our own local work, we are refocusing our help towards those families with more complex situations where specialist help is likely to be needed as well as to training and supporting the wider children's workforce.

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.

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

Firstly, a huge thank you to the parents and children who have let us into their lives. We support you to draw on your innate talents and skills, and to make your own change. We are privileged to be invited in to help.

A huge thank you as well to the 25 staff and 50 volunteers who provide this help to children and families, in addition to 7 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

• **Main achievements of the Charity**

Direct help

- 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

The Charity helped 1596 people through its service provision compared to 1061 people in 2020/21 and 611 in 2019/20. Much of this increase was due to DWP, Parent Connectors work and IAPT.

Emotional Wellbeing	Reducing Parental Conflict	Youth & Community
212	738	208

The table below shows numbers of people who benefited from our help. Direct beneficiaries are people we worked with ourselves; indirect beneficiaries are 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 21/22	25	1158	627	1596
Main activities 20/21	20	674	367	1061
Main activities 19/20	30	366	265	661
Main activities 18/19	32	384	234	650

The Charity is the founder member of the Healthy Relationships Partnership. It holds the contract for the grant funding, employs and hosts the staff team and has responsibility for operational management of this initiative. Through this work, the Charity supported over 100 practitioners and 50 families through its Relationships Matter systems change work. Given the nature of this work it is more difficult to pin down exact numbers who benefitted.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Living Well Project

We have operated such a project for many years under the guise of the Mentoring Project funded by Hartlepool Borough Council. This funding ceased in early 2022. However, we secured separate finance from the Clinical Commissioning Group to pilot "Adverse Childhood Experiences" (ACES) groups to families whose children haven't been picked up for a neurodevelopmental assessment because they feel that family members would better benefit from help to understand and process some of the trauma they have experienced in life.

Rockpool (who are the owners of the programme we deliver) succinctly explain what ACES are and why helping people who have experienced ACES matters:

"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. In 2021/22 we supported 44 people across the year.

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

We have been pleased to offer children and families emotional wellbeing support through a range of interventions including low intensity cognitive behavioural therapy (CBT), high intensity CBT, systemic family work and parenting support. Initially this was through 5 trainee staff under Health England Funding, then through a direct grant with the local Clinical Commissioning Group. Moving into January 2022, we partnered with alliance to form a North Tees getting help offer. Our staff now offer low and high intensity CBT, youth work interventions, parenting and relationship support and children's counselling. We worked with 90 people across 21/22 with outcomes including improved mood, reduced anxiety and improved communication between family members.

Mental Health Support Teams

Mental Health Support Teams have been rolling out across the country. They seek to improve young people's emotional wellbeing through:

- Delivering evidence based interventions (largely low intensity CBT)
- Supporting a senior mental health lead in each education setting to introduce or develop their whole school/college approach to supporting young people's emotional wellbeing
- Giving timely advice to school and college staff, and liaising with external specialist services, to help children and young people to get the right support and stay in and do well in education

The Link has partnered with five other organisations in South Tees (Middlesbrough, Redcar) including Changing Futures to roll out Mental Health Support Teams there. Across this year we have had 1 worker seconded into the team to offer Parenting & Relationship support. We have recently appointed two Education Mental Health Workers to join this team in September.

Alliance has partnered with Changing Futures in North Tees (Hartlepool, Stockton) to roll out Mental Health Support Teams there. We have recently appointed four Education Mental Health Workers to join this team in October. We worked with 38 people across 21/22.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

• **Enable young people to secure jobs, ideally sustainable jobs (particularly supporting care experienced people)**

Changing Futures North East has acted as a “gateway” that has brought together 9 non-profits or socially minded businesses that intend to create up to 63 jobs for out of work young adults aged 16 – 25. Funding for these posts has been accessed through the governments Kickstart scheme. These agencies have invested in mentoring, coaching and training to help employees gain a range of skills. We are in the process of evaluating the scheme and understanding how many Kickstart employees have sustained employment in their host or other organisations, or went on to education.

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

Funding has been given to Changing Futures Fostering Limited to deliver a fostering service to benefit children in North East England. The agency has now achieved a 'good' rating from Ofsted following its first inspection. There are a small number of children placed with a growing number of foster families. The agency launched during the pandemic and was challenged by the impact of Covid on foster parent applications, but now is seeing a steady stream of enquiries. The therapeutic model has been well received by foster parents.

• **Maintain and where possible grow our mediation offer**

Tees Valley Mediation is the trading name for our Mediation service and traditionally provided mediation in Tees Valley and East Durham. While last year we advertised mediation nationally, this year we have focused more so on local delivery (in part because there was not early clarification of rules around area of benefit post covid and a move by many to digital delivery). The current position is that around 50% of delivery must be face to face, unless we agree otherwise with our contract officer. We always offer people the choice of a face to face appointment. Mediation enables couples to resolve a legal dispute usually around children but also in connection with their finance arrangements following a separation or divorce.

In 2021/22:

- Referrals into mediation increased from the previous year and 435 referrals were received. From these referrals we supported 329 people with an initial piece of work.
- 113 couples then went on to engage in mediation which is a 46% increase from last years' figure of 77.
- Of those 113 couples 80% reached a Mediation Agreement.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

• **Retain couple relationship work as a core part of the organisations portfolio**

The Reducing Parental Conflict programme ended in July 2022 and was funded by the Department for Work and Pensions. As part of the programme, relationship support interventions were offered to parents in conflict in four target geographies. The North East is one of these areas. We commenced delivery in 2019/20.

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.

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.

Given we were well aware of the projects pending closure, we have made efforts to ensure there is a sustained couples work offer in Tees Valley supported by Changing Futures, over and above our mediation work:

- Training and consultancy – we have launched a training programme for leaders and managers, and practitioners, and are working with a range of Councils to help them ensure that their systems processes and practice enable them to identify and effectively work with couples whose conflict is now (or stands to) negative impact their children. We plan to broaden our customer base in 22/23.
- Mental health support team (South Tees) – we have a Parenting & Relationships Worker seconded into the team to provide direct help to parents in conflict, using some of the interventions they became proficient in delivering as part of the DWP funded programme.
- Getting help (North Tees) - we have a Parenting & Relationships Worker working with the wider emotional wellbeing partnership to provide direct help to parents in conflict, using some of the interventions they became proficient in delivering as part of the DWP funded programme.

The team are developing plans to expand our couples work offer in 2023.

• **Sustainably expand our Independent Visitors offer**

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 31 March 2020	At 31 March 2021	At 31 March 2022
Children Matched	18	35	38
Children on a waiting list	18	16	21

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. Once again, over 90% of children who accessed the service reported that they gained a trusted friend/adult and all but two children rated the quality of the relationship as 9/10 or 10/10 (10/10 being excellent).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

• **Enabling wider systems change**

- 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 on service delivery

We continue to prioritise partnership working to enable joined up delivery, generate new insights and mobilise to change systems that do not serve the community well enough. Examples of our partnership work include:

- Our Deputy CEO's membership of the Children's Strategic Partnership in Hartlepool, where he acts as Vice Chair
- Our CEO's membership of the Youth Justice Partnership Board in Hartlepool
- Working with Relate and Action for Children to deliver the Reducing Parental Conflict programme
- Working with the Link (and wider partners) and Alliance on emotional wellbeing delivery
- Victoria Ward partnership membership, leading to us now managing two community development workers active in the ward
- Leading a cross sector partnership of 9 agencies creating kickstart jobs
- Support for the Hartlepool Opportunities Partnership, which is shortly to deepen with our CEO's membership of their Board
- Sitting on a cross sector steering group that has ensures social prescribing is available for young people in Hartlepool, and to help evidence effectiveness and expand the offer

We have spoken at events on Reducing Parental Conflict across England to share our learning. Additionally, we have worked with schools and parents to help all adjust to challenges arising from educating children and living under pressure during covid.

Other activities and performance

• **Parents Peer Support**

We were pleased to continue to deliver "being a parent" groups in partnership with Hartlepool borough Council funded through our systems change project and providing parenting support to over 100 parents. This work has now been put on a firmer footing with a 3 year lottery grant, and given opportunity to deepen its support by helping parents form support groups after formal programmes end.

Business objectives

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

We have acted as a Kickstart gateway as outlined earlier in this report. We have piloted a coaching programme for young people to support them into education and employment, many of whom were care experienced. We are evaluating this work to see if we can identify a scalable and fundable model.

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

Work on this is now well underway, with a range of options around support for young people in care to be taken to the Board in autumn 2022. The Board are mindful of potential market changes should the recommendations in the independent review of children's social care be enacted.

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

There have been a series of project level evaluations, which are being drawn together in an evaluation for the autumn of 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

• **Year end position**

Overall, there has been an increase in income from £840,863 in the prior year to £903,559 in the current year. This was largely due to income received in respect of the Kickstart project which has been passed on to our partner organisations. Expenditure also increased from £713,204 to £1,060,348.

Overall, there was a decrease in funds of £156,789. Total funds at the year end were £817,579 of which £444,590 was restricted.

• **Reserves policy**

The Board determined in its 2015-2021 strategy that free reserves of £225,000 should be targeted, and that free reserves should grow on average by 4% of turnover per annum over the lifetime of the strategy. This target was achieved and at 31/3/21 some £315,155 was held in free reserves.

In 2021/22 the trustees continued to support Changing Futures Fostering by way of grant payments. Additionally, the Board embarked on the first phase of a programme of building renovations given the age and condition of its building in Hartlepool. The cumulative impact in this period was an overall reduction in free reserves to £315,155 (excluding fixed assets).

It is expected that additional money will need to be spent on building renovations and supporting Changing Futures Fostering to achieve a break-even position in 2022/23. Additional cost pressures include rising utility bills and a need to offer an annual increase in wages to mitigate the impact of inflation – the first such payment in a number of years.

The trustees aspire to achieve a growth in reserves equal to 4% of turnover but are mindful that a further reduction in reserves may be necessary in 2022/23 and that any future increases in reserves may be more limited given the impact of inflation.

	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%
	Annual Change	Income in year	Growth as a % of income	% Change
20/21-21/22	(£34,747)	£903,559	(3.7%)	(3.7%)

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:

- Inflation and its impact on reducing the effective value of reserves, and pressures on budgets

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- Reliance on sales generally to draw in revenue
- Children's social care review (as outlined earlier in this report)
- National political changes with new political leadership making the direction of travel in some areas uncertain
- Payment by results contracts and spot purchase contracts being common
- Pressure on local government and central government finances
- High competition for contracts and grant

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 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 from reserves was paired with two loans, one of which was repaid in 2022.

● **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 charities investments are under review given rises in interest rates.

● **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:

- 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

CHANGING FUTURES NORTH EAST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- Authorities. Given challenges facing the economy we do not envisage this changing for a considerable period of time.
- Higher competition for trust and foundation funding as a result, as well as government contracts
 - Extremely high inflation which is increasing our utility bills threefold and creating a desire and pressure to increase wages, but without suitable inflationary increases from funding bodies
 - An extremely tough recruitment market, exacerbated by the ability of some companies to pay more for low skilled work than some of our higher skilled posts
 - A continued shift in 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 Requirement to recruit a high volume of volunteers to underpin delivery of Independent Visitors service
 - Possible realignment of the 'market' for fostering following publication of the Independent review of Children's Social Care which could serve to drive down prices paid for placements over the medium term which may be challenging unless the agency can build scale and create linked efficiencies
 - Possible realignment of the markets for other programmes supporting care experienced children and young people
 - The challenges created for families by inflation, the pandemic, the pressures in the family court system, and our ability to meet ever increasing need.

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

- 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, as well as exploring other options to work with children in care and their family members
- Negotiation with funders around inflationary increases
- Development of a benefits package and sales approach that makes clear the benefits of working for a small charity such as ours
- Continued investment in a Digital Marketing post to drive sales, and expansion of our online presence
- Month to month review of critical sales areas and fostering performance

● **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 until July 2022 operated 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.

0 complaints were informally received this financial year, as posed to 2 in the previous financial year

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

● **Going concern**

Despite the unexpected disruption of Covid the Charity has continued to adapt well and has increased its reach. Mediation sales grew and the adaptation to digital delivery has helped reduce travel and room hire costs across the business. These benefits continue to this day. Changing Futures Fostering, the subsidiary company, progressed at slower pace than had been hoped largely because of recruitment challenges during Covid. However the Company is now doing reasonably well and we expect it's performance to continue to build.

The Charity has a good reserves base and has expanded its portfolio of services in 2021 and 2022.

The Company faces the usual challenges next year with some projects coming to an end, however some replacement funds have already been secured (particularly from health related funding). There will be impacts from inflationary pressures, but these should not jeopardise the ability of the Charity to function and deliver help to people in the community.

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

CHANGING FUTURES NORTH EAST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

● **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
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

Delivery and system change objectives

Our key objectives for the next year include:

- Enable changes in systems supporting children and families, through influencing, training, consulting and partnering with other people and agencies
- Support parents and schools to work as collaboratively as is possible
- Maintain an emotional wellbeing offer that increases access for children and families to psychological services
- Ensure delivery of a therapeutic fostering offer that has peer support at its core
- Maintain and where possible grow our mediation offer and reducing parental conflict consultancy and training
- Sustainably expand our Independent Visitors offer
- Deliver and broaden our community and parent peer support services to help people build connections that enable changes for their families and communities
- Retain couple relationship work as a core part of the organisations portfolio

Business objectives

- Develop a strategy for the next 5 to 10 years including:
 - o Explore the viability of different projects support care experienced young people and families where children are on the verge of going into care, or have went into care. Create plans and enact them.
 - o Explore the viability of projects to enhance our couples conflict /parental relationships offer and to scale effective work. Create plans and enact them.
- Evaluate the organisations effectiveness in enabling people to make changes in their own lives
- Restructure the organisation as necessary to give it the base it needs to deliver well and successfully undertake development activities
- Increase expertise in business development and service/social care project management on the Board

CHANGING FUTURES NORTH EAST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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: 1/12/2022

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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 2022.

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: 6 December 2022

Heather O'Driscoll FCA

Waltons Business Advisers Limited
Chartered Accountants

CHANGING FUTURES NORTH EAST
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations and grants	3	118	-	118	24,362
Charitable activities	4	463,848	435,258	899,106	814,133
Other trading activities	5	3,352	-	3,352	605
Investments	6	983	-	983	1,763
TOTAL INCOME		468,301	435,258	903,559	840,863
EXPENDITURE ON:					
Charitable activities	7	525,610	534,738	1,060,348	713,204
TOTAL EXPENDITURE		525,610	534,738	1,060,348	713,204
NET (EXPENDITURE)/INCOME		(57,309)	(99,480)	(156,789)	127,659
Transfers between funds	19	(105,223)	105,223	-	-
NET MOVEMENT IN FUNDS		(162,532)	5,743	(156,789)	127,659
RECONCILIATION OF FUNDS:					
Total funds brought forward		535,521	438,847	974,368	846,709
Net movement in funds		(162,532)	5,743	(156,789)	127,659
TOTAL FUNDS CARRIED FORWARD		372,989	444,590	817,579	974,368

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

The notes on pages 25 to 47 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	1,330	1,983
Tangible assets	13	361,633	371,418
Investments	14	10	10
		<u>362,973</u>	<u>373,411</u>
CURRENT ASSETS			
Debtors	15	132,663	49,813
Investments	16	81,203	80,419
Cash at bank and in hand		375,896	540,789
		<u>589,762</u>	<u>671,021</u>
Creditors: amounts falling due within one year	17	(64,434)	(23,207)
NET CURRENT ASSETS		<u>525,328</u>	<u>647,814</u>
Creditors: amounts falling due after more than one year	18	(70,722)	(46,857)
TOTAL NET ASSETS		<u><u>817,579</u></u>	<u><u>974,368</u></u>
CHARITY FUNDS			
Restricted funds	19	444,590	438,847
Unrestricted funds	19	372,989	535,521
TOTAL FUNDS		<u><u>817,579</u></u>	<u><u>974,368</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

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

Date: 1/12/2022

The notes on pages 25 to 47 form part of these financial statements.

CHANGING FUTURES NORTH EAST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(201,101)	214,205
CASH FLOWS FROM INVESTING ACTIVITIES		
Bank interest	983	1,763
Purchase of tangible fixed assets	(2,661)	(3,173)
Net movement on deposit (over 3 months)	(784)	(1,031)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(2,462)	(2,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from new borrowing	50,000	50,000
Repayments of borrowing	(11,330)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	38,670	50,000
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(164,893)	261,764
Cash and cash equivalents at the beginning of the year	540,789	279,025
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	375,896	540,789

The notes on pages 25 to 47 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 2022

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

Amortisation is provided on the following basis:

Software database	-	% 4 years straight line
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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 2022

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 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	118	118	1,440
Coronavirus Job Retention Scheme	-	-	1,748
Covid-19 grant income	-	-	21,174
	118	118	24,362
<i>Total 2021</i>	<i>24,362</i>	<i>24,362</i>	

CHANGING FUTURES NORTH EAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Systems change work	41,100	37,142	78,242	91,628
Couple and family relationships	358,913	-	358,913	329,945
Working with children and young people	63,835	38,296	102,131	353,082
Core support	-	15,686	15,686	39,478
Employment support	-	344,134	344,134	-
	<u>463,848</u>	<u>435,258</u>	<u>899,106</u>	<u>814,133</u>
<i>Total 2021</i>	<u>698,833</u>	<u>115,300</u>	<u>814,133</u>	

5. FUNDRAISING INCOME

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Room hire	3,352	3,352	145
Other income	-	-	460
	<u>3,352</u>	<u>3,352</u>	<u>605</u>
<i>Total 2021</i>	<u>605</u>	<u>605</u>	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	983	983	1,763
	<u>1,763</u>	<u>1,763</u>	
<i>Total 2021</i>	<u>1,763</u>	<u>1,763</u>	

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Systems change work	11,200	73,863	85,063	84,044
Couple and family relationships	310,425	47,088	357,513	371,137
Working with children and young people	169,583	83,569	253,152	258,023
Employment support	34,402	330,218	364,620	-
	<u>525,610</u>	<u>534,738</u>	<u>1,060,348</u>	<u>713,204</u>
<i>Total 2021</i>	<u>521,547</u>	<u>191,657</u>	<u>713,204</u>	

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Systems change work	66,755	18,308	85,063	84,044
Couple and family relationships	273,527	83,986	357,513	371,137
Working with children and young people	229,254	23,898	253,152	258,023
Employment	284,086	80,534	364,620	-
	<u>853,622</u>	<u>206,726</u>	<u>1,060,348</u>	<u>713,204</u>
<i>Total 2021</i>	<u>512,429</u>	<u>200,775</u>	<u>713,204</u>	

CHANGING FUTURES NORTH EAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Systems change work 2022 £	Couple and family relationships 2022 £	Working with children and young people 2022 £	Employment support 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	44,960	233,661	175,471	-	454,092	440,198
Project activities	559	7,353	24,330	283,926	316,168	21,299
Premises costs	12	3,375	-	-	3,387	1,610
Printing postage and stationery	1,642	2,987	1,387	-	6,016	4,988
Phone	755	1,660	1,455	-	3,870	3,777
Repairs and renewals	948	-	2,886	160	3,994	-
Travelling	290	2,687	6,111	-	9,088	3,347
Other	914	4,183	3,262	-	8,359	4,110
Legal and Professional	13,925	5,922	7,782	-	27,629	11,765
Training	2,750	11,699	6,570	-	21,019	19,695
Website development	-	-	-	-	-	1,640
	66,755	273,527	229,254	284,086	853,622	512,429
<i>Total 2021</i>	<i>60,297</i>	<i>285,620</i>	<i>166,512</i>	<i>-</i>	<i>512,429</i>	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Systems change work 2022 £	Couple and family relationships 2022 £	Working with children and young people 2022 £	Employment support 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	5,249	24,079	6,852	23,087	59,267	49,656
Depreciation	1,160	5,321	1,514	5,104	13,099	14,135
Project activities	3,344	15,339	4,365	14,707	37,755	48,498
Premises costs	1,207	5,541	1,575	5,315	13,638	9,964
Printing postage and stationery	284	1,303	371	1,247	3,205	7,381
Phone	166	760	216	728	1,870	2,562
Repairs and renewals	1,877	8,609	2,450	8,254	21,190	9,382
Insurance	526	2,412	686	2,314	5,938	5,020
Travelling	18	84	24	80	206	96
Other staff costs	4	20	6	20	50	400
Other	3,248	14,899	4,240	14,289	36,676	40,733
Legal and Professional	586	2,689	765	2,578	6,618	4,228
Training	200	917	261	880	2,258	3,638
Website development	159	731	208	702	1,800	-
Governance costs (note 9)	280	1,282	365	1,229	3,156	5,082
	18,308	83,986	23,898	80,534	206,726	200,775
<i>Total 2021</i>	<i>23,747</i>	<i>85,517</i>	<i>91,511</i>	<i>-</i>	<i>200,775</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. GOVERNANCE COSTS

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Independent Examination	3,156	3,156	3,036
Professional fees	-	-	2,046
	<u>3,156</u>	<u>3,156</u>	<u>5,082</u>
<i>Total 2021</i>	<u>5,082</u>	<u>5,082</u>	

10. STAFF COSTS

	2022 £	<i>2021 £</i>
Wages and salaries	472,617	449,182
Social security costs	31,380	32,033
Contribution to defined contribution pension schemes	9,362	8,639
	<u>513,359</u>	<u>489,854</u>

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

	2022 No.	<i>2021 No.</i>
Charitable activities	18	18
Management and Administration	6	6
	<u>24</u>	<u>24</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 £105,358 (2021: £105,490).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £NIL were reimbursed or paid directly to Trustees (2021 - £NIL)

12. INTANGIBLE ASSETS

	Software database £
Cost	
At 1 April 2021	4,280
At 31 March 2022	<u>4,280</u>
Amortisation	
At 1 April 2021	2,297
Charge for the year	653
At 31 March 2022	<u>2,950</u>
Net book value	
At 31 March 2022	<u><u>1,330</u></u>
At 31 March 2021	<u><u>1,983</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2021	571,080	9,615	110,095	690,790
Additions	-	-	2,661	2,661
At 31 March 2022	<u>571,080</u>	<u>9,615</u>	<u>112,756</u>	<u>693,451</u>
Depreciation				
At 1 April 2021	201,688	9,615	108,069	319,372
Charge for the year	11,422	-	1,024	12,446
At 31 March 2022	<u>213,110</u>	<u>9,615</u>	<u>109,093</u>	<u>331,818</u>
Net book value				
At 31 March 2022	<u>357,970</u>	<u>-</u>	<u>3,663</u>	<u>361,633</u>
At 31 March 2021	<u>369,392</u>	<u>-</u>	<u>2,026</u>	<u>371,418</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	10
	<hr/>
At 31 March 2022	10
	<hr/> <hr/>
Net book value	
At 31 March 2022	10
	<hr/>
At 31 March 2021	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	164,865	164,864	10

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**NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2022	2021
	£	£
Trade debtors	75,656	16,398
Amounts owed by group undertakings	38,294	7,464
Other debtors	-	163
Prepayments and accrued income	18,713	25,788
	<u>132,663</u>	<u>49,813</u>

16. CURRENT ASSET INVESTMENTS

	2022	2021
	£	£
Bank deposit accounts	81,203	80,419

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans	17,948	3,143
Trade creditors	23,703	3,960
Other taxation and social security	19,627	13,068
Accruals and deferred income	3,156	3,036
	<u>64,434</u>	<u>23,207</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022	2021
	£	£
Bank loans	70,722	46,857

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

	2022	2021
	£	£
Payable or repayable by instalments	-	6,667
	-	6,667

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Designated Funds					
Revaluation Reserve	5,667	-	(175)	-	5,492
Moving on Relate	7,195	226,829	(189,713)	(29,700)	14,611
Independent Visitor	1,245	15,853	(17,045)	324	377
Independent Visitor Expenses	-	15,439	(15,402)	-	37
Independent Visitor Spot Purchase	3,300	1,100	-	(4,400)	-
Independent Visitor Teesside	2,868	13,560	(13,694)	(2,548)	186
IAPT	134,802	-	(96,890)	(13,168)	24,744
Mentoring	15,348	59,919	(59,903)	(8,479)	6,885
Covid Relief	2,016	-	-	(2,016)	-
Employment Support	3,312	-	(3,312)	-	-
IAPT 2022	-	17,797	(17,290)	-	507
	175,753	350,497	(413,424)	(59,987)	52,839
General Funds					
General Fund	359,768	117,804	(112,186)	(45,236)	320,150
Total unrestricted funds	535,521	468,301	(525,610)	(105,223)	372,989

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Restricted Funds					
Abbey Project	363,545	-	(11,067)	-	352,478
Parent Connectors	28,409	15,342	(30,861)	-	12,890
Tudor Trust	2,648	-	(37,019)	34,371	-
Mental Health Support Team	-	17,761	(2,260)	(4,485)	11,016
ESF	-	6,600	(12,388)	6,000	212
The Rayne Foundation	717	-	-	(717)	-
Employment support- Kickstart	-	344,134	(280,774)	(38,302)	25,058
Pre Employment and Employment	-	1,500	(53,302)	51,999	197
Victoria Ward	-	21,800	(4,705)	-	17,095
Ballinger Charitable Trust	674	15,000	(14,599)	-	1,075
CCG Neuro	-	12,435	(940)	(3,357)	8,138
Fostering	-	686	(64,301)	63,615	-
Comic Relief	42,854	-	(22,522)	(3,901)	16,431
	<u>438,847</u>	<u>435,258</u>	<u>(534,738)</u>	<u>105,223</u>	<u>444,590</u>
Total funds	<u>974,368</u>	<u>903,559</u>	<u>(1,060,348)</u>	<u>-</u>	<u>817,579</u>

CHANGING FUTURES NORTH EAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
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>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. STATEMENT OF FUNDS (CONTINUED)

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Restricted Funds					
Abbey Project	374,792	-	(11,247)	-	363,545
Parent Connectors	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>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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. Money secured to deliver the project has been designated to spend for that purpose. A transfer was made to core 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. 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 and IAPT 2022 (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 brought forward has been spent in the current year as planned.

Covid Relief

Funding granted to help with any necessary adjustments i.e. home working, social distancing etc due to the pandemic. This fund has now been released to core with the ending of Covid restrictions.

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.

Parent Connectors (was Healthy relationships, better childhood - early action)

The brought forward funding came from Comic Relief. An underspend had been agreed with the funder and was used to employ 3 apprentices starting on the 1 April 2020. The current year project is funded by the Big Lottery and delivers a parenting course called Being a Parent in the Hartlepool Community.

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 funding for the current year was delayed due to issues with submitting monitoring and received post year end. Core funding was therefore used and will be returned next year.

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NOTES TO THE FINANCIAL STATEMENTS
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Mental Health Support Team

One member of staff has been seconded into this team to focus on supporting the parental relationship within this wider partnership.

ESF

Funding from Hartlepool Borough Council towards our work with Children and Young People.

The Rayne Foundation

The unspent funds brought forward have now been spent.

Ballinger Charitable Trust

Income received towards the core costs of the Charity.

Employment support (Kickstart) and pre Employment

Funding to support unemployment people gain employment placements through the Government Kickstart scheme. This has been split across two funds to recognise the distinction between monies received and passed on to third party employers and money used to hire our own employees. All money is recognised in one with a transfer between the funds. A further transfer out is then made to recognise the element of funding received towards administrative costs which has been moved to core.

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. This is therefore funded through unrestricted reserves, shown as a transfer in.

Comic Relief

This funding is the Relationship Matter to Schools project working to improve parental and school/parent relationships.

Victoria Ward

Community based project to help improve the lives of People living in the Victoria Ward of Hartlepool.

CCG Neuropathway

Funded by CCG and working in partnership with Alliance Psychology, this funding is used to improve children emotional wellbeing

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. ANALYSIS OF NET ASSETS BETWEEN FUND

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,155	352,478	361,633
Intangible fixed assets	1,330	-	1,330
Fixed asset investments	10	-	10
Current assets	497,650	92,112	589,762
Creditors due within one year	(64,434)	-	(64,434)
Creditors due in more than one year	(70,722)	-	(70,722)
Total	372,989	444,590	817,579

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(156,789)	127,659
Adjustments for:		
Depreciation charges	13,099	14,135
Dividends, interests and rents from investments	(983)	(1,763)
Decrease/(increase) in debtors	(82,850)	75,217
Increase/(decrease) in creditors	26,422	(1,043)
Net cash provided by operating activities	(201,101)	214,205

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	82,837	117,928
Notice deposits (less than 3 months)	293,059	422,861
Total cash and cash equivalents	375,896	540,789

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	540,789	(164,893)	375,896
Debt due within 1 year	(3,143)	(14,805)	(17,948)
Debt due after 1 year	(46,857)	(23,865)	(70,722)
Liquid investments	80,419	784	81,203
	571,208	(202,779)	368,429

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

24. RELATED PARTY TRANSACTIONS

During the year the Charity paid £64,301 (2021: £79,002) 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 £38,294 (2021: £7,474) was owed from this company to the Charity.

