

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CHANGING FUTURES NORTH EAST

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CHANGING FUTURES NORTH EAST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees	G Walker (resigned 31 May 2023) D Blackith G Lamb A N Jackson AM Croymans (resigned 10 July 2022) D M Jeffery H Deacon (resigned 27 July 2022) D Robertson (appointed 25 January 2023) A Steel (appointed 25 January 2023)
Company registered number	04009541
Charity registered number	1089347
Registered office	3 Abbey Street Hartlepool TS24 0JR
Company secretary	A Jackson
Independent auditors	Waltons Business Advisers Limited Chartered Accountants 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

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

This year has witnessed several changes to the Board of Trustees and the development of a vision which will secure the work of Changing Futures North East into the future.

Board Changes

In July, Gillian Walker, the Chair of the Board, stepped down after over ten years of dedicated service. Gillian has overseen the growth of CFNE from a Hartlepool-based charity to a Charity making a significant difference to children and families across the North East. The charity has expanded its offer for families and children. Two years ago, just as the pandemic hit, the charity launched its fostering service, CFF; as Gillian leaves us, Changing Futures Fostering is providing places for a large number of children and is proving a huge success. I want to thank Gillian for all her hard work and commitment to CFNE; she will be a hard act to follow.

Strategy Day

The year started with a Strategy Day. The day aimed to identify key strategic challenges and opportunities, the day was also an opportunity to welcome new Trustees, bringing a wealth of experience to the Board, and I look forward to working with them in the future. The CEO posed some critical questions for the board to consider, the Board also looked at key strengths, areas to develop and future possibilities.

Currently, CFNE is involved in delivering relationship focused support through emotional well-being services, peer support, and community-based projects – as well as supporting the children's workforce to build on their good practice to work even more effectively with fathers and with parents in conflict. The organisation still delivers a mediation service, and has been piloting it's own model of couples support with a small group of teenage parents in Durham.

Much of the organisation work is dependent on bidding for and securing grants from a variety of sources. The uncertainty about the future grants on offer, the terms of these grants, and the success of bids hinder future planning and can lead to changes in personnel.

The Charity has invested through its wholly owned subsidiary in establishing a fostering agency that continues to grow; from six children at the beginning of the year to eighteen children in November 2023. It is marvellous to see this project thriving, and to hear about the good progress children are making in the care of an amazing group of foster parents.

Whilst CFNE continues its work in these areas and builds on the success of fostering, the Board and Leadership look to the future for CFNE, the aim to secure finances which will support all the work of CFNE whilst aligning with the vision of helping families and young people.

It was agreed that CFNE would investigate opening a residential care home for children. There is huge opportunity to build a complimentary fostering and residential offer, and to expand the numbers of local placements available to children and young people. There is also an aspiration to address some of the gaps in the care system (and support for young adults who have left care) as the projects grow to scale. Surplus will also be channelled into services that help families thrive with children still living at home.

Additionally, the board committed to develop a training and consultancy offer initially around reducing parental conflict. It's great to see that so many councils have bought in support, and we have a bid being considered in a new local authority area as we speak.

The success in bidding for Grants has been a mixed picture. It was disappointing news in June that we were unsuccessful with our DWP grant application, and that so many of the established relationships providers nationally hadn't been given the chance to further deliver. The company has fared well without the investment, but the challenging grant and contract funding environment again highlights the importance of the move to diversify (for instance into supporting young people in care and through training). In September/November, opportunities arose to bid with partners for a Suicide Prevention project and a mentoring project. We are awaiting the outcome of both applicants and are hopeful they will allow us to expand in two core delivery

CHANGING FUTURES NORTH EAST

CHAIRMAN'S STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

programmes.

Residential

The Board agreed to recruit a Service Manager, aiming to release time for the CEO to investigate Residential, and to pursue broader strategic objectives. The Board are particularly mindful of the need to grow the organisations infrastructure as it grows in size and complexity.

A Strategy and Business proposal was presented to the Board by the CEO at the October meeting, which highlighted the current position of residential care nationally and locally—the financial risks based on occupancy at different levels and the key areas to be addressed. The Board agreed to the proposals in principle; the next step is to work with the accountants to build a financial model to present to lenders. The Board also discussed the finances of CFNE and the reserves, which are healthy but would reduce substantially if the charity does decide to pursue opening a residential offer.

As we move into 2024 we are in a position to move into residential care whilst continuing to grow fostering through the subsidiary company, and deliver well our emotional well-being services, couples conflict support and peer and community support and befriending programmes.

I want to thank all the Board members of CFNE, CFF, and all of the volunteers and staff members for their hard work and commitment throughout the year. I want to mention a particular highlight of the year for me: attending the Fostering party. Listening to the foster parents talking about the young people that are now part of their family (and the progress they were making) really did highlight the impact of our work in a very human way.

Chairman
Date:

Aileen Lamb
7.12.23

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the group for the year 1 April 2022 to 31 March 2023. 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 group and the charity qualify as small under section 383 of the Companies Act 2006, the group 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:

- 5.1 Promoting their better care and safeguarding them.
- 5.2 Providing assistance to them and their families and carers
- 5.3 Promoting their health
- 5.4 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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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.

Vision

- **We will help create a society where every child and young person has opportunity to be supported by the full range of healthy relationships they need to thrive.**
- This will help break intergenerational cycles of trauma, poverty and deprivation.

Mission

To help children, families and communities to flourish:

- Enabling families to have the relational resources and resilience they need to thrive
- Promoting and supporting parental and other key relationships
- Enabling development of relationships that heal and create or nurture resilience to the impacts developmental and other life trauma

Beliefs

- **Everyone has potential** - our role is to help people unlock this and achieve the things that matter to them
- **Parents love their children** – and this love needs to be acknowledged, worked with, and respected
- **Parental relationships matter** – we must be curious about them and support them where needed, particularly given the critical impact inter-parental relationships have on children
- **Wider relationships matter** - people stand the best chance of thriving with a variety of positive family, peer, and other relationships
- **Workplace relationships matter** – healthy and supportive workplace relationships are good for people at work, and they help them help people in the community better too
- **Systems affect children, change and performance** – we need to understand and work across the range of relationships, agencies and actors that surround families to best enable positive change

Values

- **Ambitious** – We're ambitious for children and families and set ambitious goals that help us to help them.
- **Integrity & Pride** - We provide and celebrate the type of help we believe in.
- **Innovation and Competence** - We seek to enter and maintain a focus in spaces where we know we can do things well.
- **Collaborative** - We recognise we are at our best when we collaborate inside and outside the organisation
- **Empowering** – We know that giving our staff, volunteers and families the tools, support and confidence to enable changes, gives best results.
- **Safe** – People deserve to be safe in their relationships, in the community and the workplace and we will try to make sure they are.

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

• Our history and current focus

The modern 'Changing Futures' is a relationship focused agency, with a special focus on working with people who've experienced trauma, that works across North East England. We are more interested in what's happened to people than what's wrong with people. 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 relational focus that underpins our work dates back to the very founding of the organisation, when its sole focus was as an estate based youth provider on the Headland of Hartlepool. 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 emphasis of Headland Future's youth work was social and informal education. The nurturing of relationships, bringing together or people of shared passions in "communities of interest" and an emphasis on enabling young people to enjoy and achieve were more of a focus than issue based work.

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. Oftentimes, but not always, change can be best enabled when the family context children live in is warm, nurturing, and free of poorly managed conflict. Healthy parental relationships have a particular impact on children's welfare and wellbeing.

Parenting children who've experienced trauma is particularly challenging, be it for birth parents, foster carers or staff taking care of children in residential settings. We have a particular emphasis on enabling parents, carers and workers to understand the impact of trauma and to parent or work in a trauma informed way. Ensuring that parents, carers and workers are well supported, and have their core needs attended to, is critical to enabling them to meet children's needs well.

We are acutely conscious that too many children are living often many miles away from their loved ones because of shortages in local foster homes and residential placements. We are also saddened that too many young people leave care with few or no loving or trusting relationships with adults. A substantial focus for our organisation is to help address these issues through direct provision of placements (for instance through Changing Futures Fostering, our subsidiary company) and through long term support.

• 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 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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

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 have refocused our help towards those families with more complex situations where specialist help is likely to be needed. We have also focused on helping train, coach and support the wider children's workforce to better support parental relationships.

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 35 staff and 81 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 these committed individuals who give up so much of their free time to support people in the community. Without this help we would be unable to provide anywhere near the current level and quality of service.

Achievements and performance

- **Main achievements of the charity**

Direct help

- Support parents and schools to work as collaboratively as is possible
- 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 organisation's portfolio
- Maintain and where possible grow our mediation offer
- Ensure delivery of a therapeutic fostering offer that has peer support at its core
- Maintain an emotional wellbeing offer that increases access for children and families to psychological services
- Sustainably expand our Independent Visitors offer

The Charity helped 2251 people through its service provision compared to 1785 people in 2021/22 and 1061 in 2020/21. Much of this increase was due to DWP, Parent Connectors work and IAPT. We would expect this to reduce in 23/24 as we move to working more substantively with practitioners and agencies to enhance their efforts to directly deliver certain services, and focus on working with smaller numbers of people who need more intensive support.

Emotional Wellbeing	Reducing Parental Conflict	Youth & Community
619	893	148

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

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
22/23	197	1463	591	2251
21/22	25	1158	627	1785
20/21	20	674	367	1061
19/20	30	366	265	611
18/19	32	384	234	650

- Support parents and schools to work as collaboratively as is possible
- Deliver and broaden our community and parent peer support services to help people build connections that enable changes for their families and communities

Parents Pulling Together is a three year parent led universal peer support and parenting service in Hartlepool, delivered in partnership with Hartlepool Borough Council. It is funded through the National Lottery Communities Fund. It has been bolstered with extra support from the lottery "Know Your Neighbourhoods" grant scheme, enabling a sharper focus on engaging parents who would not otherwise have accessed help.

At the heart of Parents Pulling Together is the philosophy that parents are best places to help other parents. Consequently, all of the groups are delivered either through:

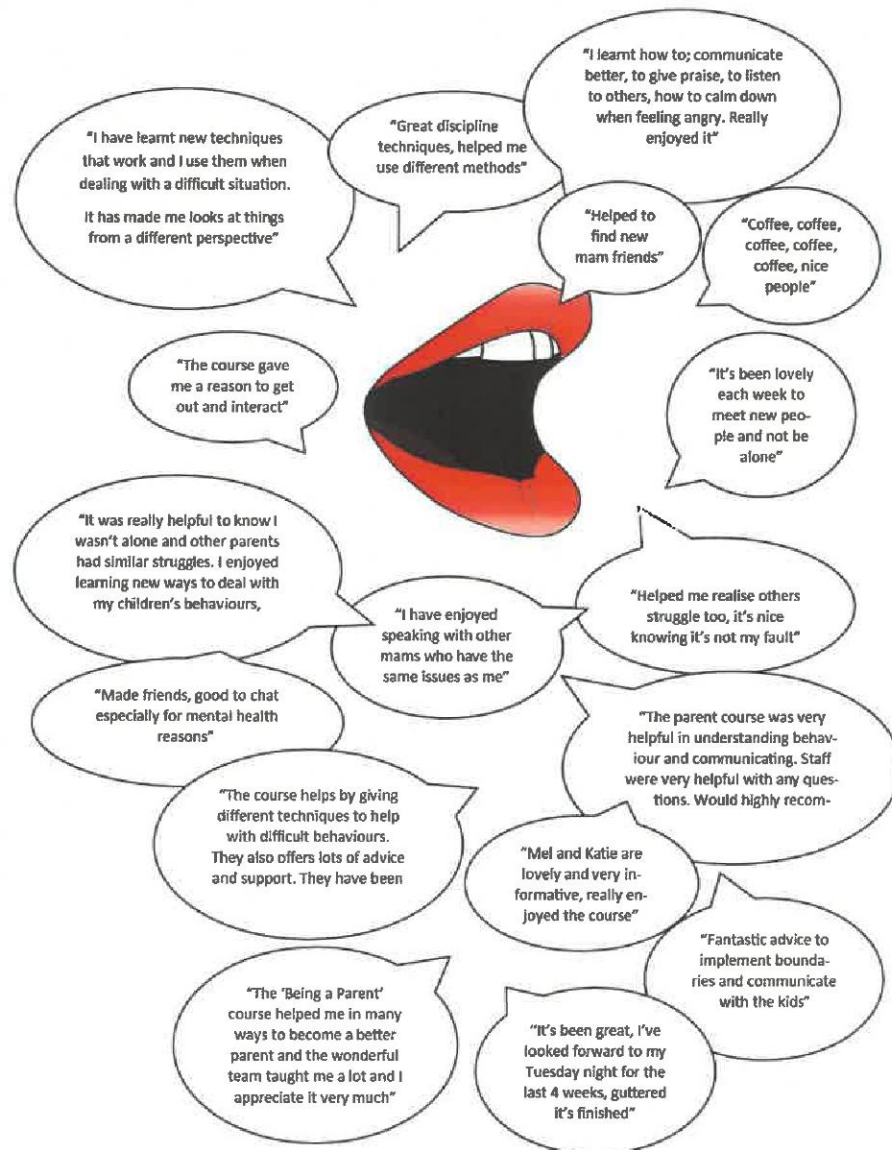
- Parent Connectors, paid for by the National Lottery Communities Fund, who accessed the "being a parent" groupwork programme themselves, learned loads from it, and delivered it substantially as volunteers. They then took up paid positions so they could dedicate even more time to delivering the programme. We employ three people in this role.
- Parent Group Leaders – parents who volunteer their time to deliver programmes. Over the past year we've trained new Parent Group Leaders. Parent Connector staff and a number of parent volunteers have run 16 "being a parent" groupwork programmes across 9 schools in Hartlepool, with 2 groups running for parents of all schools (one focused on dads, and one for parents with a child with special educational needs).

We constantly talk to parents about the issues and challenges they're facing and try to respond accordingly. Many parents told us they would appreciate support over summer, so we provided breakfast and play sessions. Parents feedback on the work is shown overleaf; they have tended to really benefit from building connections, learning, and hearing from other parent's experiences.

127 parents started groups and 99 completed. Of those completing outcomes measures:

- 94% said developed skills for positive parenting
- 54% showed medium of high improvements in parenting / more effective parenting
- 50% reported improved wellbeing
- 64% said they were reaching parenting goals
- 61% has less concerns about their child

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

- **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. Mediation enables couples to resolve a legal dispute usually around children but also in connection with their finance arrangements following a separation or divorce.

We provide both private and legally aided mediation. Supply of legal aid services continues to be challenging, as there has been no uplift in fees for many years. Inflation always erodes profitability, but recent inflationary pressures have created additional strain.

We have submitted a first stage tender to continue to provide the service.

The current position is that around 50% of mediation 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.

In 2022/23:

- Referrals into mediation were 438 this year, which is comparable with 21/22. From these referrals we supported 320 people with an initial piece of work (again comparable with the year before).
- 100 people then went on to engage in mediation which is a slight decrease on the year before
- 64 people reached a Mediation Agreement which is a decrease from last years 80%

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

Evaluation of Reducing Parental Conflict National Program

The Reducing Parental Conflict programme ended in July 2022 and was funded by the Department for Work and Pensions. The North East was one of a number of pilot areas and the national programme has been evaluated. Changing Futures delivered in Tees Valley, supporting 231 parents. The North East was a partnership project led by RELATE and including Changing Futures and Action for Children who in total supported 596

Changing Futures expertise in delivery has helped us have the confidence and reputation to build our own model of support for teen parents and to train and support other agencies in embedding reducing parental conflict support. Before detailing our recent activity, it is worth highlighting excerpts from the national programme evaluation.

The summary findings were:

Intervention delivery

- Parents who completed an intervention were generally positive, and felt it had a positive impact on them. This was particularly the case for intact couples. However, there were some concerns raised about the sessions.
- From the experience of parents, it appeared that there were 4 key elements to delivering the interventions well: tailoring of content so its relevant to individual situations, good practitioner approach and demeanour, use of practical tools and activities and provision of workbooks to reflect on the sessions.
- The main reasons given for parents not completing the intervention was that their (ex) partner did not want to take part or they felt unable to go without them.
- For those who did not complete the intervention, most felt the session(s) they attended had a limited or no impact on their relationship. Though, most had seen some positive changes in their children and their children's behaviour.

On average, participating parents who are together (intact), experienced statistically significant improvements in their relationship with the other parent after they completed one of the tested interventions. The table below show the effect sizes for intact parents immediately after completing an intervention. Scores are given as a "Cohens d score"; the effect of the intervention could be considered small to large:

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

- 0.8 = large
- 0.5 = medium
- 0.2 = small

Table 1: Effect sizes for each relationship measure (intact parents)

Relationship Measure	Cohen's d. Score
Relationship warmth	0.7
Hostility	0.69
Relationship satisfaction	0.73

On average, separated parents who participated experienced statistically significant improvements in their relationship with the other parent after they completed one of the tested interventions. The table below shows the effect sizes for separated parents immediately after completing an intervention:

Table 2: Effect sizes for each relationship measure (separated parents)

Relationship Measure	Cohen's d. Score
Conflict when communicating	0.71
Frequency of conflict	0.74
Breadth of conflict	0.63
Co-parenting support	0.22
Satisfaction with custody arrangements	0.23

Furthermore, participating parents with a child aged 2 to 17 years old at the point of referral reported on average that these children showed statistically significant improvements in their mental health and wellbeing after their parent(s) completed an intervention. The table below show the effect sizes for children aged 5 to 17 years old, 6 months after completing an intervention:

Table 3: Effect sizes for each Strengths and Difficulties Questionnaire measure (5 to 17-year-olds)

Child Wellbeing Measure	Cohen's d. Score
Emotional problems	0.5
Conduct problems	0.37
Hyperactivity	0.22
Peer Problems	0.23
Prosocial behaviour	0.17
Total difficulties	0.48

Where it was possible to estimate (i.e., where post intervention sample sizes were sufficient), there was no evidence that interparental relationships or child mental health regressed towards pre-intervention levels in the 12 months after completing an intervention.

Families that completed high intensity interventions, which are more expensive, showed slightly greater improvements in both interparental relationships and child wellbeing / mental health than families that completed moderate intensity interventions.

On average, parents who completed Mentalization Based Therapy (MBT) experienced greater improvements in interparental relationships and the mental health of their children, compared to parents who completed other interventions. However, at the time of the test, MBT was considered to be the most expensive intervention, and it was not possible to adjust the effect sizes in this report for the cost of interventions.

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

Where both parents participated, greater improvements were demonstrated in interparental relationships and child mental health, though parents participating alone (without the cooperation of the other parent) still showed statistically significant improvements in interparental relationships and child mental health.

Working families experienced slightly better outcomes than families where at least one parent was workless; both workless and working families showed significant improvements (of a similar magnitude) in interparental relationships, but working families saw greater improvements in child mental health.

Sample sizes were not sufficient to facilitate comparative analyses between specific ethnic groups. However, when analysing minority ethnic and non-minority ethnic families, both showed significant improvements in interparental relationships and child mental health after completing an intervention.

Retaining a couples work offer

We have built on our historic experience of delivering "Moving On", a couple's work intervention, and adapted this to work with teenage parents in Durham. Again this small pilot will be evaluated in time for the next annual report.

Unfortunately, efforts to secure substantial investment for new couples work programmes were unsuccessful, with a large grant application declined. It is still the organisations intent to explore how an earlier help session for parents around relationships can be embedded within the midwifery pathway and we remain alert to funding opportunities that could help us test our worked up ideas.

- **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 achieved a 'good' rating from Ofsted at 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 has subsequently thrived and has a good number of children in placement, many of whom are long term matched. The therapeutic model has been well received by foster parents. Feedback from foster parents about the quality of training and support they receive is excellent and children and young people are making good, solid, evidenced progress.

The agency has passed break even point and is now generating a surplus.

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

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 experiences in life.

Rockpool (who are the owners of the programme we deliver) succinctly explain what ACES are any 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.

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

In 2021/22 we supported 44 people across the year and in 2022/23 we supported 23 people . An evaluation will be published in the next annual report.

o 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. We do this through partnerships in both North and South Teesside. Our staff have offered low and high intensity CBT, youth work interventions, parenting, relationship support and children's counselling services.

We worked with 402 people across 22/23 with outcomes including improved mood, reduced anxiety and improved communication between family members.

o Mental Health Support Teams

Mental Health Support Teams 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 deliver Mental Health Support Teams there. Across this year we have had 1 worker seconded into the team to offer Parenting & Relationship support, as well as 2 Education Mental Health Workers. We worked with 135 people across 22/23.

Alliance has partnered with Changing Futures in North Tees (Hartlepool, Stockton) to expand Mental Health Support Teams there. We seconded 4 staff into this service. We worked with 118 people across 22/23.

• 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 31st March 2020	At 31st March 2021	At 31st March 2022	At 31st March 2023
Children matched	18	35	38	59
Children on a waiting list	10	16	21	30

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 a few children rated the quality of the relationship as 9/10 or 10/10 (10/10 being excellent).

The Independent Review of Children's Social Care highlights that many children in care leave home with no or few loving relationships, and one of the "obsessions" is that "No young person should leave care without at least

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

two loving relationships”.

We think there is huge scope of development of Independent Visitors to include mentoring, particularly targeted at young people with few stable relationships in residential care and extending support to age 25. We have sought funding to pilot a mentoring approach in Teesside and are beginning work with care experienced young people and young adults to see what they would like from such a service.

Enabling wider systems change

- **Maintain and expand reducing parental conflict consultancy and training**

Changing Futures has worked with 4 local authorities to deliver a combination of training, consultancy support, direct delivery and coaching and mentoring of staff. In total, 197 practitioners have been supported. In some areas we have co-delivered (with local staff members) groupwork programmes to separated parents as well assisting Local Authorities to implement specialist relationship interventions. An interim evaluation will be published in the next annual report.

- **Enable changes in systems supporting children and families, through influencing, training, consulting and partnering with other people and agencies**

We held a “where’s dad” conference at Northumbria University, attended by 60 practitioners from across the children’s workforce including health, social care and education. The event brought research and voices of Local Dads to help colleagues think about the extent that they include and engage with Dads in their own services.

Guest Speakers a group of local Dads who had previously engaged with Changing Futures North East’s Reducing Parental Conflict offer, Professor of Midwifery at Northumbria University, Senior Local Development Advisor from Foundations (previously the What works for early intervention and children’s social care) and Professor in Practice - After Disasters Network, Durham University.

Workshops looked considered co-design and development with Dads, systems change for health, social care and hearing from local Dads’ experiences of barriers to services as they unveiled their own short video describing their experiences about what works and what doesn’t when it comes inclusive father focused practice.

Feedback from the event was extremely positive and with many expressing an interest in future events, networks and focussed sessions relating to practice with Dads and male carers.

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 the Link, the Junction Middlesbrough & Stockton MIND, a Time for You, ABC Counselling and Alliance on emotional wellbeing delivery
- Work with a range of VCS agencies to deliver separate “Know Your Neighbourhood” grants in a joined up way
- Victoria Ward partnership membership, leading to us now managing two community development workers active in the ward
- Support for the Hartlepool Opportunities Partnership, a fledgling voluntary development agency for Hartlepool
- Support of another VCS agency to move into fostering, further bolstering the not for profit presence in this private sector dominated market
- Sitting on a cross sector steering group that ensures social prescribing is available for young people in Hartlepool, and to help evidence effectiveness and expand the offer

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

We have spoken at events on Reducing Parental Conflict to share our learning:

- Launch of the North Tyneside Reducing Parental and Supporting Families toolkit.
 - o Engaging Dads and Male carers in Relationship Interventions
- Relationship Matters – North East Regional Conference
 - o Learning from specialist interventions

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.**

The Board have consulted with a variety of stakeholders including staff and beneficiaries and formulated some broad strategic areas to work towards and flesh out detail around. The main planks of the strategy are:

- Explore and subject to approval work to create a residential care offer for young people
- Scale up fundraising, particularly selling training and consultancy
- Develop our own relationship support model based on Moving On
- Develop a digital offer
- **Restructure the organisation as necessary to give it the base it needs to deliver well and successfully undertake development activities**

A Service Manager was appointed which has freed up other managers time to focus on pursuit of strategic goals.

Work is underway to refine the Quality Management System to better meet current and future business needs. There is likely to be a need to increase back office capacity as the business grows.

- **Increase expertise in business development and service/social care project management on the Board**

The Board have made new appointments including people with experience of early help service management and strategic development. Someone is posed to join the board who has experience of social services and fostering team management.

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

The organisation has improved data collection and analysis, and this is reflected in the improvements in reporting on individual project areas, as summarised in this report.

Financial review

• Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

• 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.

At 31/03/22 some £315,157 was held in free reserves and by 31/03/23 this had reduced to £312,530.

The Trustees continued to support Changing Futures Fostering by way of grant payments until it reached break even, and now continues grant support to accommodate cashflow.

The Board have continued to invest in renovations at Abbey Street. Additionally, in 22/23 they decided to increase salaries to minimise the impact of inflation, and pay a floor level of £10.90 an hour. Agenda for Change increases benefitted health staff, however the contract for health services had no increase in value. Many contracts did not increase at all or by much. Consequently, any shortfall has been met through reserves.

Whilst the Trustees aspire to achieve a growth in reserves equal to at least 4% of turnover they are mindful of the need to pay fairly, invest in the main premises and to invest in new ventures to support looked after children. Consequently they see the 4%+ target as a longer term aim that should be realised consistently by financial year 25/26 to 26/27.

	Annual Change	Annual Change	Growth as % of income	Average to date
14/15 to 15/16	£60,248	£731,349	8.3%	8.3%
15/16 to 16/17	(£3,014)	£649,706	(0.5%)	3.9%
16/17 to 17/18	(£14,314)	£577,982	(2.5%)	1.8%
17/18 to 18/19	£34,231	£535,141	6.4%	2.8%
18/19 to 19/20	£89,250	£757,494	11.8%	4.3%
19/20 to 20/21	£17,827	£840,863	2.1%	4.3%
21/22 to 22/23	(£34,747)	£903,559	(3.7%)	(3.7%)
	Annual Change	Income in Year	Growth as % of income	% change
22/23-23/24	(£2,627)	£893,570	(0.3%)	2.29%

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
- Reliance on sales generally to draw in revenue
- Potential longer term impacts arising from the children's social care review, most notably if Regional Care Cooperatives come into being and have sufficient resource to change market conditions
- The prospect of a general election and uncertainty as to either parties policies in areas which could impact communities and services
- Pressure on local government and central government finances, which seems unlikely to radically improve regardless of the outcome of a general election
- High competition for contracts and grant

The Board have considered how best the organisations strategic aims and objectives can be achieved in the

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 beneficiaries 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 ensure that adequate funds are held to account for late debtors
- 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 for children being generated by 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 considering investment in residential care because:

- The Board believe that this provision would meet an under-met need in an area with increasing demand
- It builds from the organisations core competencies in supporting children and young people through a therapeutic parenting offer, and of addressing neglect and trauma
- It helps meet the organisations charitable objects
- 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 would be likely to be paired with loan finance.

● 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
- Deliver and broaden our community and parent peer support services to help people build connections that enable changes for their families and communities
- Retain specialist couple relationship work as a core part of the organisations portfolio
- 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, and to pilot a mentoring offer
- Maintain an emotional wellbeing offer that increases access for children and families to psychological services

Business objectives

- Refine and finalise a strategic plan for the next 5 to 10 years that covers core priorities of family systems, trauma and neglect, care experienced children and parental relationships.
- Strengthen participation work across major strands of work
- Continue to build and refine quality systems
- Increase expertise in management of services for care experienced young people and adults on the Board, and add further financial experience

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

• 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 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

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

● Quality Assurance & 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.

1 formal complaint was received in 2022/23, as posed to 0 in the previous financial year. This complaint covered 10 points; 2 were upheld, 2 were taken as learning points, and 8 were not upheld.

The Charity is reviewing its complaints procedure and is likely to report more substantively on informal complaints in future years, including service areas of complaints.

Structure, governance and management

● Constitution

Changing Futures North East is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

● Methods of appointment or election of Trustees

The management of the group and 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

CHANGING FUTURES NORTH EAST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 year. 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 group and the charity and of their incoming resources and application of resources, including their 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

G Lamb

Date:

G. Lamb
7-12-23

CHANGING FUTURES NORTH EAST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANGING FUTURES NORTH EAST

UNQUALIFIED OPINION

We have audited the financial statements of Changing Futures North East (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

CHANGING FUTURES NORTH EAST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANGING FUTURES NORTH EAST (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CHANGING FUTURES NORTH EAST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANGING FUTURES NORTH EAST (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or international misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit procedures to test the recognition and completeness of revenue. We reviewed journals posted around the year end to look for potential "window dressing".

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

OTHER MATTERS

The financial statements for the year ended 31 March 2022 were unaudited, therefore the opening balances are unaudited and we do not give an opinion on these comparative results.

CHANGING FUTURES NORTH EAST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANGING FUTURES NORTH EAST (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Waltons Business Advisers Limited

Waltons Business Advisers Limited

Chartered Accountants
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 10 December 2023

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CHANGING FUTURES NORTH EAST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:					
Donations and legacies	3	4,209	-	4,209	118
Charitable activities	4	784,271	453,323	1,237,594	995,937
Other trading activities	5	5,115	-	5,115	3,352
Investments	6	62	-	62	983
TOTAL INCOME		793,657	453,323	1,246,980	1,000,390
EXPENDITURE ON:					
Charitable activities	7	863,214	459,571	1,322,785	1,157,179
TOTAL EXPENDITURE		863,214	459,571	1,322,785	1,157,179
NET EXPENDITURE		(69,557)	(6,248)	(75,805)	(156,789)
Transfers between funds	19	22,122	(22,122)	-	-
NET MOVEMENT IN FUNDS		(47,435)	(28,370)	(75,805)	(156,789)
RECONCILIATION OF FUNDS:					
Total funds brought forward		372,989	444,590	817,579	974,368
Net movement in funds		(47,435)	(28,370)	(75,805)	(156,789)
TOTAL FUNDS CARRIED FORWARD		325,554	416,220	741,774	817,579

CHANGING FUTURES NORTH EAST
REGISTERED NUMBER: 04009541

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	12	760	1,330
Tangible assets	13	352,766	361,633
		<u>353,526</u>	<u>362,963</u>
CURRENT ASSETS			
Debtors	15	86,950	111,112
Investments	16	81,203	81,203
Cash at bank and in hand		290,716	404,646
		<u>458,869</u>	<u>596,961</u>
Creditors: amounts falling due within one year	17	(45,712)	(71,623)
NET CURRENT ASSETS		<u>413,157</u>	<u>525,338</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>766,683</u>	<u>888,301</u>
Creditors: amounts falling due after more than one year	18	(24,909)	(70,722)
TOTAL NET ASSETS		<u><u>741,774</u></u>	<u><u>817,579</u></u>
CHARITY FUNDS			
Restricted funds	19	416,220	444,590
Unrestricted funds	19	325,554	372,989
TOTAL FUNDS		<u><u>741,774</u></u>	<u><u>817,579</u></u>

CHANGING FUTURES NORTH EAST
REGISTERED NUMBER: 04009541

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

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


However, an audit is required in accordance with section 151 of the Charities Act 2011.

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 Lamb 

Date: 

The notes on pages 31 to 54 form part of these financial statements.

CHANGING FUTURES NORTH EAST
REGISTERED NUMBER: 04009541

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	12	760	1,330
Tangible assets	13	352,766	361,633
Investments	14	10	10
		<u>353,536</u>	<u>362,973</u>
CURRENT ASSETS			
Debtors	15	120,852	132,663
Investments	16	81,203	81,203
Cash at bank and in hand		252,229	375,896
		<u>454,284</u>	<u>589,762</u>
Creditors: amounts falling due within one year	17	(41,137)	(64,434)
		<u>413,147</u>	<u>525,328</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>766,683</u>	<u>888,301</u>
Creditors: amounts falling due after more than one year	18	(24,909)	(70,722)
TOTAL NET ASSETS		<u><u>741,774</u></u>	<u><u>817,579</u></u>
CHARITY FUNDS			
Restricted funds	19	505,310	444,590
Unrestricted funds	19	236,464	372,989
TOTAL FUNDS		<u><u>741,774</u></u>	<u><u>817,579</u></u>

The charity's net movement in funds for the year was £(75,805) (2022 - £(156,789)).

CHANGING FUTURES NORTH EAST
REGISTERED NUMBER: 04009541

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

However, an audit is required in accordance with section 151 of the Charities Act 2011.

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

G Lamb

Date:

The notes on pages 31 to 54 form part of these financial statements.

CHANGING FUTURES NORTH EAST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(55,798)	(184,613)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	62	983
Purchase of tangible fixed assets	(4,326)	(2,661)
Purchase of investments	-	(784)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(4,264)	(2,462)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from new borrowing	-	50,000
Repayments of borrowing	(53,868)	(11,330)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(53,868)	38,670
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	(113,930)	(148,405)
Cash and cash equivalents at the beginning of the year	404,646	553,051
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	290,716	404,646

The notes on pages 31 to 54 form part of these financial statements

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Income

All income is recognised once the group 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 consolidated 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.

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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	- 25 % 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 group 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 group contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 group 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 group 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 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	4,209	4,209	118
	<hr/>	<hr/>	<hr/>
Total 2022	118	118	
	<hr/>	<hr/>	

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Systems change work	64,352	61,750	126,102	78,242
Couple and family relationships	144,462	74,892	219,354	358,913
Working with children and young people	222,047	121,410	343,457	102,131
Core support	-	85,000	85,000	15,686
Employment support	-	110,271	110,271	344,134
Fostering service	353,410	-	353,410	96,831
	<u>784,271</u>	<u>453,323</u>	<u>1,237,594</u>	<u>995,937</u>
<i>Total 2022</i>	<u>560,679</u>	<u>435,258</u>	<u>995,937</u>	

5. FUNDRAISING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Room hire	-	-	3,352
Other income	5,115	5,115	-
	<u>5,115</u>	<u>5,115</u>	<u>3,352</u>
<i>Total 2022</i>	<u>3,352</u>	<u>3,352</u>	

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	62	62	983
	<u>62</u>	<u>62</u>	<u>983</u>
<i>Total 2022</i>	<u>983</u>	<u>983</u>	

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Systems change work	49,451	149,294	198,745	79,507
Couple and family relationships	153,490	17,046	170,536	332,033
Working with children and young people	297,258	157,762	455,020	245,902
Employment	14,951	135,469	150,420	334,872
Fostering service	348,064	-	348,064	164,865
	<u>863,214</u>	<u>459,571</u>	<u>1,322,785</u>	<u>1,157,179</u>
<i>Total 2022</i>	<u>685,983</u>	<u>471,196</u>	<u>1,157,179</u>	

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Systems change work	171,916	26,829	198,745	79,507
Couple and family relationships	123,504	47,032	170,536	332,033
Working with children and young people	382,335	72,685	455,020	245,902
Employment	126,959	23,461	150,420	334,872
Fostering service	323,451	24,613	348,064	164,865
	<u>1,128,165</u>	<u>194,620</u>	<u>1,322,785</u>	<u>1,157,179</u>
<i>Total 2022</i>	<u>987,168</u>	<u>170,011</u>	<u>1,157,179</u>	

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF DIRECT COSTS

	Systems change work 2023 £	Couple and family relationship s 2023 £	Working with children and young people 2023 £	Employment 2023 £
Staff costs	116,187	100,152	328,666	-
Project activities	2,738	3,785	24,325	126,959
Premises costs	-	2,582	60	-
Printing, postage and stationery	649	691	801	-
Phone	1,032	806	1,643	-
Repairs and renewals	11	-	388	-
Insurance	-	-	-	-
Travelling	1,603	2,061	13,293	-
Other staff costs	-	-	-	-
Other	1,972	1,284	3,874	-
Legal and professional	42,802	6,202	3,253	-
Training	4,922	5,941	6,032	-
Foster parent fees	-	-	-	-
	<u>171,916</u>	<u>123,504</u>	<u>382,335</u>	<u>126,959</u>
<i>Total 2022</i>	<u>66,755</u>	<u>273,527</u>	<u>229,254</u>	<u>278,769</u>

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF DIRECT COSTS (continued)

	Fostering service 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	97,743	642,748	512,617
Project activities	983	158,790	311,300
Premises costs	-	2,642	3,387
Printing, postage and stationery	-	2,141	6,016
Phone	-	3,481	3,870
Repairs and renewals	-	399	3,994
Insurance	4,330	4,330	3,991
Travelling	1,960	18,917	9,746
Other staff costs	337	337	500
Other	-	7,130	8,359
Legal and professional	16,462	68,719	43,256
Training	3,802	20,697	25,301
Foster parent fees	197,834	197,834	54,831
	<u>323,451</u>	<u>1,128,165</u>	<u>987,168</u>
<i>Total 2022</i>	<u>138,863</u>	<u>987,168</u>	

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS

	Systems change work 2023 £	Couple and family relationship s 2023 £	Working with children and young people 2023 £	Employment t 2023 £
Staff costs	10,871	18,913	29,615	9,508
Depreciation	2,172	3,777	5,915	1,899
Project activities	225	392	614	197
Premises costs	2,495	4,339	6,796	2,181
Printing, postage and stationery	380	661	1,035	332
Phone	409	711	1,114	358
Repairs and renewals	4,118	7,162	11,213	3,601
Insurance	1,100	1,915	2,999	963
Travelling	72	126	197	63
Equipment hire	108	188	295	95
Other staff costs	104	182	285	91
Other	1,605	3,164	3,993	1,402
Legal and professional	1,007	1,751	2,741	880
Training	13	13	20	12
Website development	-	-	-	-
Governance costs	2,150	3,738	5,853	1,879
	<u>26,829</u>	<u>47,032</u>	<u>72,685</u>	<u>23,461</u>
<i>Total 2022</i>	<u>12,752</u>	<u>58,506</u>	<u>16,648</u>	<u>56,103</u>

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS (continued)

	Fostering service 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	-	68,907	59,267
Depreciation	-	13,763	13,099
Project activities	-	1,428	1,401
Premises costs	184	15,995	13,638
Printing, postage and stationery	253	2,661	3,383
Phone	266	2,858	2,174
Repairs and renewals	-	26,094	21,190
Insurance	-	6,977	5,938
Travelling	-	458	206
Equipment hire	-	686	-
Other staff costs	-	662	50
Other	19,762	29,926	32,791
Legal and professional	4,148	10,527	9,660
Training	-	58	2,258
Website development	-	-	1,800
Governance costs	-	13,620	3,156
	24,613	194,620	170,011
<i>Total 2022</i>	<i>26,002</i>	<i>170,011</i>	

9. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	8,000	-
Fees payable to the charity's auditor in respect of:		
Independent examination	-	1,000
All non-audit services not included above	3,410	3,380

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10. STAFF COSTS

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Wages and salaries	572,828	525,876	484,004	472,617
Social security costs	127,146	36,646	118,764	31,380
Contribution to defined contribution pension schemes	11,681	9,362	11,144	9,362
	<u>711,655</u>	<u>571,884</u>	<u>613,912</u>	<u>513,359</u>

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

	Group 2023 No.	<i>Group 2022 No.</i>	Charity 2023 No.	<i>Charity 2022 No.</i>
Charitable activities	22	18	22	18
Management and administration	6	6	6	6
Fostering service	3	1	-	-
	<u>31</u>	<u>25</u>	<u>28</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 £110,249 (2022: £105,358)

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. INTANGIBLE ASSETS

Group and Charity

	Software database £
Cost	
At 1 April 2022	4,280
At 31 March 2023	4,280
Amortisation	
At 1 April 2022	2,950
Charge for the year	570
At 31 March 2023	3,520
Net book value	
At 31 March 2023	760
At 31 March 2022	1,330

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. TANGIBLE FIXED ASSETS

Group and Charity

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2022	571,080	9,615	112,756	693,451
Additions	-	-	4,326	4,326
At 31 March 2023	<u>571,080</u>	<u>9,615</u>	<u>117,082</u>	<u>697,777</u>
Depreciation				
At 1 April 2022	213,110	9,615	109,093	331,818
Charge for the year	11,422	-	1,771	13,193
At 31 March 2023	<u>224,532</u>	<u>9,615</u>	<u>110,864</u>	<u>345,011</u>
Net book value				
At 31 March 2023	<u>346,548</u>	<u>-</u>	<u>6,218</u>	<u>352,766</u>
At 31 March 2022	<u>357,970</u>	<u>-</u>	<u>3,663</u>	<u>361,633</u>

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
CHARITY	
Cost	
At 1 April 2022	10
At 31 March 2022	10
Net book value	
At 31 March 2023	10
At 31 March 2022	10

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%

**Included in
consolidation**

Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Changing Futures Fostering Limited	359,482	(359,482)	10

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	60,183	91,691	26,814	75,656
Amounts owed by group undertakings	-	-	67,271	38,294
Other debtors	-	708	-	-
Prepayments and accrued income	26,767	18,713	26,767	18,713
	<u>86,950</u>	<u>111,112</u>	<u>120,852</u>	<u>132,663</u>

16. CURRENT ASSET INVESTMENTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank deposit accounts	81,203	81,203	81,203	81,203

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	9,893	17,948	9,893	17,948
Trade creditors	4,458	27,843	3,892	23,703
Other taxation and social security	17,254	20,993	15,052	19,627
Accruals and deferred income	14,107	4,839	12,300	3,156
	<u>45,712</u>	<u>71,623</u>	<u>41,137</u>	<u>64,434</u>

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	24,909	70,722	24,909	70,722

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Revaluation Reserve	5,492	-	(175)	-	5,317
Moving on Relate	14,611	69,453	(52,514)	(31,550)	-
Independent Visitor	377	20,095	(26,415)	5,943	-
Independent Visitor Expenses	37	26,222	(26,432)	173	-
Independent Visitor Teesside	186	24,585	(27,390)	2,619	-
Getting help	24,744	110,565	(126,705)	(8,271)	333
Mentoring	6,885	14,984	(15,631)	(6,238)	-
IAPT 2022	507	42,731	(41,051)	(1,791)	396
	<u>52,839</u>	<u>308,635</u>	<u>(316,313)</u>	<u>(39,115)</u>	<u>6,046</u>
General funds					
General Fund	320,140	131,612	(187,419)	55,165	319,498
Funds in a non charitable subsidiary	10	353,410	(359,482)	6,072	10
	<u>320,150</u>	<u>485,022</u>	<u>(546,901)</u>	<u>61,237</u>	<u>319,508</u>
Total Unrestricted funds	<u>372,989</u>	<u>793,657</u>	<u>(863,214)</u>	<u>22,122</u>	<u>325,554</u>
Restricted funds					
Abbey Project	352,478	-	(11,247)	-	341,231
Parent Connectors	12,890	74,892	(40,236)	(21,425)	26,121
Tudor Trust	-	35,000	(35,000)	-	-
Mental Health Support Team	11,016	54,276	(48,008)	(10,884)	6,400
ESF	212	-	(13,230)	13,018	-
Employment support - Kickstart	25,058	110,271	(126,959)	(8,370)	-
Pre Employment and Employment	197	-	(6,577)	6,380	-
Victoria Ward	17,095	15,000	(23,166)	(2,652)	6,277
Ballinger Charitable Trust	1,075	35,000	(15,401)	-	20,674

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - CURRENT YEAR (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
CCG Neuro	8,138	18,136	(21,643)	(4,631)	-
Comic Relief	16,431	61,750	(68,001)	(3,911)	6,269
North Tees Mental Health Support Team	-	48,998	(46,451)	(2,547)	-
HBC PPT	-	-	(3,652)	12,900	9,248
	<u>444,590</u>	<u>453,323</u>	<u>(459,571)</u>	<u>(22,122)</u>	<u>416,220</u>
Total of funds	<u><u>817,579</u></u>	<u><u>1,246,980</u></u>	<u><u>(1,322,785)</u></u>	<u><u>-</u></u>	<u><u>741,774</u></u>

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
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
Getting help	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
	<u>175,753</u>	<u>350,497</u>	<u>(413,424)</u>	<u>(59,987)</u>	<u>52,839</u>
General funds					
General Fund	359,758	117,804	(112,186)	(45,236)	320,140
Funds in a non charitable subsidiary	10	164,865	(164,865)	-	10
	<u>359,768</u>	<u>282,669</u>	<u>(277,051)</u>	<u>(45,236)</u>	<u>320,150</u>
Total Unrestricted funds	<u>535,521</u>	<u>633,166</u>	<u>(690,475)</u>	<u>(105,223)</u>	<u>372,989</u>

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 of funds	 <u>974,368</u>	 <u>1,068,424</u>	 <u>(1,225,213)</u>	 <u>-</u>	 <u>817,579</u>

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19. STATEMENT OF FUNDS (CONTINUED)

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.

Getting help (was 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.

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

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.

Tudor Trust

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

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

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19. STATEMENT OF FUNDS (CONTINUED)

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

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 runs 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.

CHANGING FUTURES NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	11,535	341,231	352,766
Intangible fixed assets	760	-	760
Current assets	383,880	74,989	458,869
Creditors due within one year	(45,712)	-	(45,712)
Creditors due in more than one year	(24,909)	-	(24,909)
Total	325,554	416,220	741,774

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	9,155	352,478	361,633
Intangible fixed assets	1,330	-	1,330
Current assets	504,849	92,112	596,961
Creditors due within one year	(71,623)	-	(71,623)
Creditors due in more than one year	(70,722)	-	(70,722)
Total	372,989	444,590	817,579

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

	Group 2023 £	Group 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(75,805)	(156,789)
Adjustments for:		
Depreciation charges	13,763	13,099
Dividends, interests and rents from investments	(62)	(983)
Decrease/(increase) in debtors	24,162	(67,041)
Increase/(decrease) in creditors	(17,856)	27,101
Net cash used in operating activities	(55,798)	(184,613)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £
Cash in hand	57,595	111,587
Notice deposits (less than 3 months)	233,121	293,059
Total cash and cash equivalents	290,716	404,646

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	404,646	(113,930)	290,716
Debt due within 1 year	(17,948)	8,055	(9,893)
Debt due after 1 year	(70,722)	45,813	(24,909)
Liquid investments	81,203	-	81,203
	397,179	(60,062)	337,117

CHANGING FUTURES NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

24. RELATED PARTY TRANSACTIONS

During the year the group made purchases totalling £1,100 (2022: £nil) from a company in which one of the directors of the trading subsidiary is a director.