

Charity Registration No. 1100682

Company Registration No. 04419980 (England and Wales)

**GRACE HOUSE NORTH EAST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# GRACE HOUSE NORTH EAST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	D A Bond S Briton Cllr K Chequer D J Hamblin N Henry H K S Hinshaw T A Mcstea V Milnes W Mustard V J Norman C E Miller
<b>Secretary</b>	C E Miller
<b>Charity number</b>	1100682
<b>Company number</b>	04419980
<b>Principal address</b>	Bardolph Drive Southwick Sunderlad SR5 2DE
<b>Registered office</b>	Debere Limited Swallow House Parsons Road Washington Tyne and Wear NE37 1EZ
<b>Auditor</b>	Haines Watts North East Audit LLP 17 Queens Lane Newcastle upon Tyne NE1 1RN

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# GRACE HOUSE NORTH EAST

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# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2021*

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

### **Objectives and activities**

The charity is constituted as a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association. The objects of the charity as set out in its Memorandum and Articles of Association include:

### **Our Values**

Vision - Our vision is of a fairer world for disabled children, young people and their families.

Mission - Our mission is to support and inspire disabled children, young people and their families to manage the challenges of, and enjoy the benefits of, playing a full part in society.

### **Aim 1**

To be the "go-to" organisation for disabled children, young people and their families.

By ensuring:

- A positive culture within the charity
- That every contact is a positive experience
- We have an effective promotions plan to reach out to families needing support
- To continuously improve the quality and efficiency of the services that we provide to our children and their families
- Offer a range of specifically designed services in a fully adapted, welcoming building for delivery

### **Aim 2**

Improve resilience of disabled children, young people and families.

By ensuring:

- We equip children, young people and families to deal with challenges
- We listen to the children and family voice
- Design services which support their needs
- To continuously improve the quality and efficiency of the services that we provide to our children and their families
- To work with staff and volunteers to deliver excellent services through a commitment to individual development

### **Aim 3**

Not to have the scope of our ambitions limited by our available funding.

By ensuring:

- Grace House has a mixed economy of income based on: fundraising, grant and contract and enterprise income
- Grace House has a level of unrestricted income in compliance with Charity Commission recommendations

### **Public benefit**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# GRACE HOUSE NORTH EAST

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

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### Principal activities

The key to our success will be making full use of our purpose-built facilities, having the best range of specialist equipment, investing in a team of highly committed, well trained staff and volunteers, and having a positive attitude that anything is possible. The charity fulfils these aims and objectives by providing a range of support services for disabled children, young people and families.

These services are delivered from the purpose-built facility in Southwick, Sunderland and during the pandemic we have delivered support remotely. A business plan is being developed for 2021-24, outlining the proposed services and how they will be funded.

The main activities that will be undertaken in relation to the charitable purposes are:

- Short break care – both day care and overnight short breaks; and support to enhance this experience
- Whole family support services

### Volunteers

During the pandemic our volunteers have largely been unable to come into Grace House, but we have remained in regular contact holding zoom gatherings, which have included bingo, quizzes, craft activities and we have delivered cream tea treats.

As restrictions began to reduce, a volunteer did help us in the gardens.

When it is safe to do so, our volunteers will return to Grace House.

### Achievements and performance

#### Review of activities

#### Short break service

Short break service collaboration between Grace House and Sunderland Care and Support Limited (SCAS) has continued throughout the pandemic. Short Breaks had to reduce capacity for the first part of the year in order to deliver services safely and comply with Government restrictions.

#### Once Place, Your Space

Our National Lottery Community Fund project aims to care for parent carers. The funding has enabled Grace House to offer parents of children with a complex disability the following:

- Holistic therapies including – Massage, Reiki, Indian Head Massage, Reflexology, etc.
- Counselling – this now includes counselling for disabled children and siblings
- Support groups
- Information

This project is now demonstrating real signs of growth and expansion, with families giving us fantastic feedback on this project, as it supports their mental wellbeing. We are now supporting over 300 families with this project.

#### Children in Need gardening activities

Supported by funding from Children in Need we have a steering group of children who decide what activities will take place. The children especially enjoy the Forest area and there has been the addition of a mud kitchen to this activity. During the pandemic Children in Need also supported us to reach out to these children who, due to the pandemic, were unable to attend short breaks and we provided gardening activities that they will be able to do at home, so they haven't missed out on their experience.

#### Work experience

Funded by Wellesley and William Leech Grace House has again offered work experience placements for disabled children and young people. We have developed a virtual office with Grace House, so the young people have been able to use their creative skills developing posters, IT, petty cash, word processing, typing letters and minutes, etc. This has all been completed in safe COVID conditions.

# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### **You Are Not Alone**

Funding by National Lottery Community Fund has continued throughout the pandemic to provide a variety of activities for parent carers, disabled children and the whole family. These have included: yoga, zumba, journaling for wellbeing, mindfulness, gong baths, spa sessions and Magic Lou Lou.

Music therapy was a particular success of this project, with one to one sessions being provided for young people, with families reporting some great feedback.

The parent carers who meet as Creative Cuppas focussed on a project called "Sewing for Sanity"; the participants created a banner with their interpretation of the impact of COVID on their family.

#### **Youth Groups**

After a pause in delivery at the start of the pandemic, youth groups have restarted with smaller numbers to ensure they are compliant with Public Health Guidelines. They have enjoyed a variety of activities including learning life skills such as cooking, washing up etc. They have also enjoyed creative activities and exercise. Funded by Sunderland City Council and Ringtons.

#### **Family Support**

Funding from Garfield Weston has allowed the project to go from strength to strength with the numbers of referrals increasing on a monthly basis. Advice is being delivered remotely at the moment but when restrictions are lifted home visiting will restart.

#### **COVID support**

Funded by The National Lottery Community Fund, Children in Need, Community Foundation, CAF, Sunderland Council, County Durham Community Foundation and NET.

During the pandemic Grace House have been focussing our efforts on the impact of family's mental health and how we could support during this most challenging time.

The support we have offered have included:

- Activity packs for disabled young people and children
- Podcasts
- Information about COVID
- Family counselling
- Mindfulness
- Telephone calls
- Additional youth groups
- Family Nurturing

#### **Pilot Light**

Funded by the Weston Foundation; this support has provided help to Grace House to develop a 3 year strategic plan, and many other areas to support the charity.

#### **Financial review**

Income generated for the year is £531,887 (2020 - £524,916) with expenditure being £493,756 (2020 - £483,860) resulting in a surplus of £38,131 (2020 - £41,056), this is after charging depreciation of £79,514 (2020 - £81,161).

Of the results generated for the year a surplus, after transfers, of £10,028 (2020 - £571 deficit) relates to general unrestricted funds, a surplus of £55,327 (2020 - £68,720 deficit) relates to designated funds and a deficit of £27,224 (2020 - £110,347 surplus) relates to restricted funds.

# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Reserves policy**

The charitable company has a policy to retain sufficient funds to cover administration costs for the next six months while raising additional funds towards the charities objectives.

At the end of the year, unrestricted free reserves (excluding designated funds) amounted to £221,208 which is over the target set of £215,000. Services are being developed which will have regard for ongoing funding streams available to the charity.

### **Fundraising**

The charity has continued to receive support from individuals, groups, communities and companies throughout the pandemic and the trustees acknowledge with gratitude the support received.

### **Donations**

We are indebted to our friends' groups and the thousands of individual donors who have continued to fundraise and donate to the charity in various ways throughout COVID.

### **Events**

Community fundraising has always played such an important part of the Grace House development and despite the pandemic, efforts have still been made to maintain this type of fundraising including a weekly remote quiz, a Santa walk, pet show, bingo, horse racing night, etc.

### **Corporate fundraising**

Our thanks go to Croner, HMS Anson, HLA, Ashbrooke Sports Club, Avenue Builders, Sunderland Harriers, MacDonald Martin, Margaret Rose, WL Distillery, Aniseed Creative, Akrivis Wealth, The HR Dept, Redman Design, Wiser Sourcing Group, Elliott Westland and Richard Reed.

# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Grants

We are also very grateful to the following grant making trusts and organisations who have very generously supported our requests for funding for equipment and projects to enhance our service offer:

- ASDA
- Alicia Bonparai
- Barbour
- The National Lottery Community Fund – Reaching Communities Fund
- The National Lottery Community Fund - Awards for All Fund
- The National Lottery Community Fund-Uplift Grant
- CAF
- Community Foundation
- Children in Need including Booster grant
- Co-op Foundation
- Dickinson
- D'oyale Cart
- County Durham Community Foundation
- EDP
- Edward Gostling
- CAF - COVID
- Northern Powergrid
- Hadrian Trust
- Joicey Trust
- Joseph Strong Frazer
- Jules Thorn
- Leeds Building Society
- Linden Family
- LEAF
- Riddell
- Wearmouth Community Development Trust Legacy Fund
- The Hospital of God
- Sunderland City Council
- Garfield Weston Foundation
- Wellesley
- We Rise
- Weston Awards

Thanks, are also extended to the many companies that support us through gifts in kind, these include HLA and MacDonald Martin.

#### Investment policy

The charity's policy for the investment of its funds is to keep them in deposit. This policy is based on:

- the need to eliminate risk in relation to funds raised towards the Charity's objectives, and
- the need to have funds readily available when required.

The policy will be kept under review as the operations as Grace House develop.

#### Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. Going forward, the trustees are closely monitoring the occupancy levels of the short break service, to continually assess its financial viability and its place in the market. This is potentially vulnerable to central government social and economic policy, local government spending reviews and changing models of family support services.



# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

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### **Covid-19**

Impact of Covid-19 prior to the announcement of lockdown by the Prime Minister in March 2020, Grace House Trustees and staff were already preparing themselves to deal with the impact of COVID-19. Remote working was made possible from previous planning, so staff were able to safely work from home. The CEO and other senior staff made contact with each current grant funder to explain the changing position and what this may mean for the delivery of their projects. Grant funders have been very responsive and very supportive giving reassurance to the Charity. Once lockdown was established the staff started to change project delivery styles introducing zoom to parents and families as a way of delivering support to them. Efforts were made to ring every family connected with Grace House and then maintain that contact throughout a very challenging year.

We were very proud that our Short Breaks service managed to remain open throughout the crisis, supporting families at a time when they felt most vulnerable. Measures were introduced to ensure the safety of the children and young people and staff.

Additional grant funding has been made available and Grace House has had some success with applications, which has meant we could increase our delivery and some of the funding has helped with the sustainability of the charity.

The downside to this funding is its very short term, lasting only 6 months. We are very aware of this as a team and are looking at ways to address it.

Other funding streams have been negatively impacted, for instance our traditional community fundraising and our corporate funding. We are unable to organise events which would normally rely on the public attending and national events such as the London Marathon and the Great North Run have both been cancelled.

Corporately businesses which would normally support us have furloughed staff and are working from home, our fundraiser ensured she remained in touch with supporters, and this has proved to be a good strategy as they have remained connected to Grace House and are keen to support us as lockdown and restrictions ease.

Unfortunately, we haven't been able to rent our training rooms out due to the pandemic and necessary restrictions; this has had an impact on this commercial income but as restrictions ease, we will look to promote these opportunities again.

COVID-19 has presented Grace House with both challenges and opportunities and we plan to approach both with the same positive approach. After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

### **Plans for the future**

Our focus is to enrich the lives of disabled children, young people and their families. Other priorities for the next year include launching a new website, ensure brand awareness, increase our fundraising capacity and ensure regular consultation with families.

### **Structure, governance and management**

#### **Constitution**

The charity is constituted as a charitable company limited by guarantee, governed by its Memorandum and Articles of Association, and is a registered charity number 1100682.

Overall responsibility for the affairs of the charity rests with the board of trustees which makes all major policy and financial decisions. Implementation of policies and decisions are delegated to the Executive Officer who liaises closely with the Chairman of the trustees.

# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Trustees**

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D A Bond  
S Briton  
Cllr K Chequer  
D J Hamblin  
N Henry  
H K S Hinshaw  
T A Mcstea  
V Milnes  
W Mustard  
V J Norman  
C E Miller

### **Method of appointment, induction and training of trustees**

New trustees are found from the contacts and personal knowledge of existing trustees. The aim of the trustees in making appointments is to have a range of skills, qualifications and experience suited to achieving the objectives of the charity.

On appointment trustees are provided with copies of the Governance Handbook, Memorandum and Articles of Association, the most recent audited financial statements and copies of minutes of trustees' meetings. The experience of the persons appointed usually means that they have a good understanding of the responsibilities of a charity trustee, but where necessary, guidance is provided by the Secretary. Relevant Charity Commission publications are also available to the trustees.

### **Remuneration of staff**

Salary levels for the Chief Executive are reviewed annually by the board, in line with market rates for similar positions.

### **Partnerships**

Grace House North East currently has no formal contractual relationships with partner organisations other than contractual relationships with service suppliers, but a contract with Sunderland Care and Support (Holding Company) Limited is in development.

# GRACE HOUSE NORTH EAST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Grace House North East for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

### Auditor

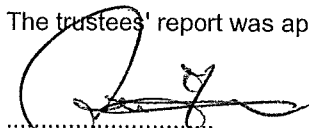
Haines Watts were appointed as the charitable company's auditors to act during the year 2021.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

The trustees' report was approved by the Board of Trustees.



S Briton

Trustee

Dated: 10/9/21

# GRACE HOUSE NORTH EAST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF GRACE HOUSE NORTH EAST

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#### Opinion

We have audited the financial statements of Grace House North East (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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 charity'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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, customers, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on page 6 and the accounting policies note 1.2.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

# GRACE HOUSE NORTH EAST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF GRACE HOUSE NORTH EAST

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

# GRACE HOUSE NORTH EAST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF GRACE HOUSE NORTH EAST

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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 obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements.

Our audit procedures included:

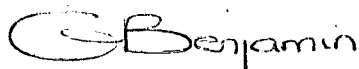
- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates;
- reviewing minutes of meetings of those charged with governance; and
- reviewing the appropriateness of allocation of funds.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gillian Benjamin ACA (Senior Statutory Auditor)  
for and on behalf of Haines Watts North East Audit LLP

Chartered Accountants  
Statutory Auditor

6<sup>th</sup> October 2021

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

# GRACE HOUSE NORTH EAST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

### Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	199,614	-	198,991	398,605	417,737
Charitable activities	4	71,500	-	-	71,500	39,674
Other trading activities	5	50,373	-	-	50,373	63,726
Investments	6	-	-	-	-	1,186
Other income	7	11,409	-	-	11,409	2,593
<b>Total income</b>		<b>332,896</b>	<b>-</b>	<b>198,991</b>	<b>531,887</b>	<b>524,916</b>
<b><u>Expenditure on:</u></b>						
Raising funds	8	33,069	-	-	33,069	44,625
Charitable activities	9	153,870	79,514	227,303	460,687	439,235
<b>Total resources expended</b>		<b>186,939</b>	<b>79,514</b>	<b>227,303</b>	<b>493,756</b>	<b>483,860</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>145,957</b>	<b>(79,514)</b>	<b>(28,312)</b>	<b>38,131</b>	<b>41,056</b>
Gross transfers between funds		(135,929)	134,841	1,088	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>10,028</b>	<b>55,327</b>	<b>(27,224)</b>	<b>38,131</b>	<b>41,056</b>
Fund balances at 1 April 2020		211,180	3,115,349	141,818	3,468,347	3,427,291
<b>Fund balances at 31 March 2021</b>		<b>221,208</b>	<b>3,170,676</b>	<b>114,594</b>	<b>3,506,478</b>	<b>3,468,347</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# GRACE HOUSE NORTH EAST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	124,364	-	293,373	417,737
Charitable activities	4	39,674	-	-	39,674
Other trading activities	5	63,726	-	-	63,726
Investments	6	1,186	-	-	1,186
Other income	7	2,573	-	20	2,593
<b>Total income</b>		<b>231,523</b>	<b>-</b>	<b>293,393</b>	<b>524,916</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	44,625	-	-	44,625
Charitable activities	9	181,694	81,166	176,375	439,235
<b>Total resources expended</b>		<b>226,319</b>	<b>81,166</b>	<b>176,375</b>	<b>483,860</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>5,204</b>	<b>(81,166)</b>	<b>117,018</b>	<b>41,056</b>
Gross transfers between funds		(5,775)	12,446	(6,671)	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>(571)</b>	<b>(68,720)</b>	<b>110,347</b>	<b>41,056</b>
Fund balances at 1 April 2019		211,751	3,184,069	31,471	3,427,291
<b>Fund balances at 31 March 2020</b>		<b>211,180</b>	<b>3,115,349</b>	<b>141,818</b>	<b>3,468,347</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# GRACE HOUSE NORTH EAST

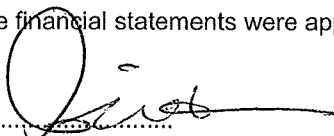
## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13		3,045,676		3,115,349
<b>Current assets</b>					
Debtors	14	107,939		112,882	
Cash at bank and in hand		392,943		273,346	
		500,882		386,228	
<b>Creditors: amounts falling due within one year</b>	15	(40,080)		(33,230)	
Net current assets			460,802		352,998
<b>Total assets less current liabilities</b>			3,506,478		3,468,347
<b>Income funds</b>					
Restricted funds	17		114,594		141,818
<u>Unrestricted funds</u>					
Designated funds	18	3,170,676		3,115,349	
General unrestricted funds		221,208		211,180	
			3,391,884		3,326,529
			3,506,478		3,468,347

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

The financial statements were approved by the Trustees on 10/9/21.

  
 .....  
 S Briton  
 Trustee

Company Registration No. 04419980

# GRACE HOUSE NORTH EAST

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		129,438		74,728
<b>Investing activities</b>					
Purchase of tangible fixed assets		(9,841)		(12,446)	
Investment income received		-		1,186	
<b>Net cash used in investing activities</b>			(9,841)		(11,260)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			119,597		63,468
Cash and cash equivalents at beginning of year			273,346		209,878
<b>Cash and cash equivalents at end of year</b>			<u>392,943</u>		<u>273,346</u>

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Charity information**

Grace House North East is a private company limited by guarantee incorporated in England and Wales. The registered office is c/o Debere Limited, Swallow House, Parsons Road, Washington, Tyne and Wear, NE37 1EZ.

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis. The trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the trustees have taken into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

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

Other income is recognised in the year in which it is receivable and to the extent the goods have been provided or on completion of the service.

#### 1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All resources expended are inclusive of irrecoverable VAT.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

All assets costing more than £500 are capitalised.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	2% straight line
Fixtures & fittings	15% reducing balance
Computer equipment	15% reducing balance
Motor vehicles	25% reducing balance
Other specialist equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charitable company 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.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	110,423	-	110,423	89,050	42,624	131,674
Legacies receivable	75,000	-	75,000	-	-	-
Grants	-	198,991	198,991	4,500	250,749	255,249
Corporate sponsorship	14,191	-	14,191	8,814	-	8,814
Gifts in kind	-	-	-	22,000	-	22,000
	<u>199,614</u>	<u>198,991</u>	<u>398,605</u>	<u>124,364</u>	<u>293,373</u>	<u>417,737</u>
<b>Grants receivable for core activities</b>						
New OPYS 2020-2024	-	56,083	56,083	-	55,355	55,355
Big Lottery - OPYS	-	-	-	-	22,683	22,683
Children in Need	-	9,260	9,260	-	9,260	9,260
CLLD	-	-	-	-	29,087	29,087
Big Lottery - You are not alone	-	37,050	37,050	-	42,194	42,194
CRT - Coalfields Regeneration Trust	-	-	-	-	9,956	9,956
Garfield Weston	-	-	-	-	34,949	34,949
Youth Club	-	-	-	-	7,736	7,736
William Leech	-	-	-	-	10,000	10,000
Net Funding	-	9,911	9,911	-	-	-
Wellesley Trust	-	9,108	9,108	-	-	-
Morrisons Foundation	-	-	-	-	7,413	7,413
Awards for all staywelltogether	-	8,610	8,610	-	-	-
Lottery Fund	-	22,303	22,303	-	-	-
Durham Resilience	-	10,430	10,430	-	-	-
Enterprise Social Investment	-	11,382	11,382	-	-	-
Charities Aid Foundation	-	6,965	6,965	-	-	-
Other < £5000	-	17,889	17,889	4,500	22,116	26,616
	<u>-</u>	<u>198,991</u>	<u>198,991</u>	<u>4,500</u>	<u>250,749</u>	<u>255,249</u>

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Charitable activities

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
SCAS income	71,500	39,674

### 5 Other trading activities

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Events	14,480	27,985
Room hire	35,635	34,247
Shop income	258	1,494
	<u>50,373</u>	<u>63,726</u>

### 6 Investments

	<b>Total 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Interest receivable	-	1,186

### 7 Other income

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total 2020 £</b>
Other income	11,409	2,573	20	2,593

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Fundraising and publicity</u>		
Staging fundraising events	2,114	14,740
<u>Trading costs</u>		
Other trading activities	931	1,401
Staff costs	30,024	28,484
Trading costs	30,955	29,885
	33,069	44,625



# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 9 Charitable activities

	Total 2021 £	Total 2020 £
Staff costs	119,264	120,363
Depreciation and impairment	79,514	81,166
Direct costs	10,643	24,126
Premises costs	79,623	59,808
Insurances	4,602	5,121
Motor expenses and travelling	4,512	20,788
Office expenses	12,728	11,000
Repairs	65,722	51,619
Advertising and marketing	1,499	812
Legal and professional fees	38,510	32,551
Training costs	803	1,079
Other costs	6,314	5,489
	<u>423,734</u>	<u>413,922</u>
Share of support costs (see note 10)	32,333	21,773
Share of governance costs (see note 10)	4,620	3,540
	<u>460,687</u>	<u>439,235</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	153,870	181,694
Unrestricted funds - designated	79,514	81,166
Restricted funds	227,303	176,375
	<u>460,687</u>	<u>439,235</u>

### 10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	32,333	-	32,333	21,773	-	21,773
Audit fees	-	4,620	4,620	-	3,540	3,540
	<u>32,333</u>	<u>4,620</u>	<u>36,953</u>	<u>21,773</u>	<u>3,540</u>	<u>25,313</u>
Analysed between Charitable activities	<u>32,333</u>	<u>4,620</u>	<u>36,953</u>	<u>21,773</u>	<u>3,540</u>	<u>25,313</u>

Governance costs includes payments to the auditors of £4,620 (2020 - £3,540) for audit fees.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	8	7
Fundraising	1	1
Total	9	8

Employment costs	2021 £	2020 £
Wages and salaries	169,711	158,940
Social security costs	8,520	8,723
Other pension costs	3,390	2,957
	181,621	170,620

The trustees consider the Chief Executive and the Office & Finance Co-coordinator to be the key management personnel for the charity. The aggregate remuneration (including all benefits) paid to them during the year amounted to £63,954 (2020 - £70,290)

There were no employees whose annual remuneration was £60,000 or more.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets		Leasehold land and buildings £	Fixtures & fittings £	Computer/Motor equipment £	Motor vehicles £	Other specialist equipment £	Total £
<b>Cost</b>							
At 1 April 2020		3,247,029	83,115	45,810	28,781	116,642	3,521,377
Additions		-	3,923	3,176	-	2,742	9,841
At 31 March 2021		3,247,029	87,038	48,986	28,781	119,384	3,531,218
<b>Depreciation and impairment</b>							
At 1 April 2020		240,180	51,910	40,611	19,168	54,159	406,028
Depreciation charged in the year		59,941	5,200	2,618	2,403	9,352	79,514
At 31 March 2021		300,121	57,110	43,229	21,571	63,511	485,542
<b>Carrying amount</b>							
At 31 March 2021		2,946,908	29,928	5,757	7,210	55,873	3,045,676
At 31 March 2020		3,006,849	31,205	5,199	9,613	62,483	3,115,349

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	5,636	4,244
Other debtors	77,700	38,143
Prepayments and accrued income	24,603	70,495
	<u>107,939</u>	<u>112,882</u>

### 15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	2,985	3,761
Trade creditors	22,336	18,597
Other creditors	1,313	-
Accruals and deferred income	13,446	10,872
	<u>40,080</u>	<u>33,230</u>

### 16 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,390 (2020 - £2,957).

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

##### Current year

	Movement in funds				
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Counselling & reiki training	48,457	56,083	(51,889)	-	52,651
Garden	2,040	9,260	(8,252)	-	3,048
Work experience	13,815	17,718	(20,246)	-	11,287
Short breaks & family activities	62,388	56,764	(88,430)	1,088	31,810
Business development & sustainability	-	11,382	(11,382)	-	-
Equipment	7,413	-	(6,999)	-	414
Youth groups	7,705	2,530	(5,419)	-	4,816
Coronavirus support grants	-	45,254	(34,686)	-	10,568
	<u>141,818</u>	<u>198,991</u>	<u>(227,303)</u>	<u>1,088</u>	<u>114,594</u>

##### Prior year

	Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 1 April 2020
	£	£	£	£	£
Counselling & reiki training	5,823	93,496	(52,862)	-	48,457
Garden	4,315	11,271	(10,598)	(2,949)	2,040
Work experience	8,636	19,956	(14,117)	(660)	13,815
Short breaks & family activities	2,248	116,163	(53,754)	(2,269)	62,388
Business development & sustainability	10,449	37,358	(47,014)	(793)	-
Equipment	-	7,413	-	-	7,413
Youth groups	-	7,736	(31)	-	7,705
	<u>31,471</u>	<u>293,393</u>	<u>(178,376)</u>	<u>(6,671)</u>	<u>141,818</u>

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### 17 Restricted funds

(Continued)

**Counselling and reiki training** - the provision of professional assistance and guidance in resolving personal or psychological problems.

**Garden** - the garden in short breaks provides disabled children and young people with a variety of safe outdoor activities including a forest school, green house, poly tunnel and raised beds for growing veg in.

**Work experience** - providing disabled young people with the work experience opportunities including admin, reception and some gardening tasks whilst being supported by staff.

**Short breaks and family activities**

Family activities - provides safe whole family activities and parent carer support groups which focus on either creative or therapeutic activities including bowl and bite, Gong Baths, trips to the Washington Wetlands and mindfulness sessions.

Family Support - providing support to parent carers after their child's diagnosis and help them with the complex social care system.

VR Fund - providing an amazing experience for children of all ages, giving them a chance to go to the moon or to the deepest ocean.

**Business development & sustainability Enterprise Social Investment** - business development, helping to develop a business plan for a soft play and residential care.

**Equipment** - provides support to purchase and new bedroom hoist.

**Youth Groups** - providing disabled young people with an opportunity to socialise with their peers and have fun.

**Coronavirus support** – provides support such as telephone support, activity packs, nurturing, therapies including family counselling and mindfulness, etc.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

##### Current year

	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Capital fund	3,115,349	-	79,514	9,841	3,045,676
Development fund	-	-	-	125,000	125,000
	<u>3,115,349</u>	<u>-</u>	<u>79,514</u>	<u>134,841</u>	<u>3,170,676</u>

##### Prior year

	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Capital fund	3,184,069	-	(81,166)	12,446	3,115,349
	<u>3,184,069</u>	<u>-</u>	<u>(81,166)</u>	<u>12,446</u>	<u>3,115,349</u>

**Capital fund** - equals the net book value of the capital assets.

**Development fund** - the trustees are currently looking at potential new services for disabled children and young people. This fund will assist in the development of these services.

# GRACE HOUSE NORTH EAST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 19 Analysis of net assets between funds

#### Current year

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	-	3,045,676	-	3,045,676
Current assets/(liabilities)	221,208	125,000	114,594	460,802
	<u>221,208</u>	<u>3,170,676</u>	<u>114,594</u>	<u>3,506,478</u>

#### Prior year

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	-	3,115,349	-	3,115,349
Current assets/(liabilities)	211,180	-	141,818	352,998
	<u>211,180</u>	<u>3,115,349</u>	<u>141,818</u>	<u>3,468,347</u>

### 20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	-	931

### 21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).



## GRACE HOUSE NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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<b>22</b>	<b>Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	38,131	41,056
	Adjustments for:		
	Investment income recognised in statement of financial activities	-	(1,186)
	Depreciation and impairment of tangible fixed assets	79,514	81,166
	Movements in working capital:		
	Decrease/(increase) in debtors	4,943	(39,168)
	Increase/(decrease) in creditors	6,850	(7,140)
	<b>Cash generated from operations</b>	<b>129,438</b>	<b>74,728</b>
		<hr/>	<hr/>
<b>23</b>	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		

