

Registered number: 04419980

Charity number: 1100682

Grace House North East

(A company limited by guarantee)

Trustees' Report and Financial Statements

For the year ended 31 March 2022

Grace House North East
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Independent auditors' report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 30

Grace House North East
(A company limited by guarantee)

Reference and administrative details
For the year ended 31 March 2022

Trustees	Mr S Briton	(Chair)
	Ms V Milnes	
	Mr N Henry	(Vice Chair)
	Mrs C E Miller	(Treasurer)
	Mr H K S Hinshaw	(Resigned 21/01/2022)
	Cllr K Chequer	
	Mr T A McStea	
	Mr D J Hamblin	(Resigned 18/01/2022)
	Mrs W Mustard	
	Mrs V J Norman	
	Mr D A Bond	(Resigned 22/04/2022)
Company secretary	Mrs C E Miller	
Company registered number	04419980	
Charity registered number	1100682	
Registered office	C/o Debere Limited Swallow House Parsons Road Washington NE37 1EZ	
Business address	Bardolph Drive Southwick Sunderland SR5 2DE	
Independent Auditor	Haines Watts North East Audit LLP 17 Queens Lane Newcastle upon Tyne NE1 1RN	

Trustees' report
For the year ended 31 March 2022

The trustees present their annual report together with the audited financial statements of Grace House North East (the charity) for the year ended 31 March 2022. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102).

OBJECTIVES AND ACTIVITIES

Policies and objectives

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 to be limited by our funding available, 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 had regard to the Charity Commission's published guidance on their legal duty on Public Benefit, and due regard is paid to the guidance on public benefit when deciding on what new projects the charity should undertake, under the Charities Act 2011.

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 has been 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; and
- Whole family support services.

Volunteers

We have remained in regular communication with volunteers including celebrating volunteers' week and a Christmas Party however the numbers supporting us have dropped for many reasons.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Short break service

Short break service Collaboration between Grace House and Sunderland Care and Support Limited (SCAS) continued, 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, which aims to care for disabled children, young people, siblings and their parent carers. The funding has enabled Grace House to offer the following:

- Counselling – this now includes counselling for disabled children and siblings; and
- Holistic therapies including – Reiki training.

This project is now demonstrating real signs of growth and expansion, with families giving us fantastic feedback on this project, as it supports both 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 been able to continue to develop our accessible garden, we now have a section where families can come along together and enjoy safe outdoor fun. This has been developed in response to the pandemic as outdoor space was identified as support to well-being, we had a competition and the families decided to call it the "Rainbow Garden" a direct reference to the pandemic.

Supporting work experience

Funded by CLLD Grace House has again offered work experience placements for disabled children and young people. We have developed 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.

You Are Not Alone

Funded by D'Oyly Cart, Hadrian Trust, Edward Gostling and CAF Grace House has continued throughout the pandemic to provide variety of activities for parent carers, disabled children and the whole family, these have included: Yoga, Zumba, mindfulness, Gong Baths, Music Therapy, Creative Therapy.

Youth Groups

Grace House are now delivering 5 youth groups per week funded by Children In Need and Riddell. The groups enjoy a variety of activities including cooking, play games arts and crafts.

Family Support officer

Funded by Garfield Weston and Sunderland City Council COVID support. This is going from strength to strength with the numbers of referrals increasing on a monthly basis, advice being delivered remotely at the moment but when restrictions are lifted, home visiting will restart. We also added additional elements to this project and we started to distribute sensory equipment matching information on how to support each child using this equipment to manage behaviours.

Life skills

Funded by Coalfields Regeneration Fund and CAF, we are providing life skills to disabled children and young people at Portland School, these skills included money management, cooking, time management, etc.

Holiday Hunger Activities

During Summer and Christmas school holidays we provided free nutritious meals to those children on Free School meals, with additional activities such as cookery classes and exercise. Food hampers were also distributed. Funded by Sunderland City Council.

Hardship Vouchers

Hardship Vouchers provided by Sunderland City Council were distributed by the Grace House team to families requiring support.

COVID support

Funded by Sunderland City Council during the pandemic Grace House has been focussing our efforts on the impact of family's mental health and how we could support during this most challenging time and also the impact of the cost of living on families.

The support we have offered have included:

- Information about COVID
- Family counselling
- Gong Baths
- Music Therapy
- Telephone calls
- Family Nurturing
- Welfare advice and information on utility costs.

FINANCIAL REVIEW

Income generated for the year is £605,963 (2021 - £531,887) with expenditure being £552,761 (2021 - £493,756) resulting in a surplus of £53,202 (2021 - £38,131), this is after charging depreciation of £78,459 (2021 - £79,514).

Of the results generated for the year a surplus of £117,957 (2021 - £10,028) relates to general unrestricted funds, a deficit of £200,067 (2021 - £55,327 surplus) relates to designated funds and a surplus of £135,312 (2021 - £27,224 deficit) relates to restricted funds.

The charity has continued to receive support from individuals, groups, communities and companies and the trustees acknowledge with gratitude the support received. To date the funds have still been raised, in the main, from the community through donations and participation in events, together with grants and corporate donations.

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 continue to fundraise and donate to the charity in so many ways even throughout COVID.

Corporate fundraising

Our thanks go:

- WL Distillery
- Aniseed Creative
- Elliott Westland
- Richard Reed
- Greenarch Wealth Management
- Margaret Rose Events
- White Digital
- Emerald Associates
- Gillespie Recruitment LTD
- The Unite Group
- CMYK Business Technology
- Net Defence
- LM Global Telecoms
- Mint Business Club
- Dodio
- NRL
- Sofology
- Parker Hannifin
- Sweeney Miller
- HMS Anson
- New Results Training
- Bowmer and Kirkland
- Hamlyn Associates
- Team Valley Group
- SP Data Services

Thanks, are also extended to the many companies that support us through Gifts in Kind, these include HLA and JLA.

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:

- The National Lottery Community Fund – Reaching Communities Fund
- Ann Rylands
- CAF
- Community Foundation
- Children In Need
- Edward Gostling
- Sunderland City Council
- NE Arts Jubilee Fund
- CLLD
- Coalfields Regeneration Fund
- Garfield Weston
- James Knott
- Joseph Strong Frazer
- Sports England
- Virgin Money Foundation

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 Charity's objectives.

At the end of the year, unrestricted free reserves (not tied up in fixed assets) amounted to £236,804 which is above the target set of £215,000. Services being developed will have regard for ongoing funding streams available to the charity.

COVID-19

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.

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 of Grace House develop.

Going concern

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. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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 of Grace House develop.

PLANS FOR FUTURE PERIODS

Grace House now has a 3 year strategy which we are working too, in the coming year we intend to build on our unrestricted income as we have appointed an Apprentice Fundraiser and Communications Officer which we believe are important to the increase in supporter numbers and income.

We are also developing a new website and re-drafting our Articles of Association to reflect with greater clarity our direction of travel.

We are working with a consultant in developing business plans and this will enable us to look at extending our commercial opportunities.

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 Chief Executive Officer who liaises closely with the Chairman of the trustees.

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.

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.

STATEMENTS OF TRUSTEE RESPONSIBILITIES

The trustees (who are also directors of Grace House North East 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP 2019 (FRS 102);
- Make judgments 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 a going concern basis unless it is inappropriate to assume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

Haines Watts were appointed as the charitable company's auditors to act during the year 2022.

In so far as each trustee is aware;

- there is no relevant audit information of which the charity's auditor is 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 charity's auditor is aware of that information.

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

This report was approved by the trustees on 12 September 2022 and signed on their behalf by:

.....
Mr S Briton
Trustee

Independent Auditors' Report to the members of Grace House North East
For the year ended 31 March 2022

Opinion

We have audited the financial statements of Grace House North East (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its 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 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the members of Grace House North East (Continued)
For the year ended 31 March 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 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 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.

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.

Independent Auditors' Report to the members of Grace House North East (Continued)
For the year ended 31 March 2022

We obtained an understanding of the legal and regulatory framework applicable to both the charitable 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, the 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:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and 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;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2022; and
- challenging the assumptions and judgements made by management in its significant accounting estimates

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

Use of Our Report

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts North East LLP

14 October 2022

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Grace House North East
(A company limited by guarantee)

Statement of Financial Activities *(Incorporating the Income and Expenditure Account)*
For the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Designated fund £	Total 2022 £	Total 2021 £
Income from:						
Donations and legacies	4	76,915	9,885	-	86,800	199,614
Charitable activities	5	127,324	317,741	-	445,065	270,491
Other trading activities	6	66,210	355	-	66,565	50,373
Other income		4,370	480	-	4,850	11,409
Investments	7	2,683	-	-	2,683	-
Total income		<u>277,502</u>	<u>328,461</u>	<u>-</u>	<u>605,963</u>	<u>531,887</u>
Expenditure on:						
Costs of raising funds	8	47,754	-	-	47,754	33,069
Charitable activities	9	233,099	193,449	78,459	505,007	460,687
Total expenditure		<u>280,853</u>	<u>193,449</u>	<u>78,459</u>	<u>552,761</u>	<u>493,756</u>
Net movement before transfers		(3,351)	135,012	(78,459)	53,202	38,131
Transfers between funds	19	121,308	300	(121,608)	-	-
Net movement in funds		<u>117,957</u>	<u>135,312</u>	<u>(200,067)</u>	<u>53,202</u>	<u>38,131</u>
Reconciliation of funds						
Total funds brought forward		221,208	114,594	3,170,676	3,506,478	3,468,347
Total Funds carried forward		<u>339,165</u>	<u>249,906</u>	<u>2,970,609</u>	<u>3,559,680</u>	<u>3,506,478</u>

The notes on pages 17 to 30 form part of these financial statements

Grace House North East
(A company limited by guarantee)

Balance Sheet
As at 31 March 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	15		2,970,609		3,045,676
Investments	16		102,361		-
Current assets					
Debtors	17	62,254		107,939	
Cash at bank and in hand		458,048		392,943	
		<u>520,302</u>		<u>500,882</u>	
Creditors: amounts falling due within one year	18	(33,592)		(40,080)	
		<u></u>		<u></u>	
Net current assets			486,710		460,802
Net assets			<u>3,559,680</u>		<u>3,506,478</u>
			<u></u>		<u></u>
Fund analysis					
Unrestricted funds			339,165		221,208
Designated funds			2,970,609		3,170,676
Restricted funds			249,906		114,594
Total funds	19		<u>3,559,680</u>		<u>3,506,478</u>
			<u></u>		<u></u>

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

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the trustees on 12 September 2022 and signed on their behalf by:

.....
Mrs C E Miller
Trustee

Company Number: 04419980

The notes on pages 17 to 30 form part of these financial statements.

Grace House North East
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash flow from operating activities:			
<i>Net cash provided by operating activities</i>	23	170,002	129,438
Cash flows from investing activities			
Interest received		322	-
Purchase of tangible fixed assets		(5,219)	(9,841)
Payment to acquire Investments		(100,000)	-
<i>Net cash used in investing activities</i>		(104,897)	(9,841)
Change in cash and cash equivalents in the reporting period		65,105	119,597
Cash and cash equivalents at the beginning of the year		392,943	273,346
Cash and cash equivalents at the end of the year		458,048	392,943
Cash and cash equivalents consist of:			
Cash at bank and in hand		458,048	392,943

Notes to the financial statements
for the year ended 31 March 2022

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Grace House North East meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company 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.

1.3 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 company 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 which have been raised by the company for particular purposes. The cost 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.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measureable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

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.

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.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	15% reducing balance
Other fixed assets	-	15% reducing balance

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.11 Pensions

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

1.12 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.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The only significant area of judgement is the useful economic lives of fixed assets, details of which are given above.

2. Company status

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.

3. Statement of financial activities for the prior year

		Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2021 £
	Notes				
Income from:					
Donations and legacies	4	199,614	-	-	199,614
Charitable activities	5	71,500	-	198,991	270,491
Other trading activities	6	50,373	-	-	50,373
Other income		11,409	-	-	11,409
Investments	7	-	-	-	-
Total income		332,896	-	198,991	531,887
Expenditure on:					
Costs of raising funds	8	33,069	-	-	33,069
Charitable activities	9	153,870	79,514	227,303	460,687
Total expenditure		186,939	79,514	227,303	493,756
Net movement before transfers		145,957	(79,514)	(28,312)	38,131
Transfers between funds	19	(135,929)	134,841	1,088	-
Net movement in funds		10,028	55,327	(27,224)	38,131
Reconciliation of funds					
Total funds brought forward		211,180	3,115,349	141,818	3,468,347
Total Funds carried forward		221,208	3,170,676	114,594	3,506,478

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

4. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations	70,679	9,885	80,564	110,423
Corporate sponsorship	6,200	-	6,200	14,191
Legacies	36	-	36	75,000
	<u>76,915</u>	<u>9,885</u>	<u>86,800</u>	<u>199,614</u>

5. Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
SCAS income	64,251	-	64,251	71,500
Grant income	63,073	317,741	380,814	198,991
	<u>127,324</u>	<u>317,741</u>	<u>445,065</u>	<u>270,491</u>

Grants received during the period:

	2022 £	2021 £
National Lottery Community Fund - OPYS 2020/2024	59,162	56,083
National Lottery Community Fund - You Are Not Alone	-	37,050
Garfield Weston	30,000	-
Children in Need	30,745	9,260
Sir James Knott	6,000	-
National Lottery Community Fund	-	22,303
Net Funding	-	9,911
Wellesley Trust	-	9,108
Awards for All	-	8,610
Durham Resilience	-	10,430
Enterprise Social Investment	12,582	11,382
Charities Aid Foundation	127,750	6,965
Sports England	6,437	-
Sunderland City Council -HAF	20,679	-
Sunderland City Council -CC	9,902	-
Sunderland City Council- Other	10,399	-
Northern East Innovation Centre	5,667	-
Virgin Money	28,970	-
Linden Family	5,000	-
Edward Gosling	5,000	-
Community Foundation	16,728	-
Other<£5,000	5,793	17,889
Total	<u>380,814</u>	<u>198,991</u>

Grace House North East
(A company limited by guarantee)

Notes to the financial statements (Continued)
for the year ended 31 March 2022

6. Other trading activities

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Events	41,929	355	42,284	14,480
Room hire	24,205	-	24,205	35,635
Shop sales	76	-	76	258
	<u>66,210</u>	<u>355</u>	<u>66,565</u>	<u>50,373</u>

7. Investment income

The charitable company's investment income arises from interest on money held in interest bearing deposit accounts and accrued interest on the Charity's investment portfolio.

8. Costs of raising funds

	Unrestricted	Restricted	Total 2022	Total 2021
	£	£	£	£
Wages and salaries	31,193	-	31,193	30,024
Events	15,969	-	15,969	2,114
Materials	592	-	592	931
	<u>47,754</u>	<u>-</u>	<u>47,754</u>	<u>33,069</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

9. Expenditure on charitable activities

	Activities undertaken directly £	Support costs £	Total 2022 £	Total 2021 £
Wages and salaries	159,551	35,544	195,095	151,957
Direct costs	21,659	-	21,659	10,643
Premises costs	63,216	-	63,216	79,623
Insurances	4,831	-	4,831	4,602
Motor and travel expenses	3,158	-	3,158	4,512
Office expenses	21,111	-	21,111	12,728
Repairs	43,128	-	43,128	65,722
Advertising and marketing	1,284	-	1,284	1,499
Legal and professional fees	52,820	3,470	56,290	43,130
Training costs	1,208	-	1,208	803
Depreciation	78,459	-	78,459	79,514
Other costs	15,568	-	15,568	6,314
	<u>465,993</u>	<u>39,014</u>	<u>505,007</u>	<u>460,687</u>

10. Support costs

	2022 £	2021 £
Salary Costs	35,544	32,333

11. Governance costs

	2022 £	2021 £
Audit fee	3,470	4,620

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

12. Net incoming resources/(resources expended)

	2022	2021
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	78,459	79,514
	<u> </u>	<u> </u>

13. Auditor's remuneration

	2022	2021
	£	£
Auditor's remuneration	4,750	4,620
	<u> </u>	<u> </u>

14. Staff costs

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	210,382	169,711
Social security costs	11,751	8,520
Other pension costs	4,155	3,390
	<u> </u>	<u> </u>
	226,288	181,621
	<u> </u>	<u> </u>

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

	2022	2021
	No.	No.
Administrative	12	8
Fundraising	1	1
	<u> </u>	<u> </u>
	13	9
	<u> </u>	<u> </u>

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

During the year, trustees received no remuneration or any reimbursement of expenses.

The trustees consider the Chief Executive and the Office & Finance Co-ordinator to be the key management personnel for the charity. The aggregate remuneration (including all benefits) paid to them during the year amounted to £71,088 (2021: £63,954).

Notes to the financial statements (Continued)
for the year ended 31 March 2022

15. Tangible fixed assets

	Long term Leasehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Other specialist equipment £	Total £
Cost						
At 1 April 2021	3,247,029	28,781	87,038	48,986	119,384	3,531,218
Additions	-	-	-	5,219	-	5,219
Disposals	-	-	-	-	(1,938)	(1,938)
At 31 March 2022	3,247,029	28,781	87,038	54,205	117,446	3,534,499
Depreciation						
At 1 April 2021	300,121	21,571	57,110	43,229	63,511	485,542
Charge for the year	59,941	1,802	4,516	4,120	8,080	78,459
Elimination on disposal	-	-	-	-	(111)	(111)
At 31 March 2022	360,062	23,373	61,626	47,349	71,480	563,890
Net book value						
At 31 March 2022	2,886,967	5,408	25,412	6,856	45,966	2,970,609
At 31 March 2021	2,946,908	7,210	29,928	5,757	55,873	3,045,676

Included in long term leasehold property is land at a cost of £250,000 which is not depreciated.

16. Fixed Asset Investments

	2022 £	2021 £
Fixed term bonds	102,361	-
	102,361	-

During the year the Charity invested £100,000 into a two-year fixed term investment bond. This instrument accrues interest, which is paid on redemption, at 6.75% per annum and is redeemable on 31 January 2023.

Grace House North East
(A company limited by guarantee)

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

17. Debtors

	2022	2021
	£	£
Trade debtors	4,205	5,636
Prepayments and accrued income	58,049	24,603
Other debtors	-	77,700
	<hr/>	<hr/>
	62,254	107,939
	<hr/>	<hr/>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	22,033	2,985
Other taxation and social security	2,856	22,336
Other creditors	1,389	1,313
Accruals and deferred income	7,314	13,446
	<hr/>	<hr/>
	33,592	40,080
	<hr/>	<hr/>

Grace House North East
(A company limited by guarantee)

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

19. Statement of funds

<i>For the year ended 31 March 2022</i>	Brought forward	Income	Expenditure	Transfers in/out	Carried forward
	£	£	£	£	£
Unrestricted funds					
General fund	221,180	277,502	(280,853)	121,308	339,165
Capital fund	3,170,676	-	(78,459)	(121,608)	2,970,609
	<u>3,391,884</u>	<u>277,502</u>	<u>(359,312)</u>	<u>(300)</u>	<u>3,309,774</u>
Restricted funds					
Counselling & consultation	52,651	88,612	(64,119)	-	77,144
Garden	3,048	16,402	(6,435)	-	13,015
Work experience	11,287	9,915	(14,135)	-	7,067
Shorts breaks & family activities	31,810	175,940	(88,390)	300	119,660
Coronavirus support grants	10,568	14,343	(18,795)	-	6,116
Business development & sustainability	-	18,249	-	-	18,249
Equipment	414	-	(231)	-	183
Youth groups	4,816	5,000	(1,344)	-	8,472
	<u>114,594</u>	<u>328,461</u>	<u>(193,449)</u>	<u>300</u>	<u>249,906</u>
Total funds	<u>3,506,478</u>	<u>605,963</u>	<u>(552,761)</u>	<u>-</u>	<u>3,559,680</u>

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

19. Statement of funds (*Continued*)

<i>For the year ended 31 March 2021</i>	Brought forward	Income	Expenditure	Transfers in/(out)	Carried forward
	£	£	£	£	£
Unrestricted funds					
General fund	211,180	332,896	(186,939)	(135,929)	221,208
Capital fund	3,115,349	-	(79,514)	134,841	3,170,676
	<u>3,326,529</u>	<u>332,896</u>	<u>(266,453)</u>	<u>(1,088)</u>	<u>3,391,884</u>
Restricted funds					
Counselling & consultation	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
Shorts breaks & family activities	62,388	56,764	(88,430)	1,088	31,810
Coronavirus support grants	-	45,254	(34,686)	-	10,568
Business development & sustainability	-	11,382	(11,382)	-	-
Equipment	7,413	-	(6,999)	-	414
Youth groups	7,705	2,530	(5,419)	-	4,816
	<u>141,818</u>	<u>198,991</u>	<u>(227,303)</u>	<u>1,088</u>	<u>114,594</u>
Total of funds	<u>3,468,347</u>	<u>531,887</u>	<u>(493,756)</u>	<u>-</u>	<u>3,506,478</u>

The transfers relate to capital assets purchased, once the assets are acquired these are transferred to the capital fund.

Counselling and consultation – 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 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.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

19. Statement of funds (*Continued*)

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

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 a new bedroom hoist

Youth Groups – providing disabled young people with an opportunity to socialize with their peers and have fun.

20. Net analysis of funds

Year ended 31 March 2022

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fixed assets	102,361	-	2,970,609	3,072,970
Current assets/Liabilities	236,804	249,906	-	486,710
	<u>339,165</u>	<u>249,906</u>	<u>2,970,609</u>	<u>3,559,680</u>

Year ended 31 March 2021

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fixed assets	-	-	3,045,676	3,045,676
Current assets/liabilities	221,208	114,594	125,000	460,802
	<u>221,208</u>	<u>114,594</u>	<u>3,170,676</u>	<u>3,506,478</u>

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,115 (2021 - £3,390). Contributions totalling £1,338 (2021 - £1,313) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the financial statements (*Continued*)
for the year ended 31 March 2022

22. Related party transactions

During the year the charity transacted with the following connected companies:

<u>Related Party</u>	<u>Company</u>	<u>Receipts/ (Payments)</u>	<u>Y/E Debtor/ creditor</u>
Neil Henry (trustee)	HLA Project/Services	(1,036)	(1,054)
Claire Miller (trustee)	Debere Limited	(300)	-
Wendy Mustard	Richard Reed	1,325	250

23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Operating Surplus	53,202	38,131
Investment income	(2,683)	-
Depreciation of tangible fixed assets	78,459	79,514
Profit on disposal of tangible assets	1,827	-
Increase in debtors	45,685	4,943
(Decrease)/increase in creditors	(6,488)	6,850
Net cash flow from operating activities	<u>170,002</u>	<u>129,438</u>