

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 2023**

**Grace House North East**  
**(A company limited by guarantee)**

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**Grace House North East**  
**(A company limited by guarantee)**

**Reference and administrative details**  
**For the year ended 31 March 2023**

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<b>Trustees</b>	Mr S Briton	(Chair)
	Ms V Milnes	Resigned 4 August 2023
	Mr N Henry	(Vice Chair)
	Mrs C E Miller	(Treasurer)
	Cllr K Chequer	
	Mr T A McStea	Resigned 05 October 2022
	Mrs W Mustard	
	Mrs V J Norman	
	Mr C Pretty	Appointed 12 September 2022
	Mr D A Bond	Resigned 22 April 2022
<b>Company secretary</b>	Mrs C E Miller	
<b>Company registered number</b>	04419980	
<b>Charity registered number</b>	1100682	
<b>Registered office</b>	C/o Debere Limited Swallow House Parsons Road Washington NE37 1EZ	
<b>Business address</b>	Bardolph Drive Southwick Sunderland SR5 2DE	
<b>Independent Auditor</b>	Haines Watts North East Audit LLP 17 Queens Lane Newcastle upon Tyne NE1 1RN	

**Trustees' report**  
**For the year ended 31 March 2023**

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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 2023. 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 promotion 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 recruited new volunteers this year and these are disabled young people who have accessed our services and wish to remain connected to Grace House, they support with admin, reception and supporting youth groups. We have also recruited parent carers and they are supporting the parent carer support groups.

## **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. Referrals for the project are coming from many partners including TFC, CYPS and Camhs.

### **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. The support for Children in Need means we have been able to deliver one to one sessions and fun day type gardening activities. It has also meant we can garden indoors whenever the weather is too wet and cold for the children to go outside as have large toughened trays big enough for planting. This year we also had a butterfly release as part of this activity.

### **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. We have also developed new partnerships with Home Grown and the Sunnyside Co-operative which has enabled us to expand the opportunities we can offer the young people.

### **You Are Not Alone**

Funded by over this period by CAF, James Knott, Arts NE has continued to provide grow its variety of activities for parent carers, disabled children and the whole family, these have included- Yoga, Zumba, mindfulness, Gong Baths, Music Therapy, Creative Therapy, sewing -creating a banner to celebrate Grace House 20 years as a Charity.

### **Youth Groups**

Grace House are now delivering 4 youth groups per week funded by Children In Need. The groups enjoy a variety of activities including cooking, play games arts and crafts. One young person participated in the BBC Children In need Rickshaw ride.

### **Family Support officer**

Funded by CAF and Edward Gostling, this is going from strength to strength with the numbers of referrals increasing on a monthly basis, advice being delivered face to face either as home visit or in Grace House. We also added additional elements to this project and we started to distributed sensory equipment matching information on how to support child using this equipment to manage behaviours.

### **Life skills**

Funded by 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.

**Peer Mentor**

Funded by Awards For All, disabled young people are given one to one support learning skills as to how to work on a busy reception, sending emails and answering phone calls etc.

**CAB**

Funded by Willian Trust, Grace House working in partnership with the CAB each Friday morning for parent carers to review their income, assist with form filling and review utility bills.

**Pre-school**

Funded by CAF providing pre-school sessions with disabled pre-school children, with parent carers attending.

**Anti-bullying Drama group**

Funded by Virgin Media to promote awareness of the issue of Hate Crime. The disabled young people have developed a script, acted the roles and supported with camera work and editing. The film will then be shared with mainstream schools and other partners to support the anti-bullying message.

**Social Group**

Funded by Wellesley this provides disabled young people 18-25 years with an opportunity to meet with their peers in a safe environment also enjoying activities such as going to the cinema and local areas of interest.

**FINANCIAL REVIEW**

Income generated for the year is £617,224 (2022 - £605,963) with expenditure being £725,265 (2022 - £552,761) resulting in a deficit of £108,041 (2022 - £53,202 surplus), this is after charging depreciation of £77,220 (2022 - £78,459).

Of the results generated for the year a surplus of £22,183 (2022 - £117,957) relates to general unrestricted funds, a deficit of £61,233 (2022 - £200,067 deficit) relates to designated funds and a deficit of £68,991 (2022 - £135,312 surplus) 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 groups and the thousands of individual donors who continue to fundraise and donate to the charity in so many even despite the cost of living crisis.

**Events**

Community and Corporate fundraising has always played such an important part of the Grace House development and despite the challenge of the economic crisis we have been able to hold several events including a Golf Day, Grace House Ball, Race for Grace, Car Boot Sales, Christmas Fayre and many more.

### Corporate fundraising

Our thanks go:

- WL Distillery
- Aniseed Creative
- Richard Reed
- Greenarch Wealth Management
- Margaret Rose Events
- SP Data Services
- Team Valley Group
- Gillespie Recruitment LTD
- The Unite Group
- CMYK Business Technology
- Net Defence
- LM Global Telecoms
- Major Family Law
- Mint Business Club
- Dodio
- NRL
- Sofology
- Parker Hannifin
- Sweeney Miller
- HMS Anson
- Hamlyn Associates
- Pentland
- ICS Law
- MedCover
- Cooklaw
- Body Shop at Home
- WorkerBee
- Vibrant Colour
- Sunderland Empire
- Integrity Technology Services
- Riverside Marketing Solutions
- TriPak
- DWP
- Holiday Inn Washington

### **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
- Arts Council – Jubilee Fund
- Awards for All
- Community Renewal Fund
- CAF
- Community Foundation
- Children In Need
- D'Oyly Carte
- Edward Gostling
- Sunderland City Council including North Area
- Joseph Strong Frazer
- Marks and Spencer's
- Co-operative
- CLLD
- Coalfields Regeneration Fund
- Sainsburys
- Sir James Knott
- Linden
- Wellesley Trust
- Community Fund – Know your Neighbourhood
- 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 £252,393 which is above the target set of £250,000. Services being developed will have regard for ongoing funding streams available to the charity.

### **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 continues to work to a 3 year strategy, in the coming year we intend to develop paths to diversify our income streams and to assist the sustainability of the Charity.

## **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.

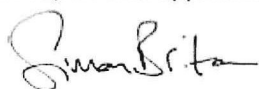
## Disclosure of information to the auditor

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 11 September 2023 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 2023**

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**Opinion**

We have audited the financial statements of Grace House North East (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2023, 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 2023**

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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 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 2023**

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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 2023;

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](http://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.



**Craig Henderson (Senior Statutory Auditor)**  
**For and on behalf of Haines Watts North East LLP**

18 September 2023

**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 2023

	Notes	Unrestricted funds £	Restricted funds £	Designated fund £	Total 2023 £	Total 2022 £
<b>Income from:</b>						
Donations and legacies	4	107,288	-	-	107,288	86,800
Charitable activities	5	108,840	327,814	-	436,654	445,065
Other trading activities	6	53,094	-	-	53,094	66,565
Other income		4,214	-	-	4,214	4,850
Investments	7	15,974	-	-	15,974	2,683
<b>Total income</b>		<u>289,410</u>	<u>327,814</u>	<u>-</u>	<u>617,224</u>	<u>605,963</u>
<b>Expenditure on:</b>						
Costs of raising funds	8	55,836	-	-	55,836	47,754
Charitable activities	9	192,558	399,651	77,220	669,429	505,007
<b>Total expenditure</b>		<u>248,394</u>	<u>399,651</u>	<u>77,220</u>	<u>725,265</u>	<u>552,761</u>
<b>Net movement before transfers</b>		41,016	( 71,837 )	( 77,220 )	( 108,041 )	53,202
Transfers between funds	19	( 48,333 )	2,846	45,987	-	-
<b>Net movement in funds</b>		<u>( 7,817 )</u>	<u>( 68,991 )</u>	<u>( 31,233 )</u>	<u>( 108,041 )</u>	<u>53,202</u>
<b>Reconciliation of fund</b>						
Total funds brought forward		339,165	249,906	2,970,609	3,559,680	3,506,478
<b>Total Funds carried forward</b>		<u>331,348</u>	<u>180,915</u>	<u>2,939,376</u>	<u>3,451,639</u>	<u>3,559,680</u>

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

**Grace House North East**  
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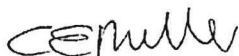
**Balance Sheet**  
**As at 31 March 2023**

	Notes	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Tangible assets	15		2,909,376		2,970,609
Investments	16		108,955		102,361
<b>Current assets</b>					
Debtors	17	97,638		62,254	
Cash at bank and in hand		397,274		458,048	
		<u>494,912</u>		<u>520,302</u>	
<b>Creditors:</b> amounts falling due within one year	18	( 61,604 )		( 33,592 )	
		<u></u>		<u></u>	
<b>Net current assets</b>			433,308		486,710
<b>Net assets</b>			<u>3,451,639</u>		<u>3,559,680</u>
<b>Fund analysis</b>					
Unrestricted funds			331,348		339,165
Designated funds			2,939,376		2,970,609
Restricted funds			180,915		249,906
<b>Total funds</b>	19		<u>3,451,639</u>		<u>3,559,680</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 11 September 2023 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 2023

	Notes	2023 £	2022 £
<b>Net cash flow from operating activities:</b>			
<i>Net cash provided by operating activities</i>	23	( 54,167 )	170,002
<b>Cash flows from investing activities</b>			
Interest received		9,380	322
Purchase of tangible fixed assets		( 15,987 )	( 5,219 )
Payment to acquire Investments		-	( 100,000 )
<i>Net cash used in investing activities</i>		( 6,607 )	( 104,897 )
<b>Change in cash and cash equivalents in the reporting period</b>		( 60,774 )	65,105
Cash and cash equivalents at the beginning of the year		458,048	392,943
<b>Cash and cash equivalents at the end of the year</b>		397,274	458,048
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		397,274	458,048

## **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 2023

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**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 measurable. 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 2023

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**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 2023

**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 Trustees do not consider that there are any significant areas of judgement or estimation required in the preparation of the financial statements.

**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**

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

Notes to the financial statements (Continued)  
for the year ended 31 March 2023

4. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations	42,732	-	42,732	80,564
Corporate sponsorship	49,534	-	49,534	6,200
Legacies	15,022	-	15,022	36
	<u>107,288</u>	<u>-</u>	<u>107,288</u>	<u>86,800</u>

5. Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
SCAS income	81,998	-	81,998	64,251
Grant income	3,167	327,814	330,981	380,814
Community activities	23,675	-	23,675	-
	<u>108,840</u>	<u>327,814</u>	<u>436,654</u>	<u>445,065</u>

Grants received during the period:

	2023 £	2022 £
National Lottery- OPYS	60,892	59,162
Garfield Weston	-	30,000
Awards for All	9,954	-
Children in Need	41,633	30,745
Sir James Knott	6,000	6,000
Enterprise Social Investment	-	12,582
Charities Aid Foundation	49,250	127,750
Sports England	-	6,437
Sunderland City Council -HAF	3,000	20,679
Sunderland City Council -CC	-	9,902
Sunderland City Council- Other	11,500	10,399
Sunderland City Council – CCLD	44,732	-
Sunderland City Council- What Matters	4,306	-
Northern East Innovation Centre	-	5,667
Virgin Money	-	28,970
Linden Family	4,500	5,000
Edward Gosling	-	5,000
Community Foundation	49,482	16,728
Wellesley Trust	20,000	-
1989 Willian Trust	9,923	-
Sainsburys	500	-
St James Place Charitable Trust	2,500	-
Together for Children	9,642	-
Other<£5,000	3,167	5,793
<b>Total</b>	<u>330,981</u>	<u>380,814</u>

Grace House North East  
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Notes to the financial statements *(Continued)*  
for the year ended 31 March 2023

6. Other trading activities

	Total 2023 £	Total 2022 £
Events	11,939	42,284
Room hire	40,675	24,205
Shop sales	480	76
	<u>53,094</u>	<u>66,565</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

	Total 2023 £	Total 2022 £
Wages and salaries	31,925	31,193
Events	23,911	15,969
Materials	-	592
	<u>55,836</u>	<u>47,754</u>

Grace House North East  
(A company limited by guarantee)

Notes to the financial statements *(Continued)*  
for the year ended 31 March 2023

9. Expenditure on charitable activities

	Activities undertaken directly	Support costs	Total 2023	Total 2022
	£	£	£	£
Wages and salaries	251,806	34,263	286,069	195,095
Direct costs	40,454	-	40,454	21,659
Premises costs	81,239	-	81,239	63,216
Insurances	8,560	-	8,560	4,831
Motor and travel expenses	4,787	-	4,787	3,158
Office expenses	15,054	-	15,054	21,111
Repairs	40,999	-	40,999	43,128
Advertising and marketing	7,512	-	7,512	1,284
Legal and professional fees	87,129	3,470	90,599	56,290
Training costs	134	-	134	1,208
Depreciation	77,220	-	77,220	78,459
Other costs	16,802	-	16,802	15,568
	<u>631,696</u>	<u>37,733</u>	<u>669,429</u>	<u>505,007</u>

10. Support costs

	2023 £	2022 £
Salary Costs	34,263	35,544
	<u>          </u>	<u>          </u>

11. Governance costs

	2023 £	2022 £
Audit fee	3,470	4,620
	<u>          </u>	<u>          </u>

Notes to the financial statements (*Continued*)  
for the year ended 31 March 2023

**12. Net incoming resources/(resources expended)**

	2023	2022
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	77,220	78,459
	<u>77,220</u>	<u>78,459</u>

**13. Auditor's remuneration**

	2023	2022
	£	£
Auditor's remuneration	4,750	4,750
	<u>4,750</u>	<u>4,750</u>

**14. Staff costs**

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	296,922	210,382
Social security costs	15,993	11,751
Other pension costs	5,079	4,155
	<u>317,994</u>	<u>226,288</u>

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

	2023	2022
	No.	No.
Administrative	21	12
Fundraising	1	1
	<u>22</u>	<u>13</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 £68,526 (2022: £71,088).

Notes to the financial statements (Continued)  
for the year ended 31 March 2023

15. Tangible fixed assets

	Long term Leasehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Other specialist equipment £	Total £
<b>Cost</b>						
At 1 April 2022	3,247,029	28,781	87,038	54,205	117,446	3,534,499
Additions	-	-	15,987	-	-	15,987
Disposals	-	-	-	-	-	-
At 31 March 2022	3,247,029	28,781	103,025	54,205	117,446	3,550,486
<b>Depreciation</b>						
At 1 April 2022	360,062	23,373	61,626	47,349	71,480	563,890
Charge for the year	59,941	1,353	6,237	2,821	6,868	77,220
Elimination on disposal	-	-	-	-	-	-
At 31 March 2023	420,003	24,726	67,863	50,170	78,348	641,110
<b>Net book value</b>						
At 31 March 2023	2,827,026	4,055	35,162	4,035	39,098	2,909,376
At 31 March 2022	2,886,967	5,408	25,412	6,856	45,966	2,970,609

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

16. Fixed Asset Investments

	2023 £	2022 £
Fixed term bonds	108,955	102,361
	<u>108,955</u>	<u>102,361</u>

During the year ended 31 March 2022, 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 16 November 2023.

Grace House North East  
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Notes to the financial statements *(Continued)*  
for the year ended 31 March 2023

17. Debtors

	2023	2022
	£	£
Trade debtors	34,709	4,205
Prepayments and accrued income	62,929	58,049
Other debtors	-	-
	<u>97,638</u>	<u>62,254</u>

18. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	40,401	22,033
Other taxation and social security	3,577	2,856
Other creditors	2,435	1,389
Accruals and deferred income	15,191	7,314
	<u>61,604</u>	<u>33,592</u>



Grace House North East  
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Notes to the financial statements (Continued)  
for the year ended 31 March 2023

19. Statement of funds

<i>For the year ended 31 March 2023</i>	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers in/out</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>					
General fund	339,165	289,410	( 248,394 )	( 48,833 )	331,348
Capital fund	2,970,609	-	( 77,220 )	15,987	2,909,376
Maintenance fund	-	-	-	30,000	30,000
	<u>3,309,774</u>	<u>289,410</u>	<u>( 325,614 )</u>	<u>( 2,846 )</u>	<u>3,270,724</u>
<b>Restricted funds</b>					
Counselling & consultation	77,144	76,108	( 96,288 )	-	56,964
Garden	18,168	28,917	( 47,085 )	-	-
Work experience	97,389	120,288	( 168,958 )	2,846	51,565
Shorts breaks & family activities	46,710	37,540	( 51,792 )	-	32,458
Coronavirus support grants	5,877	-	( 5,188 )	-	689
Cost of living crisis	-	55,559	( 25,405 )	-	30,154
Equipment	183	-	-	-	183
Youth groups	4,435	9,402	( 4,935 )	-	8,902
	<u>249,906</u>	<u>327,814</u>	<u>( 399,651 )</u>	<u>2,846</u>	<u>180,915</u>
<b>Total funds</b>	<u>3,559,680</u>	<u>617,224</u>	<u>( 725,265 )</u>	<u>-</u>	<u>3,451,639</u>

Notes to the financial statements (Continued)  
for the year ended 31 March 2023

19. Statement of funds (Continued)

<i>For the year ended 31 March 2022</i>	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers in/out</b>	<b>Carried forward</b>
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	221,208	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>
<b>Restricted funds</b>					
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>
<b>Total funds</b>	<u>3,506,478</u>	<u>605,963</u>	<u>( 552,761 )</u>	<u>-</u>	<u>3,559,680</u>

The transfers relate to capital assets purchased, once the assets are acquired these are transferred to the capital fund. In the current year an amount has also been transferred to the newly created maintenance fund, to set aside funds for the maintenance of the property.

**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 change to go to the moon or to the deepest ocean.

Notes to the financial statements (*Continued*)  
for the year ended 31 March 2023

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.

**Cost of Living Crisis** – to help tackle the increase in costs associated with the cost of living crisis.

20. Net analysis of funds

Year ended 31 March 2023

	Unrestricted funds	Restricted funds	Designated funds	Total funds
	£	£	£	£
Fixed assets	108,955	-	2,909,376	3,018,331
Current assets/Liabilities	252,393	180,915	-	433,308
	<u>361,348</u>	<u>180,915</u>	<u>2,909,376</u>	<u>3,451,639</u>

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>

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 £5,079 (2022 - £4,155). Contributions totalling £nil (2022 - £1,338) 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 2023

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**22. Related party transactions**

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

<u>Related Party</u>	<u>Company</u>	<u>Receipts/ (Payments)</u>	<u>Y/E Debtor/ (creditor)</u>
Claire Miller (trustee)	Debere Limited	( 4,893 )	( 46 )

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

	<b>2023</b>	<b>2022</b>
	£	£
Operating (deficit) / surplus	( 108,041 )	53,202
Investment income	( 15,974 )	( 2,683 )
Depreciation of tangible fixed assets	77,220	78,459
Profit on disposal of tangible assets	-	1,827
(Increase)/decrease in debtors	( 35,384 )	45,685
(Decrease)/increase in creditors	28,012	( 6,488 )
Net cash flow from operating activities	<u>( 54,167 )</u>	<u>170,002</u>