
Grace House North East
(A company limited by guarantee)
Trustees' Report and Financial Statements
For the year ended 31 March 2025

Grace House North East

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for the year ended 31 March 2025

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Grace House North East

Details of the Company for the year ended 31 March 2025

Trustees	Mr S Briton	(Chair)
	Mr N Henry	(Vice Chair)
	Mrs C E Miller	(Treasurer)
	Cllr K Chequer	
	Mrs W Mustard	
	Mrs V J Norman	(resigned 29 September 2024)
	Mr C Pretty	
	Mr S W K Marriott-Dowding	(appointed 16 September 2024)
Company secretary	Mrs C E Miller	
Company registered number	04419980	
Charity registered number	1100682	
Registered office	Bardolph Drive Southwick Sunderland SR5 2DE	
Auditors	Glen C Rodger Limited Cragside House Heaton Road Newcastle upon Tyne NE6 1SE	

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

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 2025. 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;
- and
- 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;
- and
- 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; and
- 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.

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

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. A business plan has been developed for 2024-27, outlining the proposed services and how they will be funded.

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

- Whole family support services for those with a disabled child.

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. The volunteers recruited have also had opportunities to undertake training to enhance their volunteer experience and ensure they feel valued and have a closer connection to Grace House.

ACHIEVEMENT AND PERFORMANCE

Review of activities

Respite Care

Conversations have been ongoing with two organisations that would utilise the designated areas within Grace House to provide 24-hour respite care.

Once Place, Your Space

Our National Lottery Reaching Communities 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
- Holistic therapies including –Reiki training.

This project continues to show signs of growth and expansion, with families giving us positive 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.

Additional funding for our counselling provision was also provided by Links for Life- Sunderland City Council - UKSPF, St James Place, VSA mental health service and Rothley.

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

Work experience and life skills

Funded by Irwin Mitchell, The Will Charitable Trust and LEAF, Sunderland City Council Seeds of Potential. 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 and continue to partnerships with Home Grown and the Sunnyside Co-operative, Deigo's Joint, Clearly Drinks and Harrys gaming Shack which has enabled us to expand the opportunities we can offer the young people.

In additional we also held our second Careers Fair in January 2025; this was a fantastic success with many young people and their parents attending and also other partner organisations.

You Are Not Alone

This programme of activities provides support to the parent carers and the whole family. The activities vary from weekly Yoga sessions to Gong Baths, Mindfulness, Journalling, Poetry sessions and Pottery. Outings to the local soft play which were specifically booked for the Grace House families.

This was funded by Sir James Knott, Sunderland Culture - Space to Create Programme, National Lottery Sports England.

Dads Support Group

Specialist groups are also provided for Dads and Lads; this was offered on a weekly basis.

Funded by Kyn.

Youth groups

Grace House are now delivering weekly after School Youth Groups as well as providing provision to young people during the school holiday periods. The groups enjoy a variety of activities including cooking, podcasting, Dj'ing, various games, arts & crafts and sports funded by Children in Need, Community Foundation – Cirton Parp / Linden, Youth Music, Banks Foundation and Co-op.

Family support and nurturing

This is going from strength to strength with the numbers of referrals increasing monthly, advice being delivered face to face either at a home visit or in Grace House. Funded by Postcode Lottery.

Holiday activities

At every end of term, we provided free nutritious meals to those children on Free School meals, with additional activities such as cookery classes and exercise.

Funded by Sunderland City Council and The 1989 Willan Trust.

Hardship vouchers

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

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

Cost of living support including advice sessions from Citizens Advice

Grace House is working in partnership with the Citizen Advice to provide weekly sessions for parent carers to review their income, assist with form filling and review utility bills. We also have a regular lunch club for disabled young people 18 plus where they can come in for a free home cooked food and we also distribute food hampers.

Funded by Links for Life - UKSPF, Community Foundation Grassroots, Foundation, Hadrian Trust

Social group

This provides disabled young people 18 plus 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, they also learn how to cook and the benefits of healthy living including good personal hygiene.

Holiday activities

This provides disabled children and young people with opportunities to attend activities in the school holidays which are accessible, fun and affordable. The activities included things like Lego play, science experiments and animal education along with visits to soft play. Lunch bags are also given to the children. We also held a Colour Run with lots of additional activities including bouncy castle, magic show, animal petting zoo and a beat the goalie. This is funded by Sunderland City Council.

Christmas Hampers

Gentoo supported the distribution of Christmas hampers to families that were being supported by Grace House.

FINANCIAL REVIEW

Income generated for the year is £584,464 (2024 - £724,631) with expenditure being £664,210 (2024 - £807,034) resulting in a deficit of £79,746 (2024 - £82,403), this is after charging depreciation of £67,187 (2024 - £70,593).

Of the results generated for the year a deficit of £120,551 (2024 - £23,910 deficit) relates to general unrestricted funds, a deficit of £122,542 (2024 - £69,932) relates to designated funds and a deficit of £77,755 (2024 - £11,439) 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 this year, and the trustees acknowledge with gratitude the support received.

Grant received from the Greggs Foundation to support the role of a charity fundraiser.

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.

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

Events

Community and Corporate fundraising have 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:

- CMYK
- Richard Reed
- SP Data Services
- Sunderland Empire
- Team Valley Group - North-East Network
- TriPak
- Fundraise and Recycle
- NE Networking
- Slater and Gordon
- Erwin Mitchell
- Access Training
- Impro Media
- Adept-cts
- Atom Technology Solutions
- Ecologic Partners
- Woodstone Aggregates
- FM4U
- Cooklaw Solicitors
- Clear Drinks

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
- Children In Need small and large grants
- Cultural Spring- Space to Create programme
- UKSPF - Sunderland Council
- The Barbour Foundation
- Seeds of Potential
- Banks Foundation
- Edward Gostling
- Greggs Foundation
- Co-op
- Sir James Knott
- Rothley
- Gentoo
- The National Lottery Sports England
- The Community Foundation, the umbrella organisation for:
 - Local Environment Action-Grassroots Welfare Advice
 - The 1989 Willian Charitable Trust
- Garfield Weston

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

Reserves policy

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

At the end of the year, unrestricted free reserves (not tied up in fixed assets) amounted to £427,989 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 three-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 Executive Officer who liaises closely with the Chairman of the trustees.

Method of appointing, 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.

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

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. This ended November 2023.

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 and the change to another provider, to continually assess its financial viability and its place in the market. This is potentially vulnerable to central government social and economic policy, local government spending reviews and changing models of family support services.

Grace House North East

Trustees' Annual Report for the year ended 31 March 2025

STATEMENT 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 its incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the statements comply with the requirements of 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.

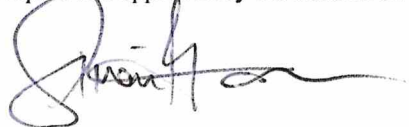
Disclosure of information to the auditor

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 trustees in order to be aware of any relevant audit information and to establish that the charitable company'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 15 December 2025 and signed on their behalf by:



Mr S Briton
Trustee

Independent Auditor's Report to the Members of
Grace House North East
for the year ended 31 March 2025

Opinion

We have audited the financial statements of Grace House North East (the 'charitable company') for the year ended 31 March 2025 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 2025, and 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

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

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

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

Other information

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of
Grace House North East
for the year ended 31 March 2025

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

Matters on which we are required to report by exception

In the light of 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 trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 11, 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 Auditor's Report to the Members of
Grace House North East
for the year ended 31 March 2025

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 noncompliance with laws and regulations;
- 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 2025;

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.



Thomas Duffy (Senior Statutory Auditor)

for and on behalf of Glen C Rodger Limited, Registered Auditors
Cragside House
Heaton Road
Newcastle upon Tyne
NE6 1SE

15 December 2025

Grace House North East

Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	Total 2025 £	Total 2024 £
Income from:						
<u>Incoming resources from generated funds</u>						
Donations and legacies	4	202,716	-	-	202,716	121,422
Charitable activities	5	9,760	253,063	-	262,823	515,189
Other trading activities	6	47,294	-	-	47,294	54,914
Other income	7	48,506	-	1,434	49,940	15,200
Investments	8	21,691	-	-	21,691	17,906
Total income		<u>329,967</u>	<u>253,063</u>	<u>1,434</u>	<u>584,464</u>	<u>724,631</u>
Expenditure on:						
<u>Costs of generating funds</u>						
Costs of raising funds	9	53,340	1,145	-	54,485	60,057
Charitable activities	10	212,865	329,673	67,187	609,725	746,977
Total expenditure		<u>266,205</u>	<u>330,818</u>	<u>67,187</u>	<u>664,210</u>	<u>807,034</u>
Net income/(expenditure) before transfers		63,762	(77,755)	(65,753)	(79,746)	(82,403)
Transfers between funds		56,789	-	(56,789)	-	-
Net movement in funds		<u>120,551</u>	<u>(77,755)</u>	<u>(122,542)</u>	<u>(79,746)</u>	<u>(82,403)</u>
Reconciliation of funds						
Total fund brought forward		307,438	192,354	2,869,444	3,369,236	3,451,639
Total funds carried forward		<u>427,989</u>	<u>114,599</u>	<u>2,746,902</u>	<u>3,289,490</u>	<u>3,369,236</u>

The notes on pages 17 to 26 form part of these financial statements

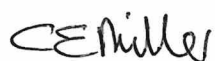
Grace House North East

Balance Sheet
As at 31 March 2025

Company Number: 04419980

	Notes	£	2025 £	2024 £
Fixed assets				
Tangible assets	16		2,746,902	2,819,444
Investments	17		307,372	215,729
			<u>3,054,274</u>	<u>3,035,173</u>
Current assets				
Debtors	18	108,709	160,257	
Cash at bank and in hand		157,008	240,170	
		<u>265,717</u>	<u>400,427</u>	
Creditors:				
Amounts falling due within one year	19	(30,501)	(66,364)	
NET CURRENT ASSETS			<u>235,216</u>	<u>334,063</u>
NET ASSETS			<u>3,289,490</u>	<u>3,369,236</u>
FUNDS				
Unrestricted funds			427,989	307,438
Designated funds			2,746,902	2,869,444
Restricted funds			114,599	192,354
	20		<u>3,289,490</u>	<u>3,369,236</u>

The financial statements were approved by the Board of Trustees on 15 December 2025 and were signed on their behalf by:



Mrs C E Miller
Trustee

The notes on pages 17 to 26 form part of these financial statements

Grace House North East

Statement of Cash Flows

As at 31 March 2025

	Notes	2025 £	2024 £
Net cash flow from operating activities:			
Net cash provided by operating activities	24	(19,999)	(91,545)
Cash flows from investing activities			
Interest received		21,691	17,906
Payments to acquire tangible fixed assets		-	(270)
Payments to acquire investments		(91,643)	(106,774)
Proceeds from sale of tangible fixed assets		6,789	23,579
		<u>(63,163)</u>	<u>(65,559)</u>
Change in cash and cash equivalents in the reporting period		(83,162)	(157,104)
Cash and cash equivalents at the beginning of the period		240,170	397,274
Cash and cash equivalents at the end of the period		<u>157,008</u>	<u>240,170</u>
Cash and cash equivalents consist of:			
Cast at bank and in hand		<u>157,008</u>	<u>240,170</u>

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

1. Accounting Policies

Basis of preparation of the 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.

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.

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.

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.

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

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.

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.

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
Fixtures and fittings	15% reducing balance
Computer equipment	15% reducing balance
Other fixed assets	15% reducing balance

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.

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.

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.

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.

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.

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

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.

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 funds £	Total 2024 £
Income from:					
<u>Incoming resources from generated funds</u>					
Donations and legacies	4	121,422	-	-	121,422
Charitable activities	5	137,242	377,947	-	515,189
Other trading activities	6	54,914	-	-	54,914
Other income	7	11,230	-	3,970	15,200
Investments	8	17,906	-	-	17,906
Total income		<u>342,714</u>	<u>377,947</u>	<u>3,970</u>	<u>724,631</u>
Expenditure on:					
<u>Costs of generating funds</u>					
Costs of raising funds	9	59,500	557	-	60,057
Charitable activities	10	277,009	369,375	100,593	746,977
Total expenditure		<u>336,509</u>	<u>369,932</u>	<u>100,593</u>	<u>807,034</u>
Net income/(expenditure) before transfers		6,205	8,015	(96,623)	(82,403)
Transfers between funds		(30,115)	3,424	26,691	-
Net movement in funds		<u>(23,910)</u>	<u>11,439</u>	<u>(69,932)</u>	<u>(82,403)</u>
Reconciliation of funds					
Total fund brought forward		331,348	180,915	2,939,376	3,451,639
Total funds carried forward		<u>307,438</u>	<u>192,354</u>	<u>2,869,444</u>	<u>3,369,236</u>

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

4. Donations and legacies

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Donations	197,998	-	197,998	12,615
Corporate sponsorship	4,718	-	4,718	51,440
Legacies	-	-	-	57,367
	<u>202,716</u>	<u>-</u>	<u>202,716</u>	<u>121,422</u>

Including within donations shown above was £180,000 from The Edward Gosling Foundation which was made to support the work of the charity without any restrictions upon the use of the donated funds.

5. Charitable activities

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
SCAS income	-	-	-	70,844
Grant income	3,515	253,063	256,578	420,378
Community activities	6,245	-	6,245	23,967
	<u>9,760</u>	<u>253,063</u>	<u>262,823</u>	<u>515,189</u>

Grants received during the period:

	2025	2024
	£	£
The National Lottery Community Fund - Reaching Communities	-	13,331
Children in Need	6,849	37,112
Sir James Knott	10,000	-
Sunderland City Council	9,411	42,888
Community Foundation	11,232	50,087
1989 Willian Trust	-	9,970
Together for Children	13,125	13,194
Postcode Neighbourhood Trust	-	25,000
Strategic Advice Services	19,095	18,260
Youth Investment Fund	-	87,630
The National Lottery Community Fund - Know Your Neighbour	-	89,963
Edward Gosling	-	10,000
Big Lottery Fund	43,219	-
OYPS	32,463	-
Garfield Western Foundation	20,000	-
Greggs	20,000	-
Iwrin Mitchell LLP	19,906	-
National Found Youth Music	14,054	-
Sports England	9,112	-
Community Fund	5,678	-
Other < £5,000	22,434	22,943
	<u>256,578</u>	<u>420,378</u>

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

6. Other trading activities

	2025	2024
	£	£
Events	35,323	21,369
Room hire	11,971	32,339
Shop sales	-	1,206
	<u>47,294</u>	<u>54,914</u>

7. Other income

	2025	2024
	£	£
Other income	48,506	11,230
Gain on disposal of tangible fixed assets	1,434	3,970
	<u>49,940</u>	<u>15,200</u>

8. 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.

9. Costs of raising funds

	2025	2024
	£	£
Wages and salaries	29,668	42,723
Events	24,817	17,334
	<u>54,485</u>	<u>60,057</u>

10. Expenditure on charitable activities

	Activities undertaken directly	Support costs	Total 2025	Total 2024
	£	£	£	£
Wages and salaries	193,714	35,355	229,069	279,652
Direct costs	46,982	-	46,982	54,201
Premises costs	53,210	-	53,210	68,792
Insurances	3,598	-	3,598	6,898
Motor and travel expenses	620	-	620	3,975
Office expenses	13,333	-	13,333	13,207
Repairs	85,518	-	85,518	173,827
Advertising and marketing	16,325	-	16,325	4,681
Legal and professional fees	70,922	3,600	74,522	51,802
Training costs	124	-	124	675
Depreciation	67,187	-	67,187	70,593
Other costs	19,237	-	19,237	18,674
	<u>570,770</u>	<u>38,955</u>	<u>609,725</u>	<u>746,977</u>

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

11. Support costs

	2025	2024
	£	£
Salary costs	<u>35,355</u>	<u>32,535</u>

12. Governance costs

	2025	2024
	£	£
Audit fee	<u>3,600</u>	<u>4,680</u>

13. Depreciation

	2025	2024
	£	£
Depreciation of tangible fixed assets owned by the charity	<u>67,187</u>	<u>70,593</u>

14. Auditor's remuneration

	2025	2024
	£	£
Auditor's remuneration	<u>3,600</u>	<u>4,680</u>

15. Staff costs

Staff costs were as follows:

	2025	2024
	£	£
Wages and salaries	241,865	299,152
Social security costs	12,074	17,409
Other pension costs	4,798	5,814
	<u>258,737</u>	<u>322,375</u>

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

	2025	2024
	No	No
Administration	16	21
Fundraising	1	1
	<u>17</u>	<u>22</u>

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

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

The trustees consider the Chief Executive and the Office & Finance Co-ordinator to be key management personnel for the charity. The aggregate remuneration (including all benefits) paid to them during the year amounted to £58,512 (2024 - £69,584).

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

16. Tangible fixed assets

	Long term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2024	3,247,029	227,273	3,474,302
Additions	-	-	-
Disposals	-	(10,572)	(10,572)
At 31 March 2025	<u>3,247,029</u>	<u>216,701</u>	<u>3,463,730</u>
Accumulated depreciation			
At 1 April 2024	479,944	174,914	654,858
Charge for period	59,941	7,246	67,187
Disposals	-	(5,217)	(5,217)
At 31 March 2025	<u>539,885</u>	<u>176,943</u>	<u>716,828</u>
Net book value			
At 31 March 2025	<u>2,707,144</u>	<u>39,758</u>	<u>2,746,902</u>
At 31 March 2024	<u>2,767,085</u>	<u>52,359</u>	<u>2,819,444</u>

17. Fixed asset investments

	2025 £	2024 £
Fixed term bonds	<u>307,372</u>	<u>215,729</u>

18. Debtors

	2025 £	2024 £
Trade debtors	31,222	55,377
Prepayments and accrued income	77,487	101,317
Other debtors	-	3,563
	<u>108,709</u>	<u>160,257</u>

19. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	12,851	32,956
Other taxes and social security	1,729	8,064
Other creditors	509	2,435
Accruals and deferred income	15,412	22,909
	<u>30,501</u>	<u>66,364</u>

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

20. Statement of funds

<u>For the year ended 31 March 2025</u>	Brought forward £	Income £	Expenditure £	Transfers in/out £	Carried forward £
Unrestricted funds					
General fund	307,438	329,967	(266,205)	56,789	427,989
Capital fund	2,819,444	1,434	(67,187)	(6,789)	2,746,902
Maintenance fund	50,000	-	-	(50,000)	-
	<u>3,176,882</u>	<u>331,401</u>	<u>(333,392)</u>	<u>-</u>	<u>3,174,891</u>
Restricted funds					
Counselling & consultation	56,632	97,659	(124,991)	-	29,300
Work experience	37,096	19,906	(49,385)	-	7,617
Short breaks & family activities	-	4,068	-	-	4,068
Cost of living crisis	91,117	53,925	(121,802)	-	23,240
Equipment	183	-	(183)	-	-
Youth groups	7,326	57,505	(32,953)	-	31,878
Fundraising support	-	20,000	(1,504)	-	18,496
	<u>192,354</u>	<u>253,063</u>	<u>(330,818)</u>	<u>-</u>	<u>114,599</u>
Total funds	<u>3,369,236</u>	<u>584,464</u>	<u>(664,210)</u>	<u>-</u>	<u>3,289,490</u>
<u>For the year ended 31 March 2024</u>	Brought forward £	Income £	Expenditure £	Transfers in/out £	Carried forward £
Unrestricted funds					
General fund	331,348	342,714	(336,509)	(30,115)	307,438
Capital fund	2,909,376	3,970	(70,593)	(23,309)	2,819,444
Maintenance fund	30,000	-	(30,000)	50,000	50,000
	<u>3,270,724</u>	<u>346,684</u>	<u>(437,102)</u>	<u>(3,424)</u>	<u>3,176,882</u>
Restricted funds					
Counselling & consultation	56,964	84,030	(84,362)	-	56,632
Gardening	-	9,882	(9,882)	-	-
Work experience	51,565	10,489	(24,958)	-	37,096
Short breaks & family activities	32,458	8,732	(44,614)	3,424	-
Coronavirus support grants	689	-	(689)	-	-
Cost of living crisis	30,154	112,183	(51,220)	-	91,117
Equipment	183	-	-	-	183
Youth groups	8,902	152,631	(154,207)	-	7,326
	<u>180,915</u>	<u>377,947</u>	<u>(369,932)</u>	<u>3,424</u>	<u>192,354</u>
Total funds	<u>3,451,639</u>	<u>724,631</u>	<u>(807,034)</u>	<u>-</u>	<u>3,369,236</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.

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

Counselling and consultation: the provision of professional assistance and guidance in resolving personal or psychological problems.

Gardening: 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.

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.

Fundraising support: to help with raising additional funding to support the charity.

21. Net analysis of funds

<u>For the year ended 31 March 2025</u>	Unrestricted funds	Restricted funds	Designated funds	Total funds
	£	£	£	£
Fixed assets	307,372	-	2,746,902	3,054,274
Current assets/liabilities	120,617	114,599	-	235,216
	<u>427,989</u>	<u>114,599</u>	<u>2,746,902</u>	<u>3,289,490</u>
<u>For the year ended 31 March 2024</u>	Unrestricted funds	Restricted funds	Designated funds	Total funds
	£	£	£	£
Fixed assets	215,729	-	2,819,444	3,035,173
Current assets/liabilities	91,709	192,354	50,000	334,063
	<u>307,438</u>	<u>192,354</u>	<u>2,869,444</u>	<u>3,369,236</u>

Grace House North East

Notes to the Financial Statements for the year ended 31 March 2025

22. 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 £4,865 (2024 - £5,814) of which £67 was recharged to third parties (2024 - £nil). Contributions totalling £510 (2024 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

23. Related party transactions

Debere Limited

Mrs C E Miller, Trustee, is a director of Debere Limited.

During the period, software costs of £849 were recharged to the charity by Debere Limited and event sales of £50 were made to Debere Limited.

Amount due from/(to) the related party

2025	2024
£	£

(52)	(84)
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24. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2025	2024
	£	£
Operating (deficit)/surplus	(79,746)	(82,403)
Investment income	(21,691)	(17,906)
Depreciation of tangible fixed assets	67,187	70,593
Profit on disposal of tangible fixed assets	(1,434)	(3,970)
(Increase) in debtors	51,548	(62,619)
Increase in creditors	(35,863)	4,760
Net cash flow from operating activities	(19,999)	(91,545)