

CHILDREN NORTH EAST

England & Wales · Charity number 222041

Details

Other names	CHILDREN - NORTH EAST, THE NORTH EAST CHILDREN'S SOCIETY, CHILDREN NORTH EAST
Status	Registered
Legal form	Charitable company
Company number	00090288
Registered	1963-10-07
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE THE GENERAL HEALTH, EDUCATION AND DEVELOPMENT OF CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES AND CARERS LIVING IN THE NORTH EAST OF ENGLAND, THE REST OF THE UNITED KINGDOM AND SUCH OTHER LOCATIONS AS THE TRUSTEES OF THE CHARITY DETERMINE FROM TIME TO TIME THROUGH THE PROVISION OF A RANGE OF SERVICES, TRAINING AND DEVELOPMENT OPPORTUNITIES FOR CHILDREN, YOUNG PEOPLE, THEIR MOTHERS, FATHERS, CARERS AND THE PROFESSIONALS WHO WORK WITH THEM; AND TO EDUCATE THE PUBLIC AND PROFESSIONALS IN CHILD WELFARE ISSUES.

Activities: The difference that Children North East sets out to make is for all north east children and young people to grow up healthy and happy. Our mission and aim is to promote the rights of children and young people. We achieve this through strengthening and empowering children, young people and families and influencing social policy.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Other Charitable Purposes
- **Who:** Children/young People, Other Defined Groups

Geography

- Cumbria
- Darlington
- Durham
- Gateshead
- Newcastle Upon Tyne City
- Northumberland
- Sandwell
- Stockton-on-tees
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,065,874	£4,025,878	£871,114	102
2024-03-31	£3,873,998	£3,756,643	£831,118	101
2023-03-31	£3,308,795	£3,252,922	£638,763	98
2022-03-31	£2,581,236	£2,274,431	£582,890	79
2021-03-31	£2,302,352	£1,998,197	£276,085	66

Trustees

Name	Role	Appointed
Mark Stoddart	Chair	2023-02-28
Alex Coburn		2019-03-13
Lucy Atherton		2023-05-19
Samantha Haley		2023-10-16
Sarah Lunn		2019-03-13
Sophie Bentley		2023-10-16
Susan Hiwe		2023-08-01

CHILDREN NORTH EAST

England & Wales - Charity number 222041

Accounts

REGISTERED COMPANY NUMBER: 00090288 (England and Wales)
REGISTERED CHARITY NUMBER: 222041

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
FOR
CHILDREN NORTH EAST
(A COMPANY LIMITED BY GUARANTEE)**

CHILDREN NORTH EAST

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CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

1. Objectives

Children North East's vision is that all babies, children and young people are given the chance to grow up happy and healthy.

To support this vision, Children North East deliver services, support and initiatives that provide a platform for babies, children, young people and families to work through issues and take action and which gives them the tools to reach their full potential. We also campaign on policy issues and challenge those in positions of influence who make decisions affecting the lives of babies, children and young people.

The charity's objectives are:

- a) To promote the general health, education and development of children, young people and their families and carers living in the North East of England, the rest of the United Kingdom and such other locations as the Trustees of the charity determine from time to time. This is achieved through the provision of a range of services, training and development opportunities for babies, children, young people, their mothers, fathers, carers and the professionals who work with them; and
- b) To educate the public and professionals in child welfare issues.

The charity pays particular attention to transition stages during growing up when things can go wrong but can be put right relatively easily by effective early intervention. The five stages and the outcomes that the charity aims to achieve are:

1. Pregnancy and Babyhood - we want babies to feel safe and loved.
2. Starting School - we want children to feel ready and looking forward to starting school.
3. Changing School - we want children and young people to feel confident in school.
4. Adolescence - we want young people to feel valued and confident.
5. Becoming independent - we want young people to feel they are given a chance.

Put together these outcomes add up to Children North East's mission that 'children and young people grow up happy and healthy.'

The United Kingdom is a signatory to the United Nations Convention on the Rights of the Child, which gives all children the right to health, education, safety, play, family life, protection from harm and support when things go wrong at each stage of growing up. Children North East targets services to those children and young people who do not enjoy all of these rights.

Children North East has worked tirelessly over the last year to ensure that we could continue to deliver our services to the people we work with.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES - continued

2. Our Strategy and Theory of Change

Strategy

Children North East are in the middle of our 5-year Strategy which covers 2021 to 2026 and which sets out how the charity will achieve its objectives and how it will create and make the most of opportunities over the coming years.

As part of the strategy, we developed a Theory of Change that reflects the intention of our work to meet its purpose. Our objectives over the 5 year strategy period are:

Sustainability and growth

- Increase and diversify our income.
- Diversify our workforce.
- Build our networks.
- Accountability across our organisation.

Reach

- Raise our profile.
- Increase our presence.
- Widen our reach.

Impact

- Measure our impact.
- Address inequalities.
- Build a strong workforce.

Our achievements are described in our review of the year below and we are very proud of the progress made to date. Our purpose throughout the strategy remains the same; we want to ensure all babies, children and young people are given the chance to grow up happy and healthy. Our work supports this purpose and we deliver against this through the following support services:

- Family Support
- Youth Work
- Communities
- Therapeutic Services and Mental Health Support
- Neurodiversity Support
- Poverty Proofing®

We recognise the importance of directly delivering services to the people we work with. In many of our services we offer a bespoke approach, ensuring that babies, children, young people and families are supported in the way that they want. However, what we recognised through developing the Theory Of Change, is that we don't always put equal weight into trying to change the ways things work that stops babies, children and young people from being happy and healthy, and so in 2025/26 we want to continue to:

- **Challenge** those in positions of influence at all levels who make decisions affecting the lives of babies, children and young people.
- **Influence** social policy and system change to address obstacles preventing babies, children and young people growing up happy and healthy.
- **Collaborate** with others to ensure that our purpose and outcomes are achieved.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES - continued

Whilst this is a key ambition of our leadership and management team, in the long term it is our ambition that everyone who works for Children North East support us to reach these wider goals.

3. Public Benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England & Wales.

ACHIEVEMENTS AND PERFORMANCE

1. Message from the CEO

Since 1891, our mission has remained unwavering: to ensure every baby, child, young person and their families can grow up happy and healthy.

As I reflect on this commitment, both in today's climate and for the future, I'm reminded of the importance of continuing to fight for the world we want for the next generation. This past year has brought rising poverty, a struggling education system, inaccessible healthcare, and ineffective policymaking. It has been a year of deep uncertainty and challenge for babies, children and young people and their families, both nationally and here in the North East.

In response, I'm proud to say we've have stepped up to the difficult circumstances. We've amplified our advocacy for real systemic change - calling on government to scrap the two-child limit, improve SEND provision, and make healthcare accessible when it's needed most. We've worked alongside partners to strengthen our collective voice and mission, and delivered our work to Westminster to inform government.

As demand grows, so does our resolve. We've delivered new projects across the North East, co-designed with communities to meet their needs, and provided essential services with creativity, compassion, and care in uncertain times.

I'm incredibly proud of the team within Children North East, our trustees, staff, volunteers, patrons, funders, and partners, their dedication is at the heart of our work and your generosity and commitment provides real change to people's lives. To our sponsors, donors, and fundraisers - a deep heartfelt thank you, your support makes everything possible.

With your help, we won't stop until every child has the happy, healthy start in life they deserve.

2. Our Impact and Reach

During the financial year, our key impact figures included:

- **Number of Individuals Supported - 4,042**

The number of individuals supported represents the number of babies, children, young people and parents/carers accessing our frontline services and support, such as counselling, youth groups or family support.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

- **Number of families supported - 1,042**

We have delivered a wide range of programmes, predominantly in the North East of England to 1,042 families.

- **Number of counselling sessions delivered - 2,825**

Across the charity we have delivered 2,825 counselling sessions to children, parents and groups.

- **Number of people participating in Poverty Proofing® consultations - 54,386.**

Our Poverty Proofing consultations range from schools, to Local Authorities, to the NHS and even to libraries.

- **Number of professionals trained - 3,409**

We trained 3,409 professionals across Poverty Proofing, Neuro & Send and Little Minds in Mind.

3. Our Services

The financial year 2024/25 has seen us continue to achieve against our strategy. We have been successful in sustaining funding for much of what we have traditionally done over the past number of years and have continued to grow in many new areas, gaining confidence in delivering new programmes that are having a profound and positive effect on babies, children and young people.

Our support services are focussed on the following areas, all of which are explored in more detail below:

- Stages of Childhood
- Tackling Health Inequalities
- Challenging Poverty
- Supporting Mental Health
- Empowering Young Voices

During the year, our services were provided by:

- 48 full-time staff
- 48 part-time staff
- 19 sessional workers
- 6 students on placement
- 26 volunteers
- 16 Youth Link peer mentors

3.1 Stage of Childhood

Everyone gets just one chance at childhood, making it essential to ensure they have the right support to thrive here and now. At Children North East, we believe that happy, healthy childhoods lay the foundation for a brighter future for all, which is why our services work from pre-natal to young adults.

Pre-Birth

We work with expectant mothers and their families to help them provide strong starts in life. Our Little Minds in Mind programme provides Parent-Infant Therapy to hundreds of pregnant women and new parents annually, developing the bond between them and their baby when trauma, distress or mental health is impacting their relationship.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

The First 1,001 Days

We provide support focused on the first 1,001 days of life, which lay the foundation for lifelong wellbeing, learning and health. Our Newcastle Community Family Hub (Inner West) acts as a thriving hub for new families to access healthcare professionals, learn parenting skills, participate in baby groups; such as massage or sensory sessions; and grow their support networks.

Younger Years

We work with children across areas that impact their lives, including in families, schools and communities. One of our programmes delivers during the school holidays, which can be a particularly difficult time for families facing challenges, a wide range of activities through HAF (Holiday, Activities & Food) to ensure no child misses out on food, friendship or formative experiences.

Life at School

School often has the most significant impact on young lives outside of family. We work with schools through counselling, peer support groups and our Transitions programme funded by The Key to reach and support pupils through services, enriching activities, advice and guidance.

Young Adults

We work with young adults (18 to 25) who face additional barriers, such as SEND or neurodiversity, to aid their transition to independence. For example, our CAN mentoring project supports young people to pursue goals to improve their life skills or circumstances with volunteer mentors, helping them achieve outcomes such as employment, accessing services or socialising.

3.2 Tackling Health Inequalities

Health outcomes for young lives remain deeply unequal, with factors like poverty, discrimination and postcode still determining access to care and long-term wellbeing. We challenge these injustices by addressing the root causes and outcomes of health inequality.

Our Impact

Our work to tackle health inequalities spans a wide range of services that support babies, children, young people, and families in every aspect of their lives, including supporting access to services, wellbeing, food, fitness and family life. We take a holistic approach that meets people's needs where they are. Whether it's through schools, community settings or direct one-to-one help, our teams are there to help children grow up healthy and thrive. Here are just some of the ways we are making an impact tackling health inequalities.

Policy Work

Children North East is committed to tackling health inequalities through evidence-based policy influence and campaigning. We use insight from our frontline work and consultations with those with lived-experience to advocate for systems change that puts health first.

Our leadership and staff regularly contribute to regional strategies, government consultations and national forums to influence child health policy and challenge the social determinants of poor health.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

This year, we contributed to The King's Fund's advocacy into tackling health inequalities for children and young people in the North East, helping shape national understanding of the region's challenges and solutions. As active partners in the Tackling Inequalities for Children (TIC) programme, we campaign for improved access to mental health support, early intervention and integrated family services. CEO Leigh Elliott, continues to be a key voice in regional and national health policy discussions.

Breaking Down Barriers to Healthcare

Minimising the impact of poverty on healthcare provision is essential to breaking the link between an individual's income and their opportunity to live a long, healthy life. Our Poverty Proofing team experts support healthcare teams with training, workshops, audits and consultation to support improvement in areas such as access, participation, experience and long-term engagement.

This year, the team consulted 1,500 patients, staff and stakeholders on their lived experience of poverty, provided 1,930 professionals with poverty awareness training and "Poverty Proofed" 18 settings and services.

Rotherham Doncaster and South Humber NHS Foundation Trust engaged Poverty Proofing to audit 120 settings and has provided 726 staff with Poverty Awareness Training to date, whilst the North East and North Cumbria ICB has trained 656 staff and audited 21 settings this year.

Data collected from the Poverty Proofing team focused on common causes of inequity of access to healthcare was submitted as part of the expert consultation shaping the NHS 10 Year Plan.

Sexual Health

Children North East delivers non-clinical sexual health service across Newcastle on behalf of Newcastle City Council, playing an integral part locally in young people understanding healthy relationships and staying safe.

This year, the team provided community, schools and outreach access to thousands of young people with help and advice, including contraception, STI checks, education sessions and confidential advice on subjects such as respect and consent, pregnancy decision making and period poverty.

Empowering Neurodivergent Young People

Young neurodivergent people face many health inequalities, from delays in diagnosis, limited support, and barriers to inclusion in schools and communities. Children North East works to fill the unmet needs of these young people through a range of interventions, including open-to-all peer support youth groups, specialist counselling (Masquer-Aid), mentoring (Youth Link) and employability support (Journey to Employment).

A Holistic Approach to Health

We strongly believe that access to healthcare should not be a postcode lottery, yet sadly this is often the case. We have dedicated spaces in areas of high deprivation where families and young people can access a range of health related services under one roof. For example, our Newcastle Community Family Hub (Inner West) is a vibrant, bustling space centred around our community cafe, Cafe Hope.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Access to Nature

Nature is a theme that runs through much of our work, from getting young people involved in looking after our green spaces to providing opportunities for outdoor activities that promote wellbeing and connection. We also have projects that focus on environmental awareness, social action, and creating safe, inclusive spaces for children and families to enjoy nature together.

Our Allotment Youth Group, Berwick Social Action Group, and regular trips - such as our annual beach trip for over 150 young people and families - offer opportunities for young people to explore the outdoors, learn new skills and build friendships, encouraging positive mental and physical health.

Fighting Food Inequality

Food is a theme that runs through so much of our work, from providing healthy meals at youth groups to getting children involved in growing food at the allotment. We also have projects which specifically focus on healthy eating, cooking skills and using meal times as a way to strengthen family and community connections.

Our Cooking on a Budget, Cook, Chop, Bake and Cooking Across the Ages projects, all delivered from our Cafe Hope kitchen, provide an opportunity for parents to pick up cooking, nutrition and budgeting skills, whilst building a connection with their children and building their support networks

3.3 Challenging Poverty

Rates of poverty in the UK are shameful, affecting over four million children. In the North East, child poverty rates can be as high as 50% in some areas. The experience of poverty has wide reaching impact for children and young people, including lack of access to opportunities, stigma and exclusion.

Our Impact

'We challenge poverty,' is woven through all of our work. We support action that makes a real difference, from projects promoting system and policy change to long-term support that builds confidence, skills and opportunities. We work across homes, schools and communities to break down barriers and create lasting change. Here are just some of the ways we are making an impact challenging poverty.

Challenging Changemakers

Children North East is a vocal campaigner against the root causes of poverty, using its platform to advocate for change and sharing community voices and its data to inform research and motivate action. Key policies we fight for include ending the two-child limit, universal school meals and the real living wage.

Our staff regularly attend Westminster and national party conferences to push for these policy changes and we have hosted most regional MPs to give our communities a voice on lived experience. This year, we have been part of the Guarantee our Essentials and Free School Meals campaigns challenging poverty.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

A Clean Start in Life

Sharing toothbrushes with siblings, skipping school and avoiding socialising. These are the realities for 1.1 million UK children living in hygiene poverty; found by InKind Direct's, A Clean Start in Life report, for which we delivered consultations which explored the effect of hygiene poverty on children and young people on aspects of their life, including education, play, friendships, and mental health. The report provided a list of recommendations to Government and led to the distribution of hygiene packs to families across InKind's network of 6,000 charity partners.

Supporting Rural Youth

Children North East runs youth groups in Burradon and Wideopen, funded by Gateshead Council as part of the Government's Levelling Up agenda. The groups are designed to overcome the barriers faced by young people in semi-rural communities with high deprivation, by providing transport, engaging local partnerships, giving the young people control over activities and connecting them to employers and educators.

Systemic Change Through Poverty Proofing®

Poverty Proofing is a nationally recognised tool for removing barriers faced by people living in poverty. Grounded in the voice of lived experience, this year the team consulted with 52,110 individuals on their experience and understanding of poverty. Through a range of training, workshops, audits and consultations, they worked with 109 settings across education, health, culture and early years nationwide to "Poverty Proof" activities and policies. To mark a decade since the development of Poverty Proofing, a 10 Years of Poverty Proofing conference was held sharing expert voices and case studies to more than 200 decision-makers.

Working with 80 education settings, including Multi-Academy Trusts and schools, the team have been supporting settings to remove barriers from the school day for pupils living in poverty and their families, including with the Welsh Government in support of its Child Poverty Strategy 2024, the North East Combined Authority as part of its Child Poverty Prevention Programme, and the international Kavli Foundation. This year has seen the delivery of at-scale projects with a two-tier approach to promote setting level and system transformation simultaneously.

A landmark study by Newcastle University on the impact of Poverty Proofing in schools demonstrated how reducing stigma of poverty in schools improves attainment of all children, including that over a two-year period from initial action to remove barriers for those living in poverty, scores improved by around 5%.

In the arts and culture sector, our work continued to build across the UK, with flagship projects delivering poverty awareness sessions for National Trust and partnering with a number of their venues to "Poverty Proof" their activities. The team are also partnered with Culture Start, a £1m programme to transform arts for 8,000 children and young people living in poverty in Sunderland. Our partnership also continues with the national arts education accreditors Artsmark, who work with over 4,000 schools annually, to ensure its approaches and recommendations are inclusive for all financial backgrounds.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

3.4 Supporting Mental Health

The mental health of children and young people is in crisis, with rising levels of anxiety, depression and unmet need. Children North East is committed to supporting young people's emotional wellbeing by improving access to early help and challenging the stigma that still surrounds mental health.

Our Impact

Supporting mental health is at the heart of everything we do. Our services are shaped around the real experiences of children, young people, and families by offering practical, emotional, and therapeutic support when it's needed most. From school-based programmes to one-to-one counselling, peer support and family work, we're there to listen, guide and empower. Here are just some of the ways we are making an impact supporting mental health.

Counselling and Therapy

This year, we have delivered a wide range of projects offering specialist therapeutic support to children and young people, including counselling for those experiencing mental health crises and challenges. Our specialist services include programmes such as support for young victims of crime (Ways to Happiness), and for young victims of sexual abuse and their families (SAFE) and for neurodivergent young people (Masquer-Aid).

Supporting Safer Futures

SAFE (Sexual Abuse Family Engagement) programme provides therapeutic support to young victims of sexual abuse and their families, helping them process their trauma.

Recovery from Domestic Abuse

ROSES (Recovery of Survivors Emotional Support) is a volunteer-led regular drop-in session for survivors of partner domestic abuse providing a safe space to share and hear experiences of moving away from the abuse and managing its impact, both practical and on victim wellbeing. It has 15 regular attendees, making a wider impact on 45 children and young people.

Supporting Parents Navigating Child Mental Health

Ways to Wellbeing is a programme of help for families struggling to support their child's mental health and wellbeing. Sessions are provided to hundreds of parents and carers across North East community venues and schools, providing information as well as helping to navigate the impact of mental health challenges on family life. The team also provided training to 42 professionals this year to deliver support in their communities.

3.5 Empowering Young Voices

We believe that children and young people must be at the heart of everything we do. Their voices are not only powerful, they are essential to driving the impact and accountability of not just our work, but all decisions affecting their lives.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Our Impact

We create spaces where young voices are heard, valued, and acted upon, whether that's in schools, communities or national conversations. From youth-led programmes to ambassadorship, creative expression and advocacy; we're there to listen, uplift and amplify. Here are just some of the ways we are making an impact by empowering young voices.

Improving Understanding of SEND Youth Experiences

Based in Newcastle, FAB is a group of young people aged 11 to 25 who have SEND. Every month, they come together to share experiences and exchange insights into support for young people with SEND in their locality. These include consultation visits to venues open to the public, feeding back and providing advice on how to improve inclusivity.

Social Action at Scale

NCS (National Citizen Service) is a national community experience programme which Children North East delivers across the region, offering the opportunity to participate in meaningful social action initiatives. This year, 1,750 young people took part on the programme through the charity and our model was commended by NSC for demonstrating outstanding communication, collaboration and support across the entire consortium of delivery partners.

Amplifying Care Leaver Voices

The NENC ICB commissioned Children North East to complete an independent consultation with young Care Leavers across the region to inform the design and delivery of the Universal Family Offer. The outcome was adjustments to recruitment processes to improve uptake, improved flexibility for participants to accommodate complex circumstances and the introduction of specialist staff training.

Co-producing Youth Services

Children North East runs a youth drop-in from a community venue in Seaton Delaval, one of the third most deprived areas in the UK. The charity began the group when the local council was forced to cease its youth service. Informed by a questionnaire completed by local young people the group sees up to 40 young people attend each session weekly, often by public transport from rural villages.

Young Voices Fighting Poverty

Our Poverty Proofing team supports groups of young people to lead as Young Ambassadors within schools, who use their voice to help remove barriers faced by students living in poverty.

This year, Marden High School pupils educated younger pupils and used their understanding to write the children's book *Blue's Sad Day*, which explores what living in poverty means for children. They presented this work at the 10 Year Poverty Proofing Conference to an audience of 200 professionals.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Transforming School Transitions

The KEY and Children North East's partnership project, KEY+ Transitions, seeks to support young people in their move from Key Stage 2 to 3 by empowering them to use their voice, be heard and carry out enriching activities that matter to them. Working with 26 schools and 37 students across Northumberland, North Tyneside and Newcastle, the young people planned days to foster friendships, promote a sense of purpose, and increase their confidence.

The outstanding work of the young people and team was recognised at the NE Youth Impact Awards, receiving the Partnership of the Year Award.

3.6 Our Supporters

We want to share our deepest gratitude to our funders, partners, donors and supporters. Your generosity and commitment are the foundation of everything we do and we are grateful for the trust and collaboration we share with you.

Your investments, through financial support, in-kind donations, strategic partnerships and raising awareness have made it possible for us create lasting change in the communities we serve. Together, we have achieved milestones that would not have been possible without you.

FINANCIAL REVIEW

1. Financial Position

At the balance sheet date, the charity held funds of £871,114 (2024: 831,118) of which £530,000 (2024: £530,000) was designated in accordance with the reserves policy.

2. Principal Sources of Income

The main sources of income are contracts and grants from the public sector and grant making bodies. These are a mixture of both restricted and unrestricted funds. In addition, we generate sales income through offering our services, in particular in regard to our Poverty Proofing service.

We are very grateful to People's Postcode Lottery for £500,000 unrestricted income. Other unrestricted income is generated through fundraising, donations and events.

Total income was higher than the previous year, which in a large part was due to funding from NCS (National Citizen Service) which was a national community experience programme funded by Government. The NCS projects contributed over £561,000 to income in 24/25. This will not continue into 25/26 as the Government has closed the programme.

It is the policy of the Board to wind down and close activities where there is no prospect of securing adequate funding.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW - continued

Grants

Our thanks and appreciation go to all the organisations, trusts and foundations who awarded us grants during the financial year. We received over 80 grants from a wide range of supporters who are too many to mention. The majority of grants were to assist us in delivering our services but a number of unrestricted grants have been crucial in helping support our core costs which have increased due to the cost-of-living crisis.

Restricted income

We received income through contracts with a number of commissioners, mainly across the North East but also within North Cumbria.

Children North East competes for contracts that are consistent with our mission, skills and experience, sometimes in partnership with other organisations.

Sales

We have been focusing on widening our sales strategy during the year and hope to continue to expand on this over the remainder of our 5-year strategy. Our Poverty Proofing work has been underway for over 10 years, working with schools, and we have grown this to include health settings, communities and arts and cultural organisations. Our sales income fell in the current year to £425,531 from £472,421 in 2024 mainly due to the lack of funding within schools to finance these initiatives.

Donations and Fundraising

We are very grateful to all of the individuals and businesses who support Children North East; their support is invaluable in raising unrestricted income to ensure we can be there for babies, children and young people when they need us most.

3. Reserves Policy and Going Concern

The Board reviewed the reserves policy during the year as follows:

The Board designates unrestricted reserves as:

- a) Premises (£530,000) comprising those reserves locked into land and buildings on a long-term basis (the Head Office building at 89 Denhill Park, Newcastle upon Tyne and the premises at 4 Graingerville North, Newcastle upon Tyne).
- b) The balance remaining after deduction of non-current assets comprises free reserves (£287,077) which are available as working capital to develop the charity and contingency to meet unforeseen shortfalls.

The Board has decided that fluctuations in restricted income are always known in advance and that plans will always be made to manage expenditure against this income without calling on reserves. The majority of expenditure is always staff salaries.

The Board considers that sufficient reserves should be maintained to manage the charity in the event of sudden withdrawal of significant unrestricted income. The Board has examined the pattern of income and expenditure over recent years and decided that a realistic 'comfortable' level of Free Reserves should be between £250,000 and £300,000.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW - continued

4. Investment Policy

Investment income is derived from the charity placing income in high interest savings accounts and bonds.

FUTURE PLANS

As part of our 5-year Strategy, we have reviewed our operational structure and have made changes to help future proof for further growth. We have created an Operations Development Team which will focus on expanding our existing services into new areas, both geographically and client based, and will develop training and evaluation services targeting Neuro and SEND. The team are also researching methods to increase participation of young people across our region in matters that affect them.

In line with our strategy, we have secured a lease on a property in Gateshead and will be opening this as for service delivery in 2025. We will be basing counselling and youth groups from this location and will be starting imminently with the opening of a Crisis Café for young people requiring mental health help within the area.

We are also looking to secure locations within areas of Northumberland which are currently under represented with support work, to further our youth outreach programmes.

Our Poverty Proofing work continues to expand geographically and in addition to Wales, we are looking at opportunities to bring Poverty Proofing to Northern Ireland.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

Children North East is a registered charity in the United Kingdom and a company limited by guarantee registered in England and Wales. The governing instruments are the memorandum and articles of association as adopted by written resolution passed in March 2020.

Recruitment and appointment of trustees

Trustees of Children North East are also directors of the company charity. They are appointed at the annual general meeting for three years. A third of Trustees (selected by those longest in office) retire in rotation at each annual general meeting but may be re-elected for a further 3-year period. The Board also appoints during the year as necessary.

Since the last annual report three Trustees have retired, and four new Trustees have been appointed. The Board reviews expertise among the existing Trustees and ensures that new Trustees offer a broad range of skills and experience including business, financial, law and voluntary sector experience.

Trustee induction, training and appraisal

New Trustees are provided with information about the charity, the role of the Board and the responsibilities of trustees.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Induction training is tailored to the experience, skills and interests of each Trustee but includes meetings with the Chief Executive and key staff. Induction may include visiting projects and meeting staff and volunteers. All Trustees have an annual conversation with the Chair to review their contribution.

Organisational structure

The governing body is the Board, which comprises seven Trustees. The Board is responsible for the strategic direction, policy and finances of the charity. The Board exercises its responsibilities through full board meetings and operational board meetings. The Chief Executive manages the charity on behalf of the trustees. There is a clear structure and reporting accountabilities that runs through the whole organisation.

Key management remuneration

Staff salaries, including those of the key management personnel are set according to the NJC paycales.

Risk management

Trustees maintain a register of the main strategic, business and operational risks to the charity and ensure that systems and procedures have been established to reduce the risks. Risks are reviewed, actions recommended and monitored in board and sub-committee meetings.

The key controls used by the charity to mitigate risks include:

- Strategic planning, budgeting and regular financial management reports.
- Established organisational and governance structure and lines of reporting, with declarations and register of interests for trustees and senior staff.
- Procedures to ensure the health and safety of staff, volunteers, service users and visitors; and procedures to safeguard children and vulnerable adults.
- Formal written policies, which are reviewed regularly.
- Hierarchical authorisation and approval levels.
- Annual consideration of the level of reserves and the reserves and investment policies.
- Formal agenda for Board activity and minutes of decisions.

Trustees are satisfied that the major risks identified have been adequately mitigated.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mark Stoddart Reverend Sarah Lunn Alex Coburn Lucy Atherton Susan Howe Sophie Bentley Lynn Charlton	Chair Resigned 8 April 2024
Chief Executive Officer	Leigh Elliott	
Finance Director	Johanna Dubois	
Interim Operations Director	Becky Elton	Appointed 7 April 2025
Operations Director	Michele Deans	Deceased 27 March 2025
Growth & Engagement Director	Rebecca Jobson Janet Cairns	Appointed 5 August 2024 Resigned 12 June 2024
Head Office & Registered Office	89 Denhill Park Newcastle upon Tyne NE15 6QE	
Registered Company Number	00090288	
Registered Charity Number	222041	
Auditors	BK Plus Audit Limited Azzurri House Walsall Business Park Aldridge Walsall WS9 0RB	
Bankers	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Children North East for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BK Plus Audit Limited as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 16 December 2025 and signed on its behalf by:

Mr M B Stoddart - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

Opinion

We have audited the financial statements of Children North East (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 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 Auditors' 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

Our 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 a Report of the Independent Auditors 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. In this regard, our procedures include the following:

- enquiry of management around actual and potential litigation and claims;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- challenging assumptions and judgements made by management in their significant accounting estimates.

Because of the field in which the charity operates, we have identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Employment Law; and compliance with the Companies and Charities Acts.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Chater FCA (Senior Statutory Auditor)
for and on behalf of BK Plus Audit Limited
Chartered Certified Accountants and Statutory Auditors
Azzurri House
Walsall Business Park
Aldridge
Walsall
WS9 0RB

17 December 2025

CHILDREN NORTH EAST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	748,735	-	748,735	731,746
Charitable activities					
Community Services	5	426,992	849,419	1,276,411	1,040,653
Poverty Proofing		-	447,843	447,843	466,429
Therapeutic Services		701,908	358,283	1,060,191	1,040,772
Development		-	27,006	27,006	100,078
General operations		-	-	-	4,483
Other trading activities	3	485,655	-	485,655	489,647
Investment income	4	15,398	-	15,398	190
Other income		4,635	-	4,635	-
Total		<u>2,383,323</u>	<u>1,682,551</u>	<u>4,065,874</u>	<u>3,873,998</u>
EXPENDITURE ON					
Raising funds	6	71,727	-	71,727	101,168
Charitable activities					
Community Services	7	282,078	849,419	1,131,497	1,141,880
Poverty Proofing		148,520	447,843	596,363	797,979
Therapeutic Services		346,060	358,283	704,343	900,440
Development		-	27,006	27,006	93,215
General operations		1,494,942	-	1,494,942	721,961
Reversal of impairment losses		-	-	-	(75,000)
Total		<u>2,343,327</u>	<u>1,682,551</u>	<u>4,025,878</u>	<u>3,681,643</u>
NET INCOME		39,996	-	39,996	192,355
RECONCILIATION OF FUNDS					
Total funds brought forward		831,118	-	831,118	638,763
TOTAL FUNDS CARRIED FORWARD		<u>871,114</u>	<u>-</u>	<u>871,114</u>	<u>831,118</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)**BALANCE SHEET
31 MARCH 2025**

	Notes	2025 £	2024 £
FIXED ASSETS			
Tangible assets	14	584,037	584,579
Investments	15	<u>1</u>	<u>1</u>
		584,038	584,580
CURRENT ASSETS			
Debtors	16	772,766	803,899
Cash at bank and in hand		<u>467,956</u>	<u>632,574</u>
		1,240,722	1,436,473
CREDITORS			
Amounts falling due within one year	17	(915,209)	(1,173,432)
		<u></u>	<u></u>
NET CURRENT ASSETS		<u>325,513</u>	<u>263,041</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		909,551	847,621
PROVISIONS FOR LIABILITIES	19	(38,437)	(16,503)
		<u></u>	<u></u>
NET ASSETS		<u>871,114</u>	<u>831,118</u>
FUNDS	21		
Unrestricted funds:			
General fund		341,114	301,118
Designated fund		<u>530,000</u>	<u>530,000</u>
		<u>871,114</u>	<u>831,118</u>
		<u></u>	<u></u>
TOTAL FUNDS		<u>871,114</u>	<u>831,118</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 16 December 2025 and were signed on its behalf by:

Mr M B Stoddart - Trustee

The notes form part of these financial statements

CHILDREN NORTH EAST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	24	<u>(157,496)</u>	<u>124,939</u>
Net cash (used in)/provided by operating activities		<u>(157,496)</u>	<u>124,939</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(24,120)	(37,737)
Sale of tangible fixed assets		1,600	-
Interest received		<u>15,398</u>	<u>190</u>
Net cash used in investing activities		<u>(7,122)</u>	<u>(37,547)</u>
		_____	_____
Change in cash and cash equivalents in the reporting period		(164,618)	87,392
Cash and cash equivalents at the beginning of the reporting period		<u>632,574</u>	<u>545,182</u>
Cash and cash equivalents at the end of the reporting period		<u><u>467,956</u></u>	<u><u>632,574</u></u>

The notes form part of these financial statements

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

At the date of approval of these financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future and as such the financial statements are prepared on the going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Contracts

Contractual income is recognised by reference to the stage of completion of the contract. Amounts received in advance of delivery are included on the balance sheet as deferred income and released in accordance with the delivery of the contract.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Freehold property is initially recognised at cost and subsequently measured at open market value.

Other tangible fixed assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their useful economic life as follows:

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Asset class	Depreciation method and rate
Computer and office equipment	25% and 33 1/3 % straight line
Fixtures and fittings	20% and 33 1/3% straight line

No depreciation is provided in respect of the freehold properties held, which is a departure from the Companies Act 2006 which requires all properties to be depreciated. The directors however consider that the adopted policy of non depreciation of freehold properties results in the accounts giving a true and fair view.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The company contributes to a defined contribution pension scheme for its employees. Pension costs are charged to the income and expenditure account when paid which results in spreading the cost of pensions over the employees working lives with the charity.

Debtors

Debtors and prepayments are recognised at the settlement amount due or amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

Other than those mentioned above, the 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.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

2. DONATIONS AND LEGACIES

	2025	2024
	£	£
Post Code Children Trust	500,000	500,000
Other donations and legacies	<u>248,735</u>	<u>231,746</u>
	<u>748,735</u>	<u>731,746</u>

3. OTHER TRADING ACTIVITIES

	2025	2024
	£	£
Fundraising events	60,124	17,226
Charges for goods & services	<u>425,531</u>	<u>472,421</u>
	<u>485,655</u>	<u>489,647</u>

4. INVESTMENT INCOME

	2025	2024
	£	£
Investment income	<u>15,398</u>	<u>190</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Community Services £	Poverty Proofing £	Therapeutic Services £
Grants	849,419	447,843	358,283
Contract income	413,256	-	701,908
Spot purchase of services	<u>13,736</u>	<u>-</u>	<u>-</u>
	<u>1,276,411</u>	<u>447,843</u>	<u>1,060,191</u>
		2025	2024
		Total	Total
	Development £	activities £	activities £
Grants	27,006	1,682,551	1,261,919
Contract income	-	1,115,164	1,265,609
Spot purchase of services	<u>-</u>	<u>13,736</u>	<u>124,887</u>
	<u>27,006</u>	<u>2,811,451</u>	<u>2,652,415</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

5. INCOME FROM CHARITABLE ACTIVITIES - continued

Grants received, included in the above, are as follows:

	2025	2024
	£	£
Health	269,867	312,034
Trusts	19,206	1,192
Other	<u>1,393,478</u>	<u>948,693</u>
	<u>1,682,551</u>	<u>1,261,919</u>

6. RAISING FUNDS

Raising donations and legacies

	2025	2024
	£	£
Staff costs	55,298	73,131
Other fundraising costs	17,345	28,037
Surplus on disposal of assets	<u>(916)</u>	<u>-</u>
	<u>71,727</u>	<u>101,168</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Community Services	1,118,965	12,532	1,131,497
Poverty Proofing	594,530	1,833	596,363
Therapeutic Services	702,511	1,832	704,343
Development	26,998	8	27,006
General operations	<u>1,172,783</u>	<u>322,159</u>	<u>1,494,942</u>
	<u>3,615,787</u>	<u>338,364</u>	<u>3,954,151</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025	2024
	£	£
Staff costs	2,853,928	2,810,855
Motor & travel expenses	74,481	85,336
Staff training & recruitment	45,503	45,592
Volunteer costs	1,507	3,747
Other client costs	<u>640,368</u>	<u>341,392</u>
	<u><u>3,615,787</u></u>	<u><u>3,286,922</u></u>

9. SUPPORT COSTS

	Management & administration	Governance costs	Totals
	£	£	£
Community Services	12,532	-	12,532
Poverty Proofing	1,833	-	1,833
Therapeutic Services	1,832	-	1,832
Development	8	-	8
General operations	<u>317,089</u>	<u>5,070</u>	<u>322,159</u>
	<u><u>333,294</u></u>	<u><u>5,070</u></u>	<u><u>338,364</u></u>

Support costs, included in the above, are as follows:

Management & administration

	Community Services	Poverty Proofing	Therapeutic Services
	£	£	£
Rent & rates	39	-	35
Insurance	-	-	-
Light and heat	-	-	-
Telephone	390	169	726
Printing, postage, stationery and advertising	820	1,047	278
Sundries	5,912	378	341
Repairs & maintenance	1,111	-	75
Cleaning	79	-	-
Computer support & maintenance	780	239	87
Professional fees	2,483	-	-
Subscriptions	574	-	240
Bank charges	344	-	50
Depreciation of tangible fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>12,532</u></u>	<u><u>1,833</u></u>	<u><u>1,832</u></u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

9. SUPPORT COSTS - continued

Management & administration - continued

	Development £	General operations £	2025 Total activities £	2024 Total activities £
Rent & rates	-	33,123	33,197	35,763
Insurance	-	15,343	15,343	12,498
Light and heat	-	7,953	7,953	13,445
Telephone	8	22,259	23,552	30,251
Printing, postage, stationery and advertising	-	17,169	19,314	32,137
Sundries	-	13,775	20,406	9,504
Repairs & maintenance	-	18,737	19,923	21,902
Cleaning	-	32,251	32,330	37,031
Computer support & maintenance	-	95,147	96,253	109,464
Professional fees	-	26,027	28,510	28,261
Subscriptions	-	10,079	10,893	14,417
Bank charges	-	1,248	1,642	2,450
Depreciation of tangible fixed assets	-	23,978	23,978	16,630
	<u>8</u>	<u>317,089</u>	<u>333,294</u>	<u>363,753</u>

Governance costs

	2025 General operations £	2024 Total activities £
Auditors' remuneration	<u>5,070</u>	<u>4,800</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Auditors' remuneration	5,070	4,800
Depreciation - owned assets	23,978	16,630
Surplus on disposal of fixed assets	<u>(916)</u>	<u>-</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

12. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	2,487,133	2,489,959
Social security costs	217,041	209,885
Other pension costs	<u>205,052</u>	<u>184,142</u>
	<u>2,909,226</u>	<u>2,883,986</u>

The key management personnel, including the trustees, are listed under Reference and Administrative Details. The total employee benefits of the key management personnel were £270,313 (2024 - £244,042).

The average monthly number of employees during the year was as follows:

	2025	2024
All staff	<u>102</u>	<u>101</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
£70,001 - £80,000	<u>1</u>	<u>1</u>

CHILDREN NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	730,496	1,250	731,746
Charitable activities			
Community Services	469,124	571,529	1,040,653
Poverty Proofing	-	466,429	466,429
Therapeutic Services	758,932	281,840	1,040,772
Development	16,674	83,404	100,078
General operations	4,483	-	4,483
Other trading activities	268,024	221,623	489,647
Investment income	190	-	190
Total	<u>2,247,923</u>	<u>1,626,075</u>	<u>3,873,998</u>
EXPENDITURE ON			
Raising funds	101,168	-	101,168
Charitable activities			
Community Services	582,475	559,405	1,141,880
Poverty Proofing	107,977	690,002	797,979
Therapeutic Services	631,188	269,252	900,440
Development	16,794	76,421	93,215
General operations	721,961	-	721,961
Reversal of impairment losses	(75,000)	-	(75,000)
Total	<u>2,086,563</u>	<u>1,595,080</u>	<u>3,681,643</u>
NET INCOME	161,360	30,995	192,355
Transfers between funds	<u>30,995</u>	<u>(30,995)</u>	<u>-</u>
Net movement in funds	192,355	-	192,355
RECONCILIATION OF FUNDS			
Total funds brought forward	638,763	-	638,763
TOTAL FUNDS CARRIED FORWARD	<u><u>831,118</u></u>	<u><u>-</u></u>	<u><u>831,118</u></u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2024	530,000	67,377	39,650	637,027
Additions	-	24,120	-	24,120
Disposals	-	-	(20,000)	(20,000)
At 31 March 2025	<u>530,000</u>	<u>91,497</u>	<u>19,650</u>	<u>641,147</u>
DEPRECIATION				
At 1 April 2024	-	18,763	33,685	52,448
Charge for year	-	18,697	5,281	23,978
Eliminated on disposal	-	-	(19,316)	(19,316)
At 31 March 2025	<u>-</u>	<u>37,460</u>	<u>19,650</u>	<u>57,110</u>
NET BOOK VALUE				
At 31 March 2025	<u>530,000</u>	<u>54,037</u>	<u>-</u>	<u>584,037</u>
At 31 March 2024	<u>530,000</u>	<u>48,614</u>	<u>5,965</u>	<u>584,579</u>

The property at 89 Denhill Park was revalued in November 2022 by R.A. George F. White at £280,000, the trustees believe this remains appropriate. The property at 4 Graingerville North was revalued in March 2024 by Knight Frank at £250,000. The historic cost of these properties is £407,734 and £593,382 respectively.

15. FIXED ASSET INVESTMENTS

	Shares in group undertakin £
MARKET VALUE	
At 1 April 2024 and 31 March 2025	<u>1</u>
NET BOOK VALUE	
At 31 March 2025	<u>1</u>
At 31 March 2024	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

15. FIXED ASSET INVESTMENTS - continued

CNE Trading Ltd

Registered office: 89 Denhill Park, Newcastle upon Tyne, NE15 6QE

Nature of business: Delivery of services on behalf of the charity.

Class of share:	% holding	2025	2024
Ordinary	100	£	£
Aggregate capital and reserves		1	1

The results of CNE Trading Ltd have not been consolidated with those of the Company as their inclusion is not material for the purpose of giving a true and fair view, in accordance with section 405(2) of the Companies Act 2006.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	524,168	694,904
Other debtors	898	5,253
Prepayments and accrued income	<u>247,700</u>	<u>103,742</u>
	<u>772,766</u>	<u>803,899</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	21,391	116,351
Amounts owed to group undertakings	1	1
Social security and other taxes	117,221	70,094
Other creditors	27,482	27,622
Accruals and deferred income	<u>749,114</u>	<u>959,364</u>
	<u>915,209</u>	<u>1,173,432</u>

Deferred Income

Included within Accruals and Deferred Income are the following amounts comprising income received in advance of delivery of the related services or expenditure incurred.

Balance at 1 April 2024	£
Released to income from charitable activities	884,413
Amount deferred in year	(884,413)
	<u>718,530</u>
Balance at 31 March 2025	<u>718,530</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

18. SECURED DEBTS

The charity's pension liabilities are secured by a fixed charge on the freehold property at 4 Graingerville North.

19. PROVISIONS FOR LIABILITIES

	2025	2024
	£	£
Pension deficit provision	<u>38,437</u>	<u>16,503</u>

Present Values of Provision

	2025	2024	2023
	£	£	£
Present value of provision	<u>38,437</u>	<u>16,503</u>	<u>35,330</u>

Reconciliation of Opening and Closing Provisions

	2025	2024
	£	£
Provision at start of period	16,503	35,330
Unwinding of the discount factor (interest expense)	435	1,351
Deficit contribution paid	(16,825)	(20,190)
Remeasurements - impact of any change in assumptions	244	12
Remeasurements - amendments to the contribution schedule	<u>38,080</u>	<u>-</u>
Provision at end of period	<u>38,437</u>	<u>16,503</u>

Income and Expenditure Impact

	2025	2024
	£	£
Interest expense	435	1,351
Remeasurements - impact of any change in assumptions	244	12
Remeasurements - amendments to the contribution schedule	<u>38,080</u>	<u>-</u>
	<u>38,759</u>	<u>1,363</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

19. PROVISIONS FOR LIABILITIES - continued

Assumptions

	2025 % per annum	2024 % per annum	2023 % per annum
Rate of discount	<u>4.84</u>	<u>5.31</u>	<u>5.52</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Fixed assets	584,037	-	584,037	584,579
Investments	1	-	1	1
Current assets	1,240,722	-	1,240,722	1,436,473
Current liabilities	(915,209)	-	(915,209)	(1,173,432)
Provision for liabilities	<u>(38,437)</u>	<u>-</u>	<u>(38,437)</u>	<u>(16,503)</u>
	<u>871,114</u>	<u>-</u>	<u>871,114</u>	<u>831,118</u>

21. MOVEMENT IN FUNDS

	At 1/4/24 £	Net movement in funds £	At 31/3/25 £
Unrestricted funds			
General fund	301,118	39,996	341,114
Designated fund	<u>530,000</u>	<u>-</u>	<u>530,000</u>
	<u>831,118</u>	<u>39,996</u>	<u>871,114</u>
TOTAL FUNDS	<u>831,118</u>	<u>39,996</u>	<u>871,114</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,383,323	(2,343,327)	39,996
Restricted funds			
Community Services	849,419	(849,419)	-
Poverty Proofing	447,843	(447,843)	-
Therapeutic Services	358,283	(358,283)	-
Development	27,006	(27,006)	-
	<u>1,682,551</u>	<u>(1,682,551)</u>	<u>-</u>
TOTAL FUNDS	<u>4,065,874</u>	<u>(4,025,878)</u>	<u>39,996</u>

Comparatives for movement in funds

	At 1/4/23 £	Net movement in funds £	Transfers between funds £	At 31/3/24 £
Unrestricted funds				
General fund	183,763	86,360	30,995	301,118
Designated fund	<u>455,000</u>	<u>75,000</u>	<u>-</u>	<u>530,000</u>
	638,763	161,360	30,995	831,118
Restricted funds				
Community Services	-	16,374	(16,374)	-
Poverty Proofing	-	(6,917)	6,917	-
Therapeutic Services	-	14,555	(14,555)	-
Development	-	<u>6,983</u>	<u>(6,983)</u>	-
	-	<u>30,995</u>	<u>(30,995)</u>	-
TOTAL FUNDS	<u>638,763</u>	<u>192,355</u>	<u>-</u>	<u>831,118</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,247,923	(2,161,563)	86,360
Designated fund	-	75,000	75,000
	<u>2,247,923</u>	<u>(2,086,563)</u>	<u>161,360</u>
Restricted funds			
Community Services	575,779	(559,405)	16,374
Poverty Proofing	683,085	(690,002)	(6,917)
Therapeutic Services	283,807	(269,252)	14,555
Development	83,404	(76,421)	6,983
	<u>1,626,075</u>	<u>(1,595,080)</u>	<u>30,995</u>
TOTAL FUNDS	<u><u>3,873,998</u></u>	<u><u>(3,681,643)</u></u>	<u><u>192,355</u></u>

Designated fund

The designated fund represents the net book value of the properties at Denhill Park and Graingerville North.

Restricted funds

Community Services

Families and Parenting

Children North East has a breadth of services for supporting families, delivered by our expert teams both in community venues and at home. These include support and activity groups, which create a space to focus on play, communication and spending quality time together, as well as support and learning opportunities to help parents grow their networks, skills and knowledge. We can also provide specialist support around issues such as domestic abuse, and understanding children and young people's emotional development and mental health.

Youth Services

We provide a wide range of services for young people, such as our sexual health services that include information and advice, access to contraception and STI checks; the CAN (Confident Adults Northeast) Mentoring Project, supporting 14 - 25 year olds around confidence, isolation and the transition into adulthood; holiday activities; and our Youth Drop-ins in Seaton Deleval and Wideopen, where children and young people in Year 6 and above can socialise and enjoy free activities such as sports, arts and crafts, cooking, and games.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

21. MOVEMENT IN FUNDS - continued

Poverty Proofing®

Poverty Proofing is a national programme that provides a structured method for understanding how everyday policies, practices, and assumptions can unintentionally disadvantage children and families experiencing financial hardship. Stakeholders are involved through training sessions, interviews, focus groups and surveys, which identify institutional and cultural barriers to service access for those living in poverty and an action plan to address this. Initially developed in local schools by listening to the views of young people, it is now delivered nationwide, in schools, NHS and Council services, employers, communities, and arts and culture and VCSE organisations.

Therapeutic Services

Counselling

Children North East draws on a diverse range of counselling modalities to best suit the needs of individual children and young people. We can offer support around various mental health challenges, including recovering from domestic abuse, hate crime, and sexual abuse. Other specialist services include Little Minds in Mind, a parent-infant service that promotes the development of healthy relationships, bonding and attachment; and Masquer-Aid, our psycho-educational programme for young people who have recently found out they're neurodivergent or are waiting for a diagnosis, where they can learn about what it means to be neurodivergent and talk about their experiences.

IFS (Intensive Family Support)

Sometimes families can require additional support to address the particular challenges they face. Our Therapeutic Services Team can offer bespoke support, tailored to the needs of individual families, including themes such as advice and guidance to parents using the Solihull Approach; understanding neurological development in early years; the impact of trauma; the importance of play and how to support this at home; child safety and responding to illness and injury; positive relationships; and the importance of parents looking after their own health and wellbeing.

Neuro and Send

We offer a variety of services for children and young people who are neurodiverse or who have special educational needs and disabilities (SEND). This includes support groups such as our tabletop role-playing group; and the FAB (Fantastic and Brilliant) Group, where young people who have SEND based in Newcastle can come together to make friends, and share experiences. Where young people require specialist 1:1 support, we can also provide specialist counselling and mentoring.

Development

Children North East is committed to developing its services in line with the needs of communities in the North East. We work with local partners such as the VCSE sector, education, NHS and local authorities, to identify gaps in provision that we can support, and create opportunities for young people to have their say and lead local and organisational change, such as through our Social Action Groups and Young Person's Advisory Group.

General Operations

As a large regional charity, Children North East relies on a well-resourced team to carry out the general operations that support its staff, ensure legal compliance and safety, promote its services, and attract funds and support. This includes our CEO and Senior Leadership Team; our staff in Finance, Admin, HR and Facilities; and in Fundraising, Marketing and Comms.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

22. EMPLOYEE BENEFIT OBLIGATIONS

TPT Retirement Solutions - The Growth Plan

The Company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2025 to 31 March 2028: £13,715 per annum (payable monthly).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement the Company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rates detailed in note 19 to the financial statements. The unwinding of the discount rate is recognised as a finance cost.

Pension Trust Flexible Pension Plan

From December 2006 the charity has also offered the Flexible Pension Plan (the new scheme) to all staff. The new scheme is a money purchase plan and is not contracted out of the state scheme. The Charity paid contributions at the rate of 7.25% during the accounting period and members paid minimum contributions at the rate of 5% but could make additional voluntary contributions if they wished. The employer's contribution payable during the year was £166,293 (2024: £139,082) and the outstanding contributions (employer plus employee) owed at the balance sheet date was £25,183 (2024: £21,167).

The Charity continues to offer membership of the new scheme to all of its employees.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2025.

24. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	39,996	192,355
Adjustments for:		
Depreciation charges	23,978	16,630
Profit on disposal of fixed assets	(916)	-
Interest received	(15,398)	(190)
Reversal of impairment losses	-	(75,000)
Decrease/(increase) in debtors	31,133	(168,810)
(Decrease)/increase in creditors	(258,223)	178,781
Difference between pension charge and cash contributions	<u>21,934</u>	<u>(18,827)</u>
Net cash (used in)/provided by operations	<u>(157,496)</u>	<u>124,939</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/24	Cash flow	At 31/3/25
	£	£	£
Net cash			
Cash at bank and in hand	<u>632,574</u>	<u>(164,618)</u>	<u>467,956</u>
	<u>632,574</u>	<u>(164,618)</u>	<u>467,956</u>
Total	<u>632,574</u>	<u>(164,618)</u>	<u>467,956</u>

26. PRIOR PERIOD RESTATEMENT

The charity's activity reporting has been updated during the year to better reflect current operations, comparative figures have been restated on the same basis. No changes have been made to overall income, expenditure, funds classifications or balance sheet items as a result of this restatement.

27. LEGAL STATUS

The charity is incorporated under the Companies Act as a company limited by guarantee, with the liability of each member not exceeding 50p on winding up, and is registered in England and Wales. The company's registered number and registered office address can be found within Reference and Administrative Details.

CHILDREN NORTH EAST

England & Wales - Charity number 222041

Accounts

REGISTERED COMPANY NUMBER: 00090288 (England and Wales)
REGISTERED CHARITY NUMBER: 222041

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
FOR
CHILDREN NORTH EAST
(A COMPANY LIMITED BY GUARANTEE)**

Read, Milburn & Co
Chartered Accountants and Statutory Auditors
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

CHILDREN NORTH EAST

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CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

1. Objectives

The charity's objectives are:

- a) To promote the general health, education and development of children, young people and their families and carers living in the North East of England, the rest of the United Kingdom and such other locations as the trustees of the charity determine from time to time. This is achieved through the provision of a range of services, training and development opportunities for babies, children, young people, their mothers, fathers, carers and the professionals who work with them; and
- b) To educate the public and professionals in child welfare issues.

Children North East exists 'because growing up can be hard' for babies, children, young people and their parents. The charity pays particular attention to transition stages during growing up when things can go wrong but can be put right relatively easily by effective early intervention. The five stages and the outcomes that the charity aims to achieve are:

1. Pregnancy and Babyhood - we want babies to feel safe and loved.
2. Starting School - we want children to feel ready and looking forward to starting school.
3. Changing School - we want children and young people to feel confident in school.
4. Adolescence - we want young people to feel valued and confident.
5. Becoming independent - we want young people to feel they are given a chance.

Put together these outcomes add up to Children North East's mission that 'children and young people grow up happy and healthy.'

The United Kingdom is a signatory to the United Nations Convention on the Rights of the Child, which gives all children the right to health, education, safety, play, family life, protection from harm and support when things go wrong at each stage of growing up. Children North East targets services to those children and young people who do not enjoy all of these rights.

Children North East has worked tirelessly over the last year to ensure that we could continue to deliver our services to the people we work with.

2. Our Strategy and Theory of Change

Strategy

Children North East have a 5-year Strategy covering 2021 to 2026, which sets out how the charity will achieve its objectives, and how it will create and make the most of opportunities over the coming years. Our ambitions are to ensure that all babies, children and young people are given the opportunities to be happy and healthy and to grow up feeling:

- Safe and loved
- Resilient to challenges they may face
- Valued and confident

As part of the strategy, we have developed a Theory of Change that reflects the intention of our work to meet its purpose and the strategic objective agreed for the next 5 years. Our objectives are:

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES - continued

Sustainability and growth

- Increase and diversify our income.
- Diversify our workforce.
- Build our networks.
- Accountability across our organisation.

Reach

- Raise our profile.
- Increase our presence.
- Widen our reach.

Impact

- Measure our impact.
- Address inequalities.
- Build a strong workforce.

Theory of Change

Our strategy supported us with a five-year vision of where we want to take the charity. It provided us with a solid foundation, and, as outlined in our review of the year, achievements have been made and we are continuing to progress well. Our purpose remains the same; we want to ensure all babies, children and young people are given the chance to grow up happy and healthy. Our work supports this purpose and we deliver against this through the following support services:

- Family Support
- Youth Work
- Communities
- Therapeutic Services and Mental Health Support
- Neurodiversity Support
- Poverty Proofing©

We recognise the importance of directly delivering services to the people we work with. In many of our services we offer a bespoke approach, ensuring that babies, children, young people and families are supported in the way that they want. However, what we recognised through developing the Theory of Change, is that we don't always put equal weight into trying to change the ways things work that stops babies, children and young people from being happy and healthy, and so in 2024/25 we want to continue to:

- **Campaign** on issues affecting babies, children and young people.
- **Challenge** those in positions of influence at all levels who make decisions affecting the lives of babies, children and young people.
- **Influence** social policy and system change to address obstacles preventing babies, children and young people growing up happy and healthy.
- **Collaborate** with others to ensure that our purpose and outcomes are achieved.

Whilst this is a key ambition of our leadership and management team, in the long term it is our ambition that everyone who works for Children North East are supporting us to reach these wider goals.

3. Public Benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England & Wales.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE

1. Message from the CEO

As we reflect on the past year, we are reminded of the resilience, determination and power of community that has defined Children North East since 1891. It has been a year marked by challenges and uncertainty for babies, children, young people and their families. Their opportunity for happiness and health continues to be deeply affected by the difficulties faced growing up, living in poverty and the impact of policy failure; both in the North East region and across the UK.

Responding to these pressures, Children North East has strengthened its advocacy efforts, amplifying the voices of the children and families who need real systemic change to thrive. This has included calling for key policy changes in the lead up to North East Mayoral and General elections, including an end to the two-child cap, universal Free School Meals and a national strategy to address child poverty, which now affects 4.3 million UK children.

We have remained committed to our mission: ensuring that every baby, child, and young person has the opportunity to grow up happy and healthy. We've worked creatively and resourcefully to meet increased demand for services, launching new initiatives, such as our dedicated Therapeutic site in Central Newcastle, and invested in improved provision where there is a critical lack of support, including for young people navigating SEND and neurodiversity diagnoses.

None of this would have been possible without the dedication and hard work of our staff, trustees, volunteers, funders and partners. Their expertise, passion, and tireless commitment are the foundation of everything we do. We extend our heartfelt thanks to them - along with the hundreds of donors, fundraisers, and advocates whose generosity continues to transform lives.

With your help, we won't stop until every baby, child and young person has the happy, healthy start in life they deserve.

2. Our Impact and Reach

During the financial year, our key impact figures included:

- **Number of Individuals Supported - 4,187**
The number of individuals supported represents the number of babies, children, young people and parents/carers accessing our frontline services and support, such as counselling, youth groups or family support.
- **Number of families supported - 980**
We have delivered a wide range of programmes, predominantly in the North East of England to 980 families.
- **Number of counselling sessions delivered - 2,956**
Across the charity we have delivered 2,956 counselling sessions to children, parents and groups.
- **Number of people participating in Poverty Proofing© consultations - 34,715.**
Our Poverty Proofing© consultations range from schools, to Local Authorities, to the NHS and even to libraries.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE - continued

3. Our Services

The financial year 2023/24 has seen us continue to achieve against our strategy. We have been successful in sustaining funding for much of what we have traditionally done over the past number of years and have continued to grow in many new areas, gaining confidence in delivering new programmes that are having a profound and positive effect on babies, children and young people.

During the year, our services were provided by:

- 65 full-time staff
- 57 part-time staff
- 24 sessional workers
- 4 students on placement
- 18 volunteers
- 15 Youth Link peer mentors

Further detail around our services during the year are detailed by service area below.

3.1. Family Support

Part of our Communities Service, giving families the opportunity to thrive, through safe and strong relationships. Our expert teams offer a range of services which create a space to focus on play, communication and spending quality time together.

Some of the key services delivered this year include:

- Information sessions for parents and carers who want to support their child through a mental health challenge (Ways to Wellbeing).
- In half-term, we deliver our bespoke week-long DARE programme supporting children and their families to process the impact of domestic abuse. We also run a ROSES peer support group for survivors of domestic abuse.
- This year, we delivered seven Holiday Activities and Food (HAF) programmes, providing fun, educational holiday clubs for children on Free School Meals. These included special events, such as our flagship Beach Trip and trips to cultural venues.
- Our team provide support to families facing challenges or at risk of hitting crisis point, such as growing their confidence to access services and groups and helping them navigate barriers such as language and paperwork.

Our Cowgate Centre, which is part of a community family hub, empowers families to access 26 support opportunities under one roof, including those supporting health, wellbeing, play, healthy eating, employability and domestic abuse recovery.

At the heart of the service is our community café, Café Hope, which creates a place to strengthen local networks and informally tap into the support of our teams.

A team of 26 volunteers provided 866 hours of support through a dedicated programme that provides accredited training.

The team were nominated for a North East Arts and Culture award, along with Tin Arts, for the bespoke work we do in schools to celebrating individuality and friendship.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE - continued

3.2. Youth Work

Part of our Communities Service, creating pathways for young people to connect, explore and pursue a future that matters to them. Our youth work projects include drop-ins, cooking and activity sessions, peer support groups, mentoring and sexual health services.

The team delivered a wide range of services to young people at Children North East sites, community venues, schools and in public spaces through outreach work. Our programmes include street dance and cookery sessions, early health intervention sessions within schools and enrichment sessions for LGBTQ+ young people. Other flagship programmes include:

- The delivery of Newcastle Council's non-clinical sexual health service across Newcastle alongside Streetwise, with our team playing an integral part locally in young people understanding healthy relationships and staying safe.
- A mentor programme for NEET young people, supported by a team of volunteers, who help them to make decisions about their future.
- Two NCS programmes supporting thousands of young people to become 'world and work ready' through educational experiences.
- Our allotment which provides an important space helping young people connect with nature and nurture their wellbeing. This year, the group undertook an exciting project funded by English Heritage exploring the history of people living locally in Roman times.

3.3. Therapeutic Services and Mental Health Support

Therapy is a proven way of overcoming difficult mental health experiences, such as trauma, grief and the breakdown of relationships, yet people can find it difficult to access therapy when they most need it. Our expert teams offer a range of therapeutic support, such as counselling, behavioural therapies like CBT and parent-infant therapy. We provide specialist treatment to babies, children, young people and families at times when therapy can make a significant difference to their quality of life and long-term health.

This year, the charity's Graingerville site was dedicated for therapeutic use, providing seven counselling rooms and a communal area. The change has enabled the team to provide a holistic approach to our therapeutic and mental health services, including installing a Rainbow Play Room for delivering support to younger children and introducing a mental health and wellbeing library in the reception space.

We have delivered a wide range of projects offering specialist therapeutic and mental health support to children, young people and families, including:

- Counselling to help children and young people overcome a range of mental health challenges, including tailored programmes for victims of crime, asylum-seekers and neurodiverse young people.
- A Parent-Infant Therapy service (Little Minds in Mind) supporting caregivers and babies to develop a healthy relationship.
- Support for young victims of sexual abuse and their families (SAFE).
- Intensive Family Support, helping families through periods of crisis.
- Worrit Warriors, a project delivered in schools with Mortal Fools, helping young people at risk of suicide and other high-risk mental health challenges.

In total, 2,956 counselling sessions were provided by the charity over 12 months.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE - continued

3.4. Neurodiversity Support

This year represented a milestone in establishing our support for neurodiverse children and young people. We have invested in the expansion of our provision through building on successful pilots and introducing new programmes of support.

Flagship projects within this expanded provision include:

- Masquer-Aid which is a 12-week therapeutic education programme for 11 to 25 year olds.
- Peer support groups across North East locations which hosted 71 member in 2023/24.
- Provision of mentoring service to help neurodiverse young people to overcome barriers and explore their interests.
- Tailored 1-2-1 support programmes to improve quality of life and opportunities for children with disabilities.

We are committed to include neurodiverse staff in the design and delivery of each project, ensuring those with experience are leading the provision.

A review of the peer support groups revealed they had helped young people to grow in their confidence, improve their mental health and develop a sense of community, as well as to connect with other aspects of their identity, such as being LGBTQ+. Our success meant that we were able to work with 213 children and young people over 12 months.

3.5. Poverty Proofing©

In the UK, approximately 20% of people live in poverty. They often face additional barriers to participating in important experiences, such as school, healthcare, and cultural and community activities. Our Poverty Proofing© service supports organisations to listen to the experiences of those living in poverty and to use that insight to identify and address barriers to participation and stigma. We also provide training on the impact of poverty and how teams can 'Poverty Proof' their decision- making. The outcome is reduced inequalities, making it possible for everyone to participate and thrive in vital services, cultural experience and within their communities, regardless of financial background.

Our Poverty Proofing© achievements are listed below per focus area:

Poverty Proofing the School Day

Our North East and Midlands based team delivered interventions in 120 schools across England and Wales, consulting with 29,015 individuals. Over 1,050 staff and PTA members have received poverty awareness training. Thanks goes to key funders included Kavli Trust and North of Tyne Combined Authority.

Newcastle University conducted a qualitative retrospective study of 'Poverty Proofed' primary schools which had undertaken Poverty Proofing and found that schools who had undergone the intervention saw improvements in attainment for all pupils, regardless of financial background, in particular reading and mathematics.

Poverty Proofing Healthcare

The team delivered Poverty Proofing© as part of the NENC ICB's Healthier & Fairer Communities Programme, providing poverty awareness training to 600+ staff. The project also gave voice to 882 individuals across a huge range of healthcare settings.

We have delivered Poverty Proofing© interventions for Marie Curie, Greater Manchester Poverty Action and NHS Foundation Trusts in RDaSH, Somerset and Airedale. This year, Poverty Proofing Healthcare was also the subject of an NIRH Applied Research Collaboration published in the PLOS One Academic Journal.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE - continued

Poverty Proofing Culture

Our work continued to build across the UK, with flagship projects including delivering poverty awareness sessions for National Trust, and Speke Hall being chosen to be their first 'Poverty Proofed' site. Paisley Museum marked the first Scottish Poverty Proofing cultural project and we launched a project with Artsmark, exploring the barriers pupils faced engaging with the national Award in school.

Poverty Proofing Early Years

Building on pre-pandemic work, Poverty Proofing© was delivered with four Early Years settings in Newcastle and Darlington, continuing our pilot of the model.

3.6 Policy and Campaigning

We use our experience and expertise to guide local, regional and national decision-making on issues affecting babies, children, young people and families, and the VCSE sector. In 2023/24 this included:

- Holding key roles to advocate for reducing health inequality and the impact of poverty among babies, children and young people, including with NHS Integrated Care Board (Child Health and Wellbeing Network), Kings Fund, Centre for Population Health, Bank of England, British Association for Counselling and Psychotherapy, North East Youth Alliance and the End Child Poverty Coalition. Our Operations Director was Acting Chair of the North East Child Poverty Commission.
- Campaigning on behalf babies, children, young people and families, including supporting the following campaigns: Children's Charities Coalition's Children at the Table, NEU's Free School Meals for All, Denise Welch's Hope Not Hunger and calls for the continuation of the Household Support Fund. We have also campaigned for more companies to adopt the Real Living Wage.
- Engaging politicians, including hosting mayoral candidates Kim McGuinness and Jamie Driscoll to meet our communities, facilitating a focus group for parents with Catherine McKinnell MP and working with Sharon Hodgson MP to campaign for better access to food and food education. We also produced a General Election Briefing (Investment Not a Cost) for policy-makers, based on the first-hand experiences of our communities.
- Holding key roles within VCSE structures and steering groups, including with Newcastle City Council, Ashington Regeneration Board, VONNE, Living Wage City Action Group and Connected Voice.
- Building our links with Think Tanks including the Centre for Young Lives and the Centre for Social Justice.

In February, Children North East published its milestone report, Change Now. The report consolidated learning from consultations with over 35,000 children and young people into a single report providing recommendations for organisations, local authorities and policy makers acting in the North East. Recommendations included giving pupil voice priority in schools, improving mental health and wellbeing provision, increasing the autonomy of young people within their healthcare and addressing the 'digital divide'.

CHILDREN NORTH EAST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mark Stoddart Reverend Sarah Lunn Alex Coburn Lynn Charlton Lucy Atherton Susan Howe Sophie Bentley Samantha Haley Lisa Alcorn Liam Clark-Brown	Chair Resigned 8 April 2024 Appointed 19 May 2023 Appointed 19 September 2023 Appointed 16 October 2023 Appointed 16 October 2023 Resigned 21 June 2023 Resigned 21 November 2023
Chief Executive Officer	Leigh Elliott	
Operations Director	Michele Deans	
Growth & Engagement Director	Janet Cairns	
Finance Director	Johanna Dubois	
Head Office & Registered Office	89 Denhill Park Newcastle upon Tyne NE15 6QE	
Registered Company Number	00090288	
Registered Charity Number	222041	
Auditors	Read, Milburn and Co. Chartered Accountants and Statutory Auditor 71 Howard Street North Shields NE30 1AF	
Bankers	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Children North East for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Read, Milburn & Co. as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17 December 2024 and signed on its behalf by:

The image shows a handwritten signature in dark ink. The initials 'MB' are clearly visible, followed by a stylized signature. The signature is written on a light-colored background.

Mr M B Stoddart - Trustee

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)

**BALANCE SHEET
31 MARCH 2024**

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	14	584,579	488,472
Investments	15	<u>1</u>	<u>1</u>
		584,580	488,473
CURRENT ASSETS			
Debtors	16	803,899	635,089
Cash at bank and in hand		<u>632,574</u>	<u>545,182</u>
		1,436,473	1,180,271
CREDITORS			
Amounts falling due within one year	17	(1,173,432)	(994,651)
		<u>263,041</u>	<u>185,620</u>
NET CURRENT ASSETS			
		847,621	674,093
TOTAL ASSETS LESS CURRENT LIABILITIES			
		(16,503)	(35,330)
		<u>831,118</u>	<u>638,763</u>
NET ASSETS			
FUNDS	21		
Unrestricted funds:			
General fund		301,118	183,763
Designated fund		<u>530,000</u>	<u>455,000</u>
		<u>831,118</u>	<u>638,763</u>
TOTAL FUNDS		<u>831,118</u>	<u>638,763</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 17 December 2024 and were signed on its behalf by:



Mr M B Stoddart - Trustee

The notes form part of these financial statements

CHILDREN NORTH EAST**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	24	124,939	(238,740)
Interest paid		<u>-</u>	<u>299</u>
Net cash provided by/(used in) operating activities		<u>124,939</u>	<u>(238,441)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(37,737)	(17,274)
Interest received		<u>190</u>	<u>61</u>
Net cash used in investing activities		<u>(37,547)</u>	<u>(17,213)</u>
Change in cash and cash equivalents in the reporting period			
		87,392	(255,654)
Cash and cash equivalents at the beginning of the reporting period		<u>545,182</u>	<u>800,836</u>
Cash and cash equivalents at the end of the reporting period		<u>632,574</u>	<u>545,182</u>

The notes form part of these financial statements

CHILDREN NORTH EAST

England & Wales - Charity number 222041

Accounts

REGISTERED COMPANY NUMBER: 00090288 (England and Wales)
REGISTERED CHARITY NUMBER: 222041

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
CHILDREN NORTH EAST
(A COMPANY LIMITED BY GUARANTEE)**

CHILDREN NORTH EAST

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FOR THE YEAR ENDED 31 MARCH 2023**

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CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The following map represents the location of the 69 programmes we have delivered during the year.



Our Services

2022/23 has seen us continue to achieve against our strategy. We have been successful in sustaining funding for much of what we have traditionally done over the past number of years and have continued to grow in many new areas, gaining confidence in delivering new programmes that are having a profound and positive effect on babies, children and young people.

During the year, our services were provided by:

- 65 full-time staff
- 57 part-time staff
- 24 sessional workers
- 4 students on placement
- 18 volunteers
- 15 Youth Link peer mentors

If the volunteers were paid at the Real Living Wage (Children North East is a Real Living Wage Foundation employer) their contribution would have been worth approximately £37,844.

Further detail around our services during the year, including some case studies that highlight particular achievement, are set out as follows:

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Case Study: Players of the People's Postcode Lottery

A funder who has played a key role in our work for over thirteen years is the People's Postcode Lottery (PPL).

"The support of the players of PPL is transformative for our charity and the communities it serves. In the past three years they have not only funded life-changing services, but allowed us keep lifelines of support going during the pandemic against the odds." David Bavaird, previous Chair of the Trustees at Children North East.

The support of PPL:

- *Provides Children North East with increased stability, directly influencing our ability to achieve our purpose by ensuring that our core functions are able to run smoothly and effectively.*
- *Keeps lifeline services running between funder contracts, ensuring support for young people and families is not disrupted by funder timescales.*

In addition to continued unrestricted financial support, PPL supported and engaged the charity in a range of ways. These included the production of the short film, 'Home Is Where Hope Is' featuring our Patron, Tim Healy, and PPL Ambassador, Judie McCourt; which supported the charity to share the impact of work with audiences.

Audiences and Marketing

During the year, there was significant growth of audiences on social media (11%) and for the newsletter (61%). The number of website users has remained consistent with previous years, however users are now viewing more pages (by 19%) and are consuming more news and blogs shared by the charity (by 60%).

As our work across the UK increased, so did our audiences outside of the North East, for example website audiences from London grew from an 8.2% share of visitors in 2021 to 19.6% in 2022.

We also saw the number of men in our audiences increase by 12% as part of a coordinated attempt to reach more dads and male carers.

Improving accessibility was a key priority for the team in 2022/23 and the impact of awareness raising of the support available work in this area contributed to an increase in the use of our website accessibility support tools, including the content translation by 1,230% and reading aid technology by 586%.

A writing Style Guide was launched to support teams across the charity to use standardised language, including for categories of social difference, and an annual process of review by experts set up.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Reserves Policy and Going Concern

The Board reviewed the reserves policy during the year as follows:

The Board designates unrestricted reserves as:

- a) Premises (£455,000) comprising those reserves locked into land and buildings on a long-term basis (the Head Office building at 89 Denhill Park, Newcastle upon Tyne and the premises at 4 Graingerville North, Newcastle upon Tyne).
- b) The balance remaining after deduction of the foregoing designated reserves and provision for pension liabilities comprises those General Funds (£219,093, excluding the provision for pension deficit payments as detailed in notes 19 and 22) which are available as working capital to develop the charity and contingency to meet unforeseen shortfalls.

The Board has decided that fluctuations in restricted income are always known in advance and that plans will always be made to manage expenditure against this income without calling on reserves. The majority of expenditure is always staff salaries.

The Board considers that sufficient reserves should be maintained to manage the charity in the event of sudden withdrawal of significant unrestricted income. The Board has examined the pattern of income and expenditure over recent years and decided that a realistic 'comfortable' level of General Funds (free reserves) should be between £250,000 and £300,000. Free reserves currently stand at £150,290.

Investment Policy

When investments are made the investment objective is to provide a balanced return between income and capital growth with a low to medium level of risk. Investments are made within an ethical framework set by the Board:

- No investments that would be against the interests of children (i.e., armaments, gambling, tobacco or alcohol).
- No equity investment to exceed 5% of the total value of the portfolio at the time of purchase.
- Total amount of fixed interest investments not to exceed 33% of the total portfolio.

There are currently no investments in place.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

FUTURE PLANS

As part of our 5-year Strategy, and following the growth sustained in the past two years, we have reviewed our operational structure and have made some changes to help future proof for further growth. This has led to the appointment of four Operational Leads – Therapeutic Services, Communities, Poverty Proofing and Regional (including participation and SEND work). The new structure will ensure that we are continuing to provide quality services, supporting staff to deliver against our vision and values and that we are in a position to respond to future demand for our services.

We have also added the role of Assistant Operation Director to our senior team. The AOD post will be central to achieving our objectives around reach and impact by focussing resource on areas of need and seeking opportunities to develop services to address this need.

Following the opening of a base in Northumberland in 2022, we have recognised Gateshead as an area where we need to establish a CNE office and service delivery space in order to meet the growing need for our services. We have identified a suitable building and will be securing a lease during 2023/24 with a view to delivering services from early 2024.

We are also continuing to look at how we can maximise opportunities to work in other areas of the UK, including Wales, Scotland and Northern Ireland, specifically in relation to our Poverty Proofing work.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr Mark Stoddart, Chair Mr David W Bavaird, Chair Mr Stephen Robinson Mr Alex Coburn Ms Philippa Hughes Reverend Sarah Lunn Mrs Lisa Alcorn Mrs Lynn Charlton Mr Liam Clark-Brown Mrs Louise Hall Miss Lucy Atherton	Appointed as Chair 28 Feb 2023 Resigned 28 February 2023 Resigned 14 September 2022 Resigned 28 March 2023 Appointed 15 June 2022 Appointed 15 June 2022 Appointed 15 June 2022 App. 15 Jun 22, res. 28 Mar 23 Appointed 19 May 2023
Chief Executive Officer	Mrs Leigh Elliott	
Operations Director	Ms Michele Deans	
Growth & Engagement Director	Mrs Janet Cairns	
Head Office & Registered Office	89 Denhill Park Newcastle upon Tyne, NE15 6QE	
Auditors	Read, Milburn and Co 71 Howard Street North Shields NE30 1AF	
Bankers	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	
Investment Managers	Speirs & Jeffrey Limited - currently no investments 36 Renfield Street Glasgow G21 NA	

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

Our 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 a Report of the Independent Auditors 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. In this regard, our procedures include the following:

- enquiry of management around actual and potential litigation and claims;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- challenging assumptions and judgements made by management in their significant accounting estimates.

Because of the field in which the charity operates, we have identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; Employment Law; and compliance with the Companies and Charities Acts.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Liley FCA (Senior Statutory Auditor)
for and on behalf of Read, Milburn & Co
Chartered Accountants and Statutory Auditor
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

13 December 2023

CHILDREN NORTH EAST**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	24	(238,740)	439,086
Interest paid		<u>299</u>	<u>(1,139)</u>
Net cash (used in)/provided by operating activities		<u>(238,441)</u>	<u>437,947</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,274)	-
Interest received		<u>61</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(17,213)</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period			
		(255,654)	437,947
Cash and cash equivalents at the beginning of the reporting period			
		<u>800,836</u>	<u>362,889</u>
Cash and cash equivalents at the end of the reporting period			
		<u>545,182</u>	<u>800,836</u>

CHILDREN NORTH EAST

England & Wales - Charity number 222041

Accounts

REGISTERED COMPANY NUMBER: 00090288 (England and Wales)
REGISTERED CHARITY NUMBER: 222041



**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR**

**CHILDREN NORTH EAST
(A COMPANY LIMITED BY GUARANTEE)**

Read, Milburn & Co
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

CHILDREN NORTH EAST

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CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

support when things go wrong at each stage of growing up. Children North East targets services to those children and young people who do not enjoy all these rights.

Children North East was established in 1891, making 2021 our 130th anniversary. Throughout that time, the overall objective of the charity has been to make a positive difference to the lives of babies, children and young people.

Children North East has worked tirelessly over the last year to ensure that we could continue to deliver our services to the people we work with. Because of the ongoing impact of the COVID-19 pandemic, this has invariably meant that we have delivered less of what we would normally do and continued different ways of working.

Our Strategy and Theory of Change

Strategy

Children North East have a 5-year Strategy covering 2021 to 2026, which sets out how the charity will achieve its objectives, and how it will create and make the most of opportunities over the coming years, in line with Our Vision that babies, children and young people grow up to be healthy and happy.

In 2021 we reviewed our outcomes against our purpose and strategy, and we have made some refinements to this. Now our ambitions are to ensure that all babies, children and young people are given the opportunities to be happy and healthy and to grow up feeling:

- Safe and loved
- Resilient to challenges they may face
- Valued and confident

We continue to work against our strategic objectives and have developed a theory of change that reflects the intention of our work to meet its purpose and the strategic objective agreed for the next 5 years. Our objectives are:

Sustainability and growth

- Increase and diversify our income
- Diversify our workforce
- Build our networks
- Accountability across our organisation

Reach

- Raise our profile
- Increase our presence
- Widen our reach

Impact

- Measure our impact
- Address inequalities
- Build a strong workforce

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Theory of Change

Our strategy supported us with a 5-year vision of where we want to take the charity. It provided us with a solid foundation, and, as outlined in our review of the year, achievements have been made and we are continuing to progress well. During 2021 we also reviewed our theory of change and decided to adapt and renew a version of this. Our purpose remains the same; we want to ensure all babies, children and young people are given the chance to grow up happy and healthy. Our work supports this purpose and we deliver against this through the following support services:

- Therapeutic Services
- Mental Health Support
- Youth Work
- Domestic abuse support
- Community based initiatives
- Family Support
- Poverty Proofing©
- Participation and consultation

We recognise the importance of directly delivering services to the people we work with, in many of our services we offer a bespoke approach, ensuring that babies, children, young people and families are supported in the way that they want. However, what we recognised through developing the theory of change is that we don't always put equal weight into trying to change the ways things work that stops babies, children and young people from being happy and healthy, and so in 2022 we want to:

- **Campaign** on issues affecting babies, children and young people
- **Challenge** those in positions of influence at all levels who make decisions affecting the lives of babies, children and young people
- **Influence** social policy and system change to address obstacles preventing babies, children and young people growing up happy and healthy
- **Collaborate** with others to ensure that our purpose and outcomes are achieved

Whilst this is a key ambition of our leadership and management team, in the long term it is our ambition that everyone who works for Children North East are supporting us to reach these wider goals.

We will be training, developing and monitoring the impact of this work by growing our presence across a number of platforms and will be able to report in next year's annual report about achievements made.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Feedback from parent:

I have found the whole thing fascinating and enjoyable. It's been great for my kids to have a safe place. I have done a lot of courses through Social Services but my kids have never had a place to ever be able to come to terms with everything and feel like they're not being questioned or feel like they were going to get me into trouble. I have found Queenie fascinating and passionate which has made this even more interesting. There have been some things which I believe that kids need to be aware of, abuse, especially emotional abuse, and I feel this course should be there for every family as it's something that has brought me and my kids a lot closer about accepting and moving on from problems or arguing that we all have been through.

ROSES

ROSES (Recovery of Survivors Emotional Support) is a peer support group that runs weekly for parent victims to join. Parents have engaged in Yoga sessions to promote good physical and mental health, participating in food hygiene classes, gaining a certificate in Food Hygiene which could support volunteer or employment opportunities. This group is open to victims of domestic abuse that may have attended domestic abuse programmes with other agencies or for those not yet ready for the DARE programme. We have supported 10 women on this programme

SEND (Special Educational Needs and Disability) work

Within our Youth Service, there has been exciting developments to meet the needs of young people aged 11-25 with special educational needs and disabilities, this includes:

- The Briardale Group developed initially from an identified need for a youth-based group in the Blyth area of Northumberland. This group supports young people with neurodiversity needs. The group runs weekly, with fortnightly sessions for Under 14 and Over 14s to meet demand and to enable workers to fully support the individual needs of the young people attending. Sessions are young person led and have supported young people with their emotional health and coping strategies e.g., the group requesting to make feelings diaries and presenting the idea to workers who facilitated this. The young people have opportunities to try new experiences within the community and activities to help with confidence, social skills and independence. Referrals into the group are received from professionals and parents in addition to internal referrals as part of our short breaks offer.
- We expanded our offer of Short Break provision following a successful pilot within North East and North Cumbria (NENC). Young people with SEND needs living in Northumberland, Newcastle and across NENC area can be referred into Short Breaks which offers 1:1 based community support with a volunteer mentor or paid worker (depending on complexity of need). Feedback received has indicated the young people enjoy having time out of their home situation, with someone who is not a family member. This is in addition to the option of accessing external local groups and internal CNE groups including FAB and Briardale. As part of this process, the young person completes an Initial Assessment to include family members, which helps workers understand the specific situation and requirements for support. Work has also developed within certain schools who have requested group-based support for small groups of students with SEND needs, which in the holidays has also expanded to include community-based support to improve independence skills and the continuation of peer relationships during a time which for some young people can be more isolating.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

CAN (Confident Adults North East)

The CAN project helps 16–25-year-olds from Newcastle and Gateshead who may require support to transition into adulthood or make steps towards improving their confidence and reducing isolation. CAN aims to support young adults to overcome any barriers affecting them to move forward in their lives. This project is being fully funded by a major donor.

Case Study

Josef is a 21-year-old who was referred to CAN because he was socially isolated and experiencing low self-esteem. Josef didn't have any positive activities in his life. Josef took on a lot of caring responsibility with younger siblings at home after his father passed away 2 years ago. Josef was very keen to work but he was struggling to apply for and find work. English is not Josef's first language and he lacks confidence in his ability to communicate with others. He has a passion for dance but this is only ever something he has done at home.

Josef was paired with a mentor called David and a shared passion for dancing was an instant ice breaker. They used a local dance studio, Dance City, as a base to meet and get to know each other and David was able to get Josef enrolled onto an Afro dance class, every Wednesday evening with the financial support from CAN. This was an amazing opportunity for Josef as this is something Josef has only dreamt about but could never afford.

David then supported Josef with other elements in his life. As Josef dreams of opening his own Dance studio, David set up a meeting with a producer at Dance City, this gave Josef an opportunity to find out all about career options and academic courses available to him.

These discussions were beneficial because although he is not ready for this yet it gave him hope for the future. David worked with Josef on his CV and supported Josef to get relevant qualification documents that he was missing from school. David also supported Josef to get his right to work documents.

Josef attended two workshops with Hays recruitment around building CV's and Interview skills. David and Josef explored work options and looked into temporary career options to get Josef into the job market. They secured an interview with a hotel in Newcastle and CAN were able to make links with a community interest company called 'Suitability CIC' to get Josef some interview clothes donated as this was something he did not own.

David was able to meet Josef before the interview to prep him and make sure he was feeling confident, Josef did amazingly well in his interview and he got the job!

Josef has now started his employment and he is absolutely loving it. He feels ecstatic, proud and so very grateful to CAN and his mentor for all the support. David has a few more sessions left with Josef where he will make sure he is supported in the first crucial weeks of employment. David will work on some budgeting skills with Josef so he is able to manage his first ever wage at the end of the month. Thanks to CAN and the dedicated time from a committed volunteer, this young person's life has been completely transformed in just 7 weeks.

This is just one example of the incredible and unique support CAN is able to offer young adults in what can be a difficult time in their lives and how this support, thanks to you is life-changing.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Neurodiversity work

Masquer-Aid is a unique project for neurodivergent young people which has developed and adapted over the last year to meet the needs and demand of young people who are pre or post Neuro diagnostic assessment. Young people receive bespoke support from our highly skilled team through short-term 1:1 support, small group work or counselling. We aim to build young people's confidence and self-awareness, get help with their mental health and come to terms with their diagnosis. Our work has been developed with a focus group of people who are neurodivergent to ensure that what we offer is shaped by people with lived experience.

Feedback by a parent whose child has been supported by Masquer-Aid:

'His communication has definitely improved; he's actually spoke to his psychiatrist & people at college. Admittedly not much but a big step for him! His enthusiasm for coming to the group is massive for his social development, he actually sets his own alarms etc. & reminds us about it rather than the other way round! Considering how averse he was to coming to the group in the first place & we could barely get him to leave the house for school he's come a long way, especially deciding to go to two groups a week. I know these are small differences that other people would barely notice & there's still huge amounts of work to be done but for himself it's really big steps'

Fundraising

Our approach to fundraising is to encourage supporters and local businesses to fundraise for Children North East, and to engage in our events. Businesses also provide pro bono support and their sponsorship of fundraising events organised by Children North East helps reduce costs and increases net income.

Due to the impact of COVID-19, the majority of the usual fundraising events organised by Children North East have been unable to go ahead during the past two financial years. However, a number of events are currently being planned for the 2022/23 financial year and an Events and Community Officer has been appointed to help grow this area post COVID.

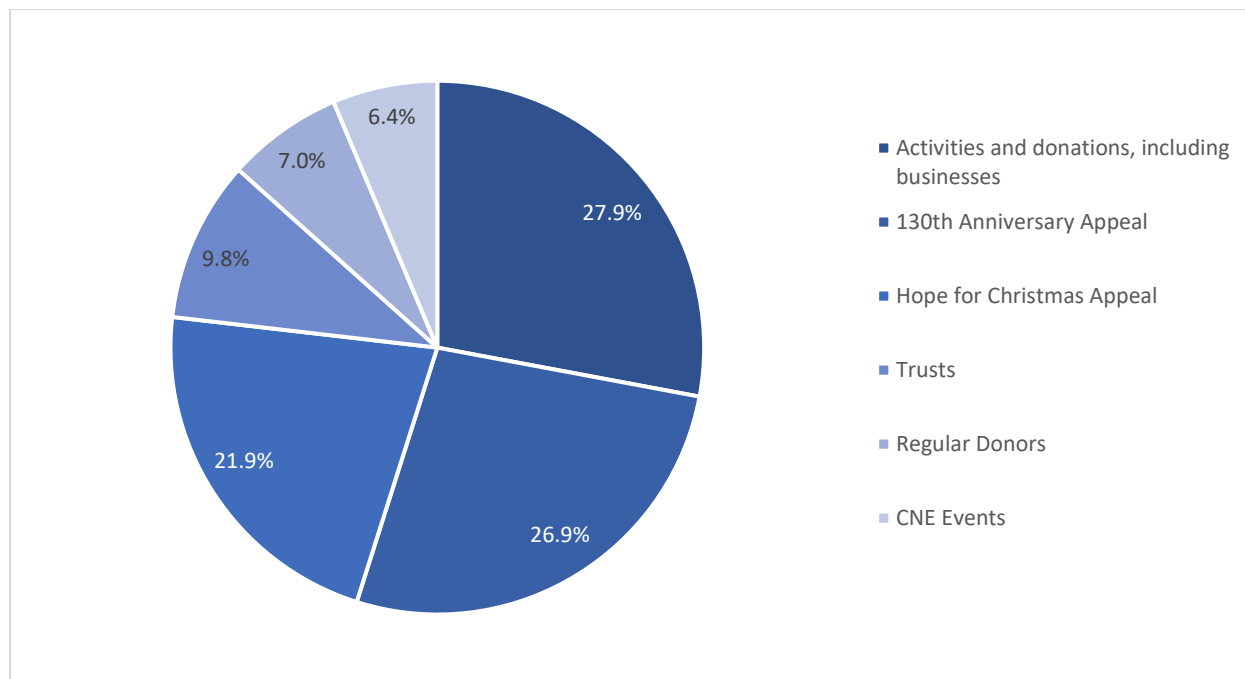
The Hope for Christmas appeal took place again and raised a record amount of just over £40,000, including £6,000 raised as part of The Big Give Appeal. The focus of the Appeal was to "Give a Child a Hand Up not a Hand Out".

Children North East fundraising conforms to the requirements of the Fundraising Regulator. The Board of Trustees monitors fundraising activities carried out by Children North East. There were no complaints made to Children North East about our fundraising during the year.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

This chart shows the sources of fundraising income during the financial year, other than the People's Postcode Lottery:



Reach

Children North East have a footprint in every local authority in the North East, whether that is through direct delivery provision or delivering our unique and ground breaking Poverty Proofing© the School Day. Whilst direct delivery mainly takes place in Newcastle, Gateshead, North Tyneside and Northumberland, we reach out to South Tyneside and Sunderland through our work with the Police and Crime Commissioner, and we have plans in 2022/23 to expand this reach and will be setting up hubs in Northumberland and Gateshead.

We worked with 377 organisations, through our referrals system, including schools, colleges, local authorities, the police, the health sector and the voluntary sector. We work in schools in every part of the North East region and in other parts of the United Kingdom.

Children North East provides opportunities for adults and young people to volunteer their time as mentors and offers practice placements for social work students. During the financial year, we worked with 57 (2021: 44) volunteers and 4 (2021: 15) students. We are looking to expand these opportunities in 2022/23.

During the 2022 financial year, Children North East provided services directly to a total of 4,132 individuals (2021: 2,949). The impact of COVID-19 continued to be reflected in these figures and so they are not comparable with previous years. We also had impact on children at 595 schools where we delivered our Poverty Proofing© programme.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

We have delivered the following to those who need it most, including:

- 2,285 counselling sessions for young people
- 2,348 attendances at young people drop in sessions
- 711 Little Minds In Mind therapy sessions
- 578 family invention sessions
- 426 peer mentoring sessions

These services were provided by:

- 30 full-time staff
- 24 part-time staff
- 14 sessional workers
- 4 students on placement
- 57 volunteers
- 30 Youth Link peer mentors

If the volunteers were paid at the Living Wage (Children North East is a Living Wage Foundation employer) their contribution would have been worth approximately £47,652 (2021: £22,943).

Impact

Children North East want all babies, children and young people to be happy and healthy and to grow up feeling; safe and loved, resilient to challenges they may face and feel valued and confident.

To enable us to be able to understand the impact we will have, we have invested in systems this year to make sure we know the impact that we are having, this includes continuing to invest in our CiviCRM system, and upgrading our Outcome Star™ so that staff can put this information online, providing us with much more efficient feedback against our core outcomes.

We also continue to assess our work through evaluations, feedback and case studies that bring the impact of our work to life, and we will be growing this aspect of our work over the next year.

Our service users are asked to complete an end of service questionnaire. Of those completed:

- 86% percent of service users who took the survey rated us a 5, being excellent;
- 100% of children and young people who attended counselling stated their mental health has improved as a result
- 67% of those supported by Little Minds in Mind showed improvements related to Anxiety, Stress and Depression

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Department for Digital, Culture, Media & Sport	Tesco
Department for Education	TIN ARTS
Hadrian Trust	Tyne and Wear High Sheriff
High Sheriff of Northumberland	W A Handley Charitable Trust
Joseph Strong Frazer Trust	Warburtons
Leslie and Lilian Manning Trust	West Midlands Police and Crime Commissioner
Linden Family and Prime Funds - CF	Yorkshire Building Society
Ncle CC Arts Council England Culture Bridge	Your Homes Newcastle
Newcastle City Council	Youth Focus : North East

Restricted income

We received income through contracts with the following commissioners:

Ashington Learning Partnership
Cumbria, Northumberland, Tyne & Wear NHS
Newcastle and Gateshead Clinical Commissioning Group
Newcastle City Council
NHS Newcastle and Gateshead
North Tyneside Council
Northumberland County Council
Warwickshire County Council

Children North East competes for contracts that are consistent with our mission, skills and experience, sometimes in partnership with other organisations.

Donations

We are very grateful to all the businesses and individuals who support Children North East, there are too many to list. A special thank you goes to the following, who are some of the individuals and companies who have made donations over £1,000 during the financial year, as well as a number of other donors who wish to remain anonymous:

Andie Stokoe	John Lewis
Bellway Homes	Mrs Helen McArdle
Callum Underwood	Phillip Lee
Drummond Central	Robertsons Construction Ltd

Fundraising and events

Thank you to all of the groups and individuals who have fundraised for us over the year, taking part in everything from quiz nights to walking challenges to raise funds and awareness for Children North East.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Reserves Policy and Going Concern

The Board reviewed the reserves policy during the year as follows:

The Board designates unrestricted reserves as:

- a) Premises (£422,500) comprising those reserves locked into land and buildings on a long-term basis (the Head Office building at 89 Denhill Park, Newcastle upon Tyne and the premises at 4 Graingerville North, Newcastle upon Tyne).
- b) The balance remaining after deduction of the foregoing designated reserves and provision for pension liabilities comprises those General Funds (£215,807, excluding the provision for pension deficit payments as detailed in notes 19 and 22) which are available as working capital to develop the charity and contingency to meet unforeseen shortfalls.

The Board has decided that fluctuations in restricted income are always known in advance and that plans will always be made to manage expenditure against this income without calling on reserves. The majority of expenditure is always staff salaries.

The Board considers that sufficient reserves should be maintained to manage the charity in the event of sudden withdrawal of significant unrestricted income. The Board has examined the pattern of income and expenditure over recent years and decided that a realistic 'comfortable' level of General Funds (free reserves) should be between £250,000 and £300,000.

Investment Policy

When investments are made the investment objective is to provide a balanced return between income and capital growth with a low to medium level of risk. Investments are made within an ethical framework set by the Board:

- No investments that would be against the interests of children (i.e., armaments, gambling, tobacco or alcohol).
- No equity investment to exceed 5% of the total value of the portfolio at the time of purchase.
- Total amount of fixed interest investments not to exceed 33% of the total portfolio.

There are currently no investments in place.

Funds in deficit

In accordance with FRS 102, the charity has recognised a provision in its financial statements for the present value of future additional contributions to its defined benefit pension scheme (as detailed in notes 19 and 22), amounting to £55,417 (2021: £267,020). As a result, in the prior financial year, there was a net deficiency in general, unrestricted funds of £146,415.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

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 Report of the Trustees for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 consolidated financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent company for the purposes of company law) are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

26. LEGAL STATUS

The charity is incorporated under the Companies Act as a company limited by guarantee, with the liability of each member not exceeding 50p on winding up, and is registered in England and Wales. The company's registered number and registered office address can be found within Reference and Administrative Details.

CHILDREN NORTH EAST

England & Wales - Charity number 222041

Accounts

REGISTERED COMPANY NUMBER: 00090288 (England and Wales)
REGISTERED CHARITY NUMBER: 222041

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR**

**CHILDREN NORTH EAST
(A COMPANY LIMITED BY GUARANTEE)**

Read, Milburn & Co
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

CHILDREN NORTH EAST

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Consolidated Balance Sheet	25 to 26
Consolidated Cash Flow Statement	27
Notes to the Financial Statements	28 to 45

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

- Formal agenda for Board activity and minutes of decisions.

Trustees are satisfied that the major risks identified have been adequately mitigated.

OBJECTIVES

The charity's objects are:

- a) to promote the general health, education and development of children, young people and their families and carers living in the north east of England, the rest of the United Kingdom and such other locations as the trustees of the charity determine from time to time. This is achieved through the provision of a range of services, training and development opportunities for babies, children, young people, their mothers, fathers, carers and the professionals who work with them; and
- b) to educate the public and professionals in child welfare issues.

Children North East exists 'because growing up can be hard' for children, young people and their parents. The charity pays particular attention to transition stages during growing up when things can go wrong but can be put right relatively easily by effective early intervention. The five stages and the outcomes that the charity aims to achieve are:

1. Pregnancy and Babyhood – we want babies to feel safe and loved
2. Starting School – we want children to feel ready and looking forward to starting school
3. Changing School – we want children and young people to feel confident in school
4. Adolescence – we want young people to feel valued and confident
5. Becoming independent – we want young people to feel they are given a chance

Put together these outcomes add up to Children North East's mission that 'children and young people grow up healthy and happy'.

The United Kingdom is a signatory to the United Nations Convention on the Rights of the Child, which gives all children the right to health, education, safety, play, family life, protection from harm and support when things go wrong at each stage of growing up. Children North East targets services to those children and young people who do not enjoy all these rights.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

THE DIFFERENCE WE MAKE FOR CHILDREN AND YOUNG PEOPLE

Children North East was established in 1891, making 2021 our 130th anniversary. Throughout that time, the overall objective of the charity has been to make a positive difference to the lives of children and young people.

Children North East has worked tirelessly over the last year to ensure that we could continue to deliver our services to our beneficiaries. Because of the impact of the COVID-19 pandemic, this has invariably meant that we have delivered less of what we would normally do and has resulted in different ways of working.

COVID IMPACT

The financial year ended 31 March 2021, has proven to be a challenging year, one of the most challenging in our living memory due to the impact of COVID on our staff, volunteers, students and beneficiaries. In March 2020 the Government's decision to instruct people to work from home (except essential workers) meant that in the space of 24 hours we had to change the way that we worked for the foreseeable future. Communication was key at this time, and all managers and staff pulled together and made sure that we could deliver what we could, but it meant a fundamental change to the way that we worked. Staff had to adapt to online working which resulted in chance that will allow so to work more dynamically going forward and we were fortunate to secure funding to purchase equipment to allow us to do this.

We furloughed some staff for a short period of time to protect jobs, and we had to establish new services to address the needs of disadvantaged babies, children, young people and families across the North East. This report will aim to highlight some of the adaptations that we have put in place to deliver our services, and it will look at the impact of some of the emergency type services that we put in place to alleviate the distress caused by the pandemic.

PUBLIC BENEFIT

We run four distinct services to reach our aims, including:

- Families and Parenting
- Young People
- NEWPIP (Newcastle Parent Infant Partnerships)
- Poverty Proofing and Participation

During the 2021 financial year, we delivered over 30 different services for babies, children, young people and families, under 8 different service categories:

- Therapeutic Services
- Domestic Abuse Services
- Mental Health Support
- Family Support
- Community Based Support
- Youth Work
- Poverty Proofing
- Participation.

As well as delivering our contracts and grant work, we further expanded our services, establishing emergency responses to issues exacerbated by the pandemic including:

- A successful appeal for school-based resources delivering 3,000 packs to the most vulnerable children who were learning from home
- Domestic Abuse Helpline - launched in response to a rise in the number of incidents of violence in the home during lockdown

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

NHS Charities Together
NHS North Cumbria CCG-Grassroots Small Grants Fund
NIHR Applied Research Collaboration North East &
Cumbria
North Tyneside Learning Trust
Northumberland Children's Trust
Northumberland Village Homes Trust
Northumbria Police and Crime Commissioner
People's Postcode Lottery
Pilgrim trust
PIP UK
Port of Tyne
RISE
Ruby and Will George Charitable Trust
Sir James Knott Trust
Street Games
Tesco
Together for Children
W A Handley Charitable Trust
West Midlands Police and Crime Commissioner
Your Homes Newcastle

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Donations

We are very grateful to all the businesses and individuals who support Children North East, there are too many to list. A special thank you goes to the following, who have made donations over £1,000 during the financial year:

Mr & Mrs Clark
Andie Stokoe
Barratt Homes North East
Cooperative Childcare Newbiggin
Dr Maggie Ireland
Eversheds
Grainger Engineering Ltd
Lowe's
Mr Charles Bragg
Mrs Helen McArdle
Ms Ann Palmer
Mr & Mrs Underwood
Newcastle Building Society
North of England P&I Association
(NEPIA)
Phillip Lee
Robertsons Construction Ltd
Sage Foundation
Sone Products
Stagecoach
The Ardonagh Community Trust

Fundraising and events

The following individuals also raised over £1,000 for Children North East through fundraising events and sponsorship:

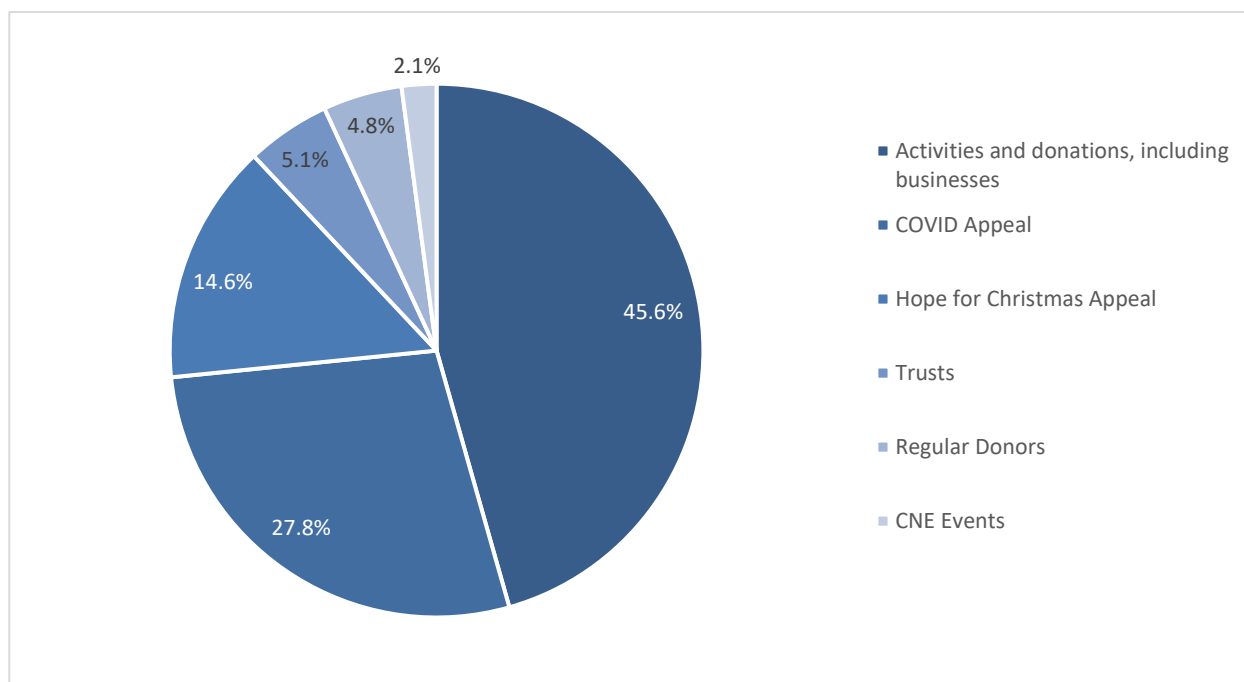
Coffee and Kin
Dan Jackson - In Memory of Namia Jackson
Durham Sixth Form Centre
Jackson Hogg
Mr Jim Farquhar
Mr Tommy Wanless
Mrs Sophie Stephenson
Ms Helen Smith
Newcastle Prep School
Ruth Oldfield t/as Coffee and Kin
Vistry

Unrestricted income

This chart shows the sources of unrestricted income other than the People's Postcode Lottery:

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021



Our approach to fundraising is to encourage supporters and local businesses to fundraise for Children North East, and to engage in our events. Businesses also provide pro bono support and their sponsorship of fundraising events organised by Children North East helps reduce costs and increases net income.

Due to the impact of COVID-19, the majority of the usual fundraising events organised by Children North East were unable to go ahead during the financial year. However, the following virtual events went ahead and a small number of teams managed to take part in a low-key golf day.

- Hope for Christmas giving campaign
- Participants in the Great North Run
- The Big Give
- Eco-balloon racing

In addition, we had an overwhelming response to our COVID appeal, which brought in over £60,000 of unrestricted income.

Our beneficiaries are in great need of new clothing and food. We receive unsolicited gifts of new food, clothes and other goods throughout the year, which are distributed to individuals and families in need.

Children North East fundraising conforms to the requirements of the Fundraising Regulator. The Board of Trustees monitors fundraising activities carried out by Children North East. There were no complaints made to Children North East about our fundraising during the year.

Restricted income

We received income through contracts with the following commissioners:

- Newcastle City Council
- Gateshead Metropolitan Borough Council
- Sunderland City Council
- Newcastle and Gateshead Clinical Commissioning Group
- Cumbria, Northumberland, Tyne & Wear NHS

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

NHS Newcastle and Gateshead

Children North East competes for contracts that are consistent with our mission, skills and experience, sometimes in partnership with other organisations.

Total income was higher than the previous year and is reflected in the reported surplus for the year.

It is the policy of the Board to wind down and close activities where there is no prospect of securing adequate funding.

Reserves Policy and Going Concern

The Board reviewed the reserves policy during the year as follows:

The Board designates unrestricted reserves as:

- a) Premises (£422,500) comprising those reserves locked into land and buildings on a long term basis (the Head Office building at 89 Denhill Park, Newcastle upon Tyne and the premises for Young People services at 4 Graingerville North, Newcastle upon Tyne).
- b) The balance remaining after deduction of the foregoing designated reserves and provision for pension liabilities comprises those General Funds (£120,605, excluding the provision for pension deficit payments as detailed in notes 19 and 22) which are available as working capital to develop the charity and contingency to meet unforeseen shortfalls.

The Board has decided that fluctuations in restricted income are always known in advance and that plans will always be made to manage expenditure against this income without calling on reserves. The majority of expenditure is always staff salaries.

The Board considers that sufficient reserves should be maintained to manage the charity in the event of sudden withdrawal of significant unrestricted income. The Board has examined the pattern of income and expenditure over recent years and decided that a realistic 'comfortable' level of General Funds (free reserves) should be between £250,000 and £300,000.

As noted in the prior year report, the Trustees had decided to sell the head office property at Denhill Park as it was deemed no longer required for operational reasons. However, following the success of a number of bids and new contracts being awarded, this decision was reviewed in early 2021. A growing staff force along with a willingness by staff to return, from home-working, to an office environment was assessed and the most financial viable option was to keep Denhill Park as an asset and as the head office.

Investment Policy

When investments are made the investment objective is to provide a balanced return between income and capital growth with a low to medium level of risk. Investments are made within an ethical framework set by the Board:

- No investments that would be against the interests of children (i.e. armaments, gambling, tobacco or alcohol).
- No equity investment to exceed 5% of the total value of the portfolio at the time of purchase.
- Total amount of fixed interest investments not to exceed 33% of the total portfolio.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

There are currently no investments in place.

Funds in deficit

In accordance with FRS 102, the charity has recognised a provision in its financial statements for the present value of future additional contributions to its defined benefit pension scheme (as detailed in notes 19 and 22), amounting to £267,020 (2020: £316,383). As a result, there is a net deficiency in general, unrestricted funds of £146,415 (2020: £450,570).

FUTURE PLANS

Children North East have recently launched a Five Year Strategy which sets out how the charity will achieve its objectives, and how it will create and make the most of opportunities over the coming years, in line with Our Vision that babies, children and young people grow up to be healthy and happy.

Our ambition is that:

- Babies grow up feeling safe and loved
- Children are ready and looking forward to school
- Children and young people are confident in school
- Young people feel valued and confident
- Young people are given a chance

The strategy focuses on three key objectives, with each having a number of specific aims and an outline of what we plan to do to achieve these objectives. Our key objectives are:

Sustainability and growth

- Increase and diversify our income
- Diversify our workforce
- Build our networks
- Accountability across our organisation

Reach

- Raise our profile
- Increase our presence
- Widen our reach

Impact

- Measure our impact
- Address inequalities
- Build a strong workforce

Further information is available on our website – www.children-ne.org.uk.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr David W Bavaird, Chair Mrs Debbie McCordall Mr Ian Railton Mrs Lucy Kendall Mr Stephen Robinson Ms Glenda Devlin Mrs Judith Hay OBE Prof Eileen Kaner Mr Mark Stoddart Mr Alex Coburn Ms Philippa Hughes Reverend Sarah Lunn Ms Michele Harvey	resigned July 2021 resigned July 2021 resigned December 2020 resigned December 2020 resigned August 2020
Chief Executive Officer	Mrs Leigh Elliott	appointed December 2020 (previously interim CEO)
Operations Director	Ms Michele Deans	
Head Office & Registered Office	89 Denhill Park Newcastle upon Tyne, NE15 6QE	
Auditors	Read, Milburn and Co 71 Howard Street North Shields NE30 1AF	
Bankers	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB	
Investment Managers	Speirs & Jeffrey Limited - currently no investments 36 Renfield Street Glasgow G21 NA	

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Children North East for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Read, Milburn & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of trustees on 15 December 2021 and signed on its behalf by:



Mr David W Bavaird, Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

Opinion

We have audited the financial statements of Children North East (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 consolidated 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 this gives rise to a material misstatement in the consolidated 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

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 Report of the Trustees for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 consolidated financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent company for the purposes of company law) are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHILDREN NORTH EAST

Our responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 consolidated financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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. In this regard, our procedures include the following:

- enquiry of management around actual and potential litigation and claims;
- reviewing minutes of meetings of those charged with governance;
- reviewing consolidated financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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

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 parent company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Liley FCA (Senior Statutory Auditor)
for and on behalf of Read, Milburn & Co
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

20 December 2021

CHILDREN NORTH EAST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	611,198	-	611,198	466,398
Charitable activities					
General operations	5	38,872	-	38,872	28,797
Children and young people		453,443	237,093	690,536	578,610
Families and parenting		229,590	211,191	440,781	405,548
Parent infant partnership		233,584	60,147	293,731	300,805
Other trading activities	3	109,743	-	109,743	302,441
Investment income	4	-	-	-	651
Other income		18,516	98,975	117,491	23,852
Total		<u>1,694,946</u>	<u>607,406</u>	<u>2,302,352</u>	<u>2,107,102</u>
EXPENDITURE ON					
Raising funds	6	47,836	-	47,836	46,441
Charitable activities					
General operations	7	626,214	98,975	725,189	617,644
Children and young people		374,624	193,592	568,216	694,255
Families and parenting		228,853	169,410	398,263	624,881
Parent infant partnership		206,640	52,053	258,693	318,782
Total		<u>1,484,167</u>	<u>514,030</u>	<u>1,998,197</u>	<u>2,302,003</u>
Net gains on investments		-	-	-	483
NET INCOME/(EXPENDITURE)		<u>210,779</u>	<u>93,376</u>	<u>304,155</u>	<u>(194,418)</u>
Transfers between funds		<u>93,376</u>	<u>(93,376)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>304,155</u>	<u>-</u>	<u>304,155</u>	<u>(194,418)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>(28,070)</u>	<u>-</u>	<u>(28,070)</u>	<u>166,348</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>276,085</u></u>	<u><u>-</u></u>	<u><u>276,085</u></u>	<u><u>(28,070)</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)
**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021**

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	14	463,150	460,185	463,150	460,185
Investments	15	-	-	1	1
		<hr/>	<hr/>	<hr/>	<hr/>
		463,150	460,185	463,151	460,186
CURRENT ASSETS					
Debtors	16	354,061	172,216	449,779	193,012
Cash at bank and in hand		368,364	22,734	362,889	13,809
		<hr/>	<hr/>	<hr/>	<hr/>
		722,425	194,950	812,668	206,821
CREDITORS					
Amounts falling due within one year	17	(642,470)	(366,822)	(639,264)	(284,129)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		79,955	(171,872)	173,404	(77,308)
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		543,105	288,313	636,555	382,878
PROVISIONS FOR LIABILITIES	19	(267,020)	(316,383)	(267,020)	(316,383)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS/(LIABILITIES)		276,085	(28,070)	369,535	66,495
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
FUNDS					
Unrestricted funds:	21				
General fund		(146,415)	(450,570)	(52,965)	(356,005)
Designated fund		422,500	422,500	422,500	422,500
		<hr/>	<hr/>	<hr/>	<hr/>
		276,085	(28,070)	369,535	66,495
Restricted funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS		276,085	(28,070)	369,535	66,495
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

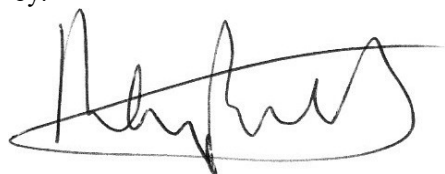
The notes form part of these financial statements

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)

**CONSOLIDATED BALANCE SHEET - CONTINUED
AS AT 31 MARCH 2021**

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 15 December 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'David Bavaird', written over a horizontal line.

Mr David Bavaird, Chair

CHILDREN NORTH EAST

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash flows from operating activities:					
Cash generated from/(used in) operations	24	360,109	(178,671)	363,304	(182,379)
Interest paid		(2,113)	(3,851)	(1,858)	(3,663)
Net cash provided by/(used in) operating activities		<u>357,996</u>	<u>(182,522)</u>	<u>361,446</u>	<u>(186,042)</u>
Cash flows from investing activities:					
Purchase of tangible fixed assets		(12,366)	(39,650)	(12,366)	(39,650)
Sale of fixed asset investments		-	78,559	-	78,559
Interest received		-	651	-	651
Net cash (used in)/provided by investing activities		<u>(12,366)</u>	<u>39,560</u>	<u>(12,366)</u>	<u>39,560</u>
Change in cash and cash equivalents in the reporting period		345,630	(142,962)	349,080	(146,482)
Cash and cash equivalents at the beginning of the reporting period		<u>22,734</u>	<u>165,696</u>	<u>13,809</u>	<u>160,291</u>
Cash and cash equivalents at the end of the reporting period		<u><u>368,364</u></u>	<u><u>22,734</u></u>	<u><u>362,889</u></u>	<u><u>13,809</u></u>

The notes form part of these financial statements

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets. The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

As explained more fully in notes 19 and 22 to the financial statements the charity participates in a multi-employer defined benefit pension scheme which is in deficit and as such is required to pay additional contributions to the scheme in order to eliminate the funding shortfall.

In accordance with FRS102, the charity has recognised a provision in its financial statements for the present value of future additional contributions to the scheme, amounting to £267,020 (2020 - £316,383). As a result there is a net deficiency in general, unrestricted funds in the amount of £146,415 (2020 - £450,570).

Additional contributions to the scheme have been made under a fixed term agreement, expiring in January 2025, for a number of years and, prior to the application of FRS102, such contributions were charged directly to expenditure. As a result the trustees are of the opinion that the charity will be able to generate sufficient funds to cover future additional contributions as they fall due and therefore, irrespective of the reported deficit, continue as a going concern; the financial statements have therefore been drawn up on that basis.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary CNE Trading Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Motor vehicles	- at 20% on cost
Fixtures and fittings	- at 20% on cost and 25% on cost

No depreciation is provided in respect of the freehold properties held, which is a departure from the Companies Act 2006 which requires all properties to be depreciated. The directors however consider that the adopted policy of non depreciation of freehold properties results in the accounts giving a true and fair view.

Related party exemption

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The company contributes to a defined contribution pension scheme for its employees. Pension costs are charged to the income and expenditure account when paid which results in spreading the cost of pensions over the employees working lives with the charity.

Investments

Investments are stated at mid market value at the balance sheet date. Purchases and sales include transaction fees charged by investment managers. All other fees are charged to expenditure.

Debtors

Debtors and prepayments are recognised at the settlement amount due or amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

Other than those mentioned above, the 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.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Post Code Children Trust	400,000	400,000
Other donations and legacies	211,198	66,398
	<u>611,198</u>	<u>466,398</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	7,966	55,096
Charges for goods & services	101,777	247,345
	<u>109,743</u>	<u>302,441</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Investment income	-	651
	<u>-</u>	<u>651</u>

CHILDREN NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

5. INCOME FROM CHARITABLE ACTIVITIES

	General Operations £	Children and young people £	Families and parenting £
Grants	38,872	358,847	116,056
Contract income	-	326,580	289,591
Spot purchase of services	-	5,109	35,134
	<u>38,872</u>	<u>690,536</u>	<u>440,781</u>

	Parent infant partnership £	2021 Total activities £	2020 Total activities £
Grants	63,571	577,346	579,009
Contract income	229,910	846,081	674,122
Spot purchase of services	250	40,493	60,629
	<u>293,731</u>	<u>1,463,920</u>	<u>1,313,760</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Health	-	259,586
Trusts	32,243	76,228
Big Lottery	-	14,599
Other	545,103	228,596
	<u>577,346</u>	<u>579,009</u>

6. RAISING FUNDS

Raising donations and legacies

	2021 £	2020 £
Staff costs	39,330	39,740
Other fundraising costs	8,506	6,701
	<u>47,836</u>	<u>46,441</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support Costs (See note 9)	Totals
	£	£	£
General operations	599,736	125,453	725,189
Children and young people	511,467	56,749	568,216
Families and parenting	364,870	33,393	398,263
Parent infant partnership	233,872	24,821	258,693
	<u>1,709,945</u>	<u>240,416</u>	<u>1,950,361</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	1,626,706	1,858,163
Motor & travel expenses	20,809	59,132
Staff training & recruitment	6,567	15,931
Volunteer costs	4,102	20,425
Other client costs	51,761	59,288
	<u>1,709,945</u>	<u>2,012,939</u>

9. SUPPORT COSTS

	Management & administration	Governance costs	Totals
	£	£	£
General operations	120,048	5,405	125,453
Children and young people	56,749	-	56,749
Families and parenting	33,393	-	33,393
Parent infant partnership	24,821	-	24,821
	<u>235,011</u>	<u>5,405</u>	<u>240,416</u>

CHILDREN NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

9. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Management & administration

	General Operations	Children and young people	Families and parenting
	£	£	£
Rent & rates	7,917	1,241	11,671
Insurance	7,816	-	100
Light & heat	2,358	3,921	6
Telephone	5,039	10,108	6,692
Printing, postage, stationery & advertising	7,905	7,473	3,103
Sundries	388	40	311
Repairs & maintenance	12,368	5,317	433
IT costs	43,292	21,969	6,583
Other costs	23,236	5,727	3,839
Depreciation of tangible fixed assets	6,484	953	655
Interest payable and similar charges	3,245	-	-
	120,048	56,749	33,393
	120,048	56,749	33,393

	Parent infant partnership	2021 Total activities	2020 Total activities
	£	£	£
Rent & rates	6,670	27,499	54,316
Insurance	-	7,916	7,310
Light & heat	-	6,285	7,673
Telephone	3,045	24,884	20,625
Printing, postage, stationery & advertising	2,511	20,992	23,161
Sundries	-	739	4,153
Repairs & maintenance	208	18,326	17,446
IT costs	8,658	80,502	52,716
Other costs	3,074	35,876	43,982
Depreciation of tangible fixed assets	655	8,747	1,965
Interest payable and similar charges	-	3,245	3,851
	24,821	235,011	237,198
	24,821	235,011	237,198

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

9. SUPPORT COSTS - continued

Governance costs

	2021 General Operations £	2020 Total activities £
Auditors' remuneration	5,405	5,425

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2021 £	2020 £
Auditors' remuneration	5,405	5,425
Depreciation - owned assets	9,401	1,965

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,449,575	1,671,211
Social security costs	118,930	137,248
Other pension costs	97,531	89,444

The key management personnel, including the trustees, are listed under Reference and Administrative Details. The total employee benefits of the key management personnel were £129,961 (2020 - £153,307).

The average monthly number of employees during the year was as follows:

	2021	2020
All staff	66	74

No employees received emoluments in excess of £60,000.

CHILDREN NORTH EAST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	316,398	150,000	466,398
Charitable activities			
General operations	28,797	-	28,797
Children and young people	385,163	193,447	578,610
Families and parenting	250,934	154,614	405,548
Parent infant partnership	300,805	-	300,805
Other trading activities	302,441	-	302,441
Investment income	651	-	651
Other income	23,452	400	23,852
Total	1,608,641	498,461	2,107,102
EXPENDITURE ON			
Raising funds	46,441	-	46,441
Charitable activities			
General operations	617,644	-	617,644
Children and young people	426,245	268,010	694,255
Families and parenting	438,758	186,123	624,881
Parent infant partnership	318,782	-	318,782
Total	1,847,870	454,133	2,302,003
Net gains on investments	483	-	483
NET (EXPENDITURE)/INCOME	(238,746)	44,328	(194,418)
Transfers between funds	44,328	(44,328)	-
Net movement in funds	(194,418)	-	(194,418)
RECONCILIATION OF FUNDS			
Total funds brought forward	166,348	-	166,348
TOTAL FUNDS CARRIED FORWARD	(28,070)	-	(28,070)

CHILDREN NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

15. FIXED ASSET INVESTMENTS

Charity

	Shares in group undertakings £	Totals £
MARKET VALUE		
At 1 April 2020 and 31 March 2021	<u>1</u>	<u>1</u>
NET BOOK VALUE		
At 1 April 2020 and 31 March 2021	<u>1</u>	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

CNE Trading Ltd

Registered office: 89 Denhill Park, Newcastle upon Tyne, NE15 6QE

Nature of business: Delivery of services on behalf of the charity.

	%		
Class of share:	holding		
Ordinary	100		
		2021	2020
		£	£
Aggregate capital and reserves		(93,449)	(94,564)
Profit/(loss) for the year		<u>1,115</u>	<u>(22,837)</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

19. PROVISIONS FOR LIABILITIES - GROUP AND CHARITY

	2021	2020	
	£	£	
Pension deficit provision	267,020	316,383	
	<u> </u>	<u> </u>	
Present Values of Provision			
	2021	2020	2019
	£	£	£
Present value of provision	267,020	316,383	383,800
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of Opening and Closing Provisions			
	2021	2020	
	£	£	
Provision at start of period	316,383	383,800	
Unwinding of the discount factor (interest expense)	7,109	4,856	
Deficit contribution paid	(65,604)	(63,692)	
Remeasurements - impact of any change in assumptions	9,132	(8,581)	
	<u> </u>	<u> </u>	
Provision at end of period	267,020	316,383	
	<u> </u>	<u> </u>	
Income and expenditure impact			
	2021	2020	
	£	£	
Interest expense	7,109	4,856	
Remeasurements - impact of any change in assumptions	9,132	(8,581)	
	<u> </u>	<u> </u>	
	16,241	(3,725)	
	<u> </u>	<u> </u>	
Assumptions			
	2021	2020	2019
	% per annum	% per annum	% per annum
Rate of discount	0.66	2.53	1.39
	<u> </u>	<u> </u>	<u> </u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

CHILDREN NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2021 Total funds £	2020 Total funds £
Fixed assets	463,150	-	463,150	460,185
Current assets	722,425	-	722,425	194,950
Current liabilities	(642,470)	-	(642,470)	(366,822)
Provision for liabilities	(267,020)	-	(267,020)	(316,383)
	<u>276,085</u>	<u>-</u>	<u>276,085</u>	<u>(28,070)</u>

21. MOVEMENT IN GROUP FUNDS

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	(450,570)	104,279	199,876	(146,415)
Designated fund	422,500	-	-	422,500
Families and Parenting	-	737	(737)	-
Young People	-	78,819	(78,819)	-
Parent Infant Partnership	-	26,944	(26,944)	-
	<u>(28,070)</u>	<u>210,779</u>	<u>93,376</u>	<u>276,085</u>
Restricted funds				
Families and Parenting	-	41,781	(41,781)	-
Children and Young People	-	43,501	(43,501)	-
Parent Infant Partnership	-	8,094	(8,094)	-
	<u>-</u>	<u>93,376</u>	<u>(93,376)</u>	<u>-</u>
TOTAL FUNDS	<u>(28,070)</u>	<u>304,155</u>	<u>-</u>	<u>276,085</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN GROUP FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	778,329	(674,050)	-	104,279
Families and Parenting	229,590	(228,853)	-	737
Young People	453,443	(374,624)	-	78,819
Parent Infant Partnership	233,584	(206,640)	-	26,944
	<u>1,694,946</u>	<u>(1,484,167)</u>	<u>-</u>	<u>210,779</u>
Restricted funds				
Families and Parenting	211,191	(169,410)	-	41,781
Children and Young People	237,093	(193,592)	-	43,501
Parent Infant Partnership	60,147	(52,053)	-	8,094
Coronavirus Job Retention Scheme	98,975	(98,975)	-	-
	<u>607,406</u>	<u>(514,030)</u>	<u>-</u>	<u>93,376</u>
TOTAL FUNDS	<u>2,302,352</u>	<u>(1,998,197)</u>	<u>-</u>	<u>304,155</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	(256,152)	(34,849)	(159,569)	(450,570)
Designated fund	422,500	-	-	422,500
Families and Parenting	-	(148,516)	148,516	-
Young People	-	(37,471)	37,471	-
Parent Infant Partnership	-	(17,910)	17,910	-
	<u>166,348</u>	<u>(238,746)</u>	<u>44,328</u>	<u>(28,070)</u>
Restricted funds				
Families and Parenting	-	18,891	(18,891)	-
Children and Young People	-	25,437	(25,437)	-
	<u>-</u>	<u>44,328</u>	<u>(44,328)</u>	<u>-</u>
TOTAL FUNDS	<u>166,348</u>	<u>(194,418)</u>	<u>-</u>	<u>(28,070)</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN GROUP FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	628,753	(664,085)	483	(34,849)
Families and Parenting	290,242	(438,758)	-	(148,516)
Young People	388,774	(426,245)	-	(37,471)
Parent Infant Partnership	300,872	(318,782)	-	(17,910)
	<u>1,608,641</u>	<u>(1,847,870)</u>	<u>483</u>	<u>(238,746)</u>
Restricted funds				
Families and Parenting	205,014	(186,123)	-	18,891
Children and Young People	293,447	(268,010)	-	25,437
	<u>498,461</u>	<u>(454,133)</u>	<u>-</u>	<u>44,328</u>
TOTAL FUNDS	<u><u>2,107,102</u></u>	<u><u>(2,302,003)</u></u>	<u><u>483</u></u>	<u><u>(194,418)</u></u>

Designated fund

The designated fund represents the net book value of the properties at Denhill Park and Graingerville North.

Restricted funds

Families & Parenting

The Families & Parenting fund was set up to support children, young people and parents in challenging circumstances such as living in temporary homeless accommodation, parent mental health, parental substance misuse, domestic violence and non school attendance. It also provides training in parenting with particular emphasis on fathers.

Children & Young People

The Children & Young People fund provides services in a drop in advice centre for young people including outreach sexual health advice and also provides training in schools for young people about health, wellbeing and mental health. Five Youth Link projects train and support young people as volunteers to support young people in need. The service also supports Newcastle Youth Council.

22. PENSION COMMITMENTS

TPT Retirement Solutions - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

22. PENSION COMMITMENTS - continued

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 January 2025: £54,560 per annum (payable monthly and increasing by 3% each on 1 April).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement the Company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rates detailed in note 19 to the financial statements. The unwinding of the discount rate is recognised as a finance cost.

Pension Trust Flexible Pension Plan

From December 2006 the group has also offered the Flexible Pension Plan (the new scheme) to all staff. The new scheme is a money purchase plan and is not contracted out of the state scheme. The Charity paid contributions at the rate of 7.25% during the accounting period and members paid minimum contributions at the rate of 5% but could make additional voluntary contributions if they wished. The employer's contribution payable during the year was £81,291 (2020: £91,284) and the outstanding contributions (employer plus employee) owed at the balance sheet date was £19,418 (2020: £17,932).

The group continues to offer membership of the new scheme to all of its employees.

23. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There were no related party transactions requiring disclosure for the year ended 31 March 2021.

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

24. POST BALANCE SHEET EVENTS

Pension Commitments: TPT Retirement Solutions - The Growth Plan

Subsequent to the year-end, the results of the full actuarial valuation as at 30 September 2020 were announced and the deficit has reduced to £33.3m.

A reduction in additional deficit contributions will apply from 1 April 2022. The new contribution is £20,190.23 per annum and is fixed. In addition, plan expenses will now be paid separate to the deficit contributions. This will apply from 1 April 2022 at £22,568 (payable monthly and increasing by 3% each 1 April).

25. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	304,155	(194,418)	303,040	(171,581)
Adjustments for:				
Depreciation charges	9,401	1,965	9,401	1,965
Gains on investments	-	(483)	-	(483)
Interest received	-	(651)	-	(651)
Interest paid	2,113	3,851	1,858	3,663
(Increase)/decrease in debtors	(181,845)	23,925	(256,767)	32,263
Increase in creditors	275,648	54,557	355,135	19,862
Difference between pension charge and cash contributions	(49,363)	(67,417)	(49,363)	(67,417)
Net cash provided by/(used in) operating activities	<u>360,109</u>	<u>(178,671)</u>	<u>363,304</u>	<u>(182,379)</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

Group

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Cash at bank and in hand	<u>22,734</u>	<u>345,630</u>	<u>368,364</u>

Charity

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Cash at bank and in hand	<u>13,809</u>	<u>349,080</u>	<u>362,889</u>

CHILDREN NORTH EAST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021**

27. LEGAL STATUS

The charity is incorporated under the Companies Act as a company limited by guarantee, with the liability of each member not exceeding 50p on winding up, and is registered in England and Wales. The company's registered number and registered office address can be found within Reference and Administrative Details.