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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)

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FOR THE YEAR ENDED 31 MARCH 2023**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 2023. 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).

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. The governing instruments are the memorandum and articles of association as adopted by written resolution passed in March 2020.

Recruitment and appointment of trustees

The 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 one trustee, Chairman David Bavaird, has 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.

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 normally comprises twelve 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.

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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.

OBJECTIVES AND ACTIVITIES

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.

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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 was established in 1891, meaning we are now 132 years old. 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.

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 happy and healthy.

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

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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. 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 2023/24 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.

ACHIEVEMENTS AND PERFORMANCE

Message from the CEO

For Children North East and its communities, the last year has been marked by a mix of challenges and inspiring achievements.

In the North East and across the UK, we have seen policies fail to meet the basic needs of babies, children, young people and their families. The increased demand for our services has been stark, driven by the pressures of the cost-of-living crisis on families, continued cuts to funding for youth work and the profound impact of COVID-19 on children and young people.

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We have increased our policy work in response, this year using our voice to advocate for a basic standard of living for all, including calling on the Government to uprate benefits in line with inflation and scrap the two-child cap. We are now campaigning for a national strategy that acknowledges and addresses child poverty, which affects 4.2 million children in the UK.

Meeting the demand for our services and ensuring the stability of our core functions has been no small feat, but it's one we've embraced with determination. The charity has worked creatively, and responsively to serve its mission that every baby, child and young person has the opportunity to grow up healthy and happy. In March we opened Cafe Hope at our Cowgate space, creating a hub for families from the local community to eat, stay warm, access services and build their support networks. In Northumberland, where some towns have 65% of their households being identified as deprived, we've launched a new base to run services. Activities like these have helped us grow the reach of our support by 10% this year, with 4,544 individuals accessing our services.

None of this would have been possible without our dedicated staff, trustees, volunteers and supporters; whose expertise and commitment have been the backbone of our success. I would like to take this moment to thank them for their hard work, and to thank the hundreds of supporters who make a difference to the lives of babies, children and young people by donating, fundraising and raising awareness.

Our Impact and Reach

During the financial year, our key impact figures included:

- **Number of Individuals Supported – 4,544**

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. This figure represents a 10% increase in relation to last year (2021/22).

- **Number of programmes delivered - 69**

We have delivered a wide range of programmes, predominantly in the North East of England but with some extending across other areas of England, Scotland and Wales.

- **Our supporter community – 1,456**

The number of people in our supporter community represents those who are engaged with us in relation to donations, fundraising, volunteering and other types of support. It includes 402 individual fundraisers and 52 organisations who have donated or raised funds on our behalf.

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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:

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Family Support

Approximately one in five families report 'distressed' relationships, leading to pressures on family life such as the breakdown of adult relations, parenthood, health challenges or finances. Our expert teams offer a range of services 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. We also provide one-to-one help for families in periods of crisis, such as supporting them to engage with Children's Social Care or during legal proceedings, with the goal that families are supported to stay safe, care for each other and play a positive role in each other's lives.

All families should have access to the information and tools they need to care for and interact positively with their babies and children, and to look after their own wellbeing. Yet, families have said that they sometimes experience difficulty interacting with the complex service landscape and have to 're-tell their story' to different services and professionals.

Children North East at the Cowgate Centre is one of the two Newcastle Community family hubs in the Inner West of the city, funded by Newcastle City Council. It delivers services to babies, children, young people and their families in one place, serving the needs of the local community.

In 2022/23, the Centre facilitated a number of different sessions through the centre for children and families, supporting development, family bonding and community building. These included Stay and Play, Sensory play, Crafty kids group, First Words, Boogie Bairns and Baby massage.

We offered a number of parenting programmes to help families deal with the challenges of everyday life, such as non- school attendance, behaviour issues, anxiety and poor mental health, pregnancy and nurturing in the Early Years.

The community family hub also offered access to other services, which are delivered from the centre, including Baby clinics, 'Under 5' health clinics and meetings with professionals and agencies. During the year 884 individuals accessed the Community Family Offer.

In addition, six parents who accessed the service at Cowgate were supported to attend our volunteer programme to support the work we do at the hub as a whole. Of these, two have now successfully moved into paid employment.

Therapy

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 can 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.

The following outlines our provision in relation to Counselling:

Declining mental health amongst young people in the North East continues to grow year on year, which in turn creates longer waiting lists for young people to be seen by qualified mental health practitioners including counsellors and therapists. Young Minds latest data reports 59% of young people seeking help suffered worsening mental health whilst waiting to be seen.

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Our counselling service offers counselling to support 11-25 year olds who have emotional wellbeing and mental health issues. We have a team of trained and experienced counsellors, working with a higher level of counselling referrals which include trauma, domestic violence, sexual abuse, bereavement, anxiety and depression.

The counselling team have been working across Northumberland, Tyne and Wear and Durham, and the quality of the work has been praised by current funders. This year, Children North East delivered contracts through the North East and North Cumbria ICB, the Police and Crime Commissioner and BACP (engagement and support to young refugees and asylum seekers). The counselling team are adept at dealing with high rate of referrals, and keeping the referral waiting time to an absolute minimum, with waiting time averaging at six weeks. The team is able to adapt its counselling within different environments, with counsellors utilising pre-assessed venues to deliver counselling in schools, youth centres, community centres, allotments and more. This adaptability also helps our counselling team deliver person centred care in appropriate environments.

During the year, 100% of those accessing counselling stated their mental health has improved and 97% feel they have more strategies and feel more positive about their future.

Mental Health

One in six children will experience a mental health challenge, whilst 6% of 10 to 15 years olds report they are unhappy with their lives. Our mental health work gives children, young people and their families the opportunity to access early help and to develop tools to understand and manage their mental health. Our wide-ranging approaches include delivering mentoring and peer-support programmes, one-to-one and group activities, educational sessions and training for those wanting to support family members. We can offer specialised support for those with unique needs, including SEND, neurodiversity and refugees. Our work helps build the confidence of individuals and families to manage their mental health, grow their resilience and overcome challenges before they escalate.

One area of delivery is the offer of the BU Wellbeing Programme:

North Tyneside Learning Trust partnered with Children North East to offer 119 pupils the charity's BU Wellbeing course, which helps children and young people to build resilience and develop positive techniques to manage their mental health.

Staff shared that the sessions made a significant impact on many of the young people and that they saw them using what they had learned in practice, such as coping techniques during times of stress. One teacher happily surprised to see the quieter male students they had expected to shy away from the topic embrace it and speak freely about some of their experiences.

Gary Munday, Pastoral Guidance Officer at Monkseaton Middle School explains, "The children have responded well to the sessions, and we can see them grow into it as the weeks build up. The sessions have given the students the skills, confidence, and resilience to support them to achieve."

Katrina Moffat, Project Manager at the North Tyneside Learning Trust shares how the programme created value for pupils, "Through working with Children North East, we have been able to provide groups of young people with access to the BU programme and also provide training for staff in schools allowing them to continue to provide support. We're really pleased to have been able to work with Children North East and support North Tyneside Learning Trust schools in this important area."

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Community Services

No family should miss out on vital services because of where they live or their ability to travel, yet sadly this is often the case. Our community services provide a wide range of support opportunities in underserved places, from family activities to learning to experiences that bring communities together. The primary focus of our community services is promoting physical health and developing local support networks for groups with inadequate provision, such as young people with SEND and families living in poverty. Residents are supported to overcome challenges they face, experience less isolation and have a chance to thrive together, as a community.

One of the areas which we support, and which has grown during the financial year, is SEND and Neuro support. There is currently a lack of support for neurodivergent young people; a challenge which is being exacerbated by funding cuts within state healthcare and educational budgets. For example, a young person in the North East can wait up to two years or more for an autism diagnosis.

Children North East's work in this area plays a vital role in meeting local need. Our support for SEND and neurodiverse young people provides essential support for mental health and well-being of those we work with and feeds into wider areas of their life such as school, relationships and navigating the world around them.

This year our provision included:

- Masquer-aid support programme Neuro Peer support groups Mentoring.
- 1-2-1 work through the Children with Disabilities programme.
- Social action projects for neurodiverse young people.

The support groups deliver a positive impact on self-esteem, confidence and mental health. For example, many neurodivergent young people feel lonely and have a strong desire to form friendships with their peers which the groups facilitate. They enable individuals to socialise without the need to mask or feel pressure to adhere to neurotypical behaviours.

During the year, 236 young people were supported through our Neuro and SEND provision.

Case study: Wren's story

Masquer-Aid is a peer support group for 11 to 25 year olds who have recently found out they are neurodifferent or are waiting for a diagnosis. It also provides young people with opportunities to engage in therapeutic support with a counsellor and support from a specialised mental health youth worker and engage in fun activities.

*One young person, *Wren, attended Masquer-Aid groups and accessed one-to- one sessions with a youth worker. They shared they often felt guilt and shame over their behaviour at home and their progress at school.*

In sessions, Wren and their youth worker explored what it meant to be neurodivergent and some of the challenges that this presents. Wren reflected that their impulsiveness, sleep issues and inability to concentrate in lessons could be something beyond their control and this enabled them to have a more positive opinion of themselves and improved self- esteem.

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Wren's Mam reported that since participating in Masquer-Aid, Wren talks about themselves in a more positive light, has fewer angry outbursts, has been able to explain how they feel more easily and asks for help when things become overwhelming.

The youth worker also sent a report to Wren's school and met with its SENCo. As a result, some changes were put in place to support Wren, for example the option to visit the welfare department first period to help them settle into the day.

Feedback from the family included, "You are a great support to families like us, thank you for listening without judgement".

** Names changed for privacy*

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© work is now truly national across all sectors we work in, from Pembrokeshire to Berwick-upon-Tweed, school pupils are benefiting from the work our Schools Team delivers.

In Health, we have worked with maternity services, paediatric diabetes and General Practice to name a few, partnering with NHS bodies and national charities on much of the work.

Partnership work remains important across all our work, whether it is with the 10 Local and Combined Authorities, regional bodies, Multi Academy Trusts and Dioceses' across England and Wales that the Schools team currently works with or cultural organisations such as the Tees Valley Museums with whom we began working with this year.

Our team in the West Midlands embarked upon the first Poverty Proofing Communities intervention with Warwickshire Council, a one-year programme spanning two financial years with this first phase involving four settings, including leisure centres.

In 2023, Poverty Proofing Health Settings was shortlisted for 'Most Impactful Project Addressing Health Inequalities' at the national HSJ Partnership Awards 2023, recognising their outstanding dedication to improving healthcare and effective collaboration with the NHS.

Outside of delivering Poverty Proofing services, the team pursue opportunities to raise awareness about the causes of poverty and ways to address its impact through speaking at conferences, publishing resources for professionals and sharing insights through a quarterly newsletter and Twitter.

During the financial year, 105 settings were 'Poverty Proofed' with 33,736 individuals consulted and 1,342 individuals trained.

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Case Study: Sandwell Council

It is often repeated that every journey begins with a first step. For Sandwell Council changing the future starts with a day.

Responding to the complex issues that create and arise from poverty is difficult. Developing a strategy that creates meaningful change for the communities you serve requires insight, understanding and creative problem-solving. Serving an area with the 12th highest level of deprivation in the UK, Sandwell Council is faced with challenging decisions that will have long-term impact on its residents' health, economic opportunities, and wellbeing.

And just like the first step of a journey, one way they are tackling the big questions about how they create improvements for their communities is by looking at one of the foundational steps in people's lives: the School Day. In 2022, they partnered with Children North East to deliver a programme of Poverty Proofing® for over 50 schools.

Rachael Wolffel, Education Development Officer at Sandwell Virtual School explains, "Poverty is connected to so many of the vulnerabilities of our students and the Poverty Proofing approach is offering an effective way of addressing that in a rounded way. You can cross reference decisions and activities with everyday experiences from the audit, adapt your language and change the culture within the school to promote positive pupil and family behaviours."

Although it was a programme focused on improving access and experiences of education, improving health outcomes is an important long-term benefit of the programme. Emily Morgan, an Advisory Teacher for RSHE with Sandwell Council, "it has had a profound impact on schools' unseen issues, but it has also had a huge impact on areas of strategic importance to health and has informed the authority on long-term changes that are now part of our public health strategy".

The examples she presents are wide ranging, improving attendance (a top priority for Sandwell Council) increasing access to and uptake of free school meals, staff recognising pupil health and wellbeing issues, improving relationships between staff and students and opportunities to signpost support and education.

Similarly, the Police's Violence Reduction Unit, which contributed to the programme's funding, saw it as a pathway to protect children who are at risk of being victims of or involved with community violence later in life.

This diversity of benefactors of the Poverty Proofing programme in Sandwell is one of the most important aspects for Sandwell Council. Emily explains, "We're working more closely with a huge range of stakeholders. Our teams across the council and its partners are working towards substantial goals for our communities, which often interlink. This programme has been a vehicle to pull those different groups together: schools, healthcare, child and social services, housing and community policing. This saves public money, shares expertise and feeds into better outcomes; really supporting the needs of the community."

Sandwell Council are the first local authority to partner with the Poverty Proofing team with such an holistic vision for how it could support quality of life for its communities now and in the long-term, bringing together diverse organisations to action change from the programme's findings.

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When we think of the school day most of us think of a time full of firsts, when we had everything ahead of us, so using that as a springboard for change that lasts a lifetime feels like an insightful and creative place to start.

Participation

From challenging inequality to highlighting unseen barriers, Children North East believes real social change is achieved when those who have lived experience lead that change. Listening to the people who live through different situations and challenges can grow understanding and promote alternate, better ways of doing things. Our expert teams facilitate participatory research and consultations with children, young people and families on projects spanning different themes, ambition, timescales and engagement methods. Whether you want to improve the experience of your organisation for families or put children's voices at the heart of policy reform, we can support you to collect insights from people with the experiences that matter.

Our consultation research is important as it is distinct from academic research and not completed for the purpose of statistical data or publication. Rather its primary focus is to empower participants by using findings to work towards enacting positive change within systems, structures and organisations.

This year, Children North East's consultation work included:

- Support of school transitions.
- Facilitating the North of Tyne Poverty Truth Commission.
- Delivering BU Wellbeing programmes in schools.
- Research into health impact of Universal Credit on young children aged 5-11 years.
- The continuation of our long-standing Young Advisors group which acts as a Shadow Board to the North East and North Cumbria Child Health and Wellbeing Network executive board.
- Several short projects for a wide variety of commissioning parties such as NHS, BACP, and Economic & Social Research Council.

Over the past year we have taken on several short term consultation projects for a range of commissioning stakeholders which has helped to grow our reputation as a research organisation. We have consulted with 3,559 young people and 94% of the young people participating in social action projects reported improved feelings about education and work.

Policy and Campaigning

In 2022/23 we continued to work collaboratively with partners across the charity sector, especially in relation to child poverty. During the year we supported 16 campaigns for policy change and made 39 contributions to relevant press and media stories.

The charity is part of the North East Child Poverty Commission and our Operational Director, Michele Deans, is currently holding the position of Vice-Chair within this group. We have supported campaigns coordinated by partners, including the Joseph Rowntree Foundation which led calls for government to take action on the spiralling cost of living. In March, this campaigning led to the government agreeing to uprate all welfare benefits, including child benefit, maternity and paternity pay, in line with inflation for the following financial year.

We joined campaign coalitions focusing on the impact of poverty on education, and on improving mental health provision for children and young people. We added our voice to calls to extend Free

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School Meals entitlement, and collaborated with Children England to highlight concerns about the impact of proposed new legislation on the rights of children arriving in the UK unaccompanied.

We have lent our expertise to shaping and influencing policy through ongoing involvement in the Archbishop's Commission. We also have representation at strategic level within the regional NHS structures and a range of local and regional boards and forums.

Our CEO, Leigh Elliott is a Health Associate at the Kings Fund, an independent charitable organisation working to improve health and care in England. She has used this position to present to numerous Leaders within the NHS in relation to health inequalities of children living in poverty.

We are continuing to work with the Living Wage Foundation to champion fairly paid work as a way to address child poverty.

Our Supporters

On behalf of all of the babies, children, young people and families we work with, we would like to thank all of the generous individuals, community groups, businesses and Trusts and Foundations who have supported Children North East this year.

Your support means that we can be there when we are needed most.

Following the restrictions of the pandemic, the 2022/23 financial year is the first year we have seen the return of some normality to our fundraising calendar.

This year our supporters were as creative as ever in the ways they showed their support and raised funds. From a 24 hour radio marathon to the Great North Run, from a challenge walk along Hadrian's Wall to a zip slide from the Tyne Bridge. Thank you to everyone who took on a personal or group challenge to raise funds. This includes 402 individual fundraisers and 52 supporting organisations.

We have also been able to re-build some of our long-standing corporate relationships, as well as developing new partnerships with businesses across the region. We were chosen as Charity of Year by a number of North East teams, working closely with them on a diverse calendar of events.

Our Annual Fundraising Ball also made a return after a pandemic hiatus, bringing many from our supporter community back together.

Children North East's 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 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 18 (2022: 57) volunteers and 4 (2022: 4) students. We are looking to expand these opportunities in 2022/23.

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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.

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FINANCIAL REVIEW

Financial Position

At the balance sheet date, the charity held funds of £638,763 (2022: 582,890) of which £455,000 (2022: £422,500) was designated in accordance with the reserves policy.

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 £400,000 unrestricted income. Other unrestricted income is generated through fundraising, donations and events.

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.

Grants

Our thanks and appreciation go to all the organisations, trusts and foundations who awarded us grants during the financial year - there are too many to name as we received over 50 separate grants. These grants were wide ranging with the majority 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 and Warwickshire.

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 a sales strategy during the year and hope 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 recently grown this to include Poverty Proofing Health settings, communities and Arts and Cultural organisations. Our sales income has increased from £202,000 in 2022 to £401,000 in 2023.

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.

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.

**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	Appointed as Chair 28 Feb 2023
	Mr David W Bavaird, Chair	Resigned 28 February 2023
	Mr Stephen Robinson	Resigned 14 September 2022
	Mr Alex Coburn	
	Ms Philippa Hughes	Resigned 28 March 2023
	Reverend Sarah Lunn	
	Mrs Lisa Alcorn	Appointed 15 June 2022
	Mrs Lynn Charlton	Appointed 15 June 2022
	Mr Liam Clark-Brown	Appointed 15 June 2022
	Mrs Louise Hall	App. 15 Jun 22, res. 28 Mar 23
	Miss Lucy Atherton	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	

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 12 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'MB' followed by a stylized flourish.

Mr Mark Stoddart, 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 'charitable company') for the year ended 31 March 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.



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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	616,235	-	616,235	585,288
Charitable activities	5				
General operations		48,855	-	48,855	18,499
Children and young people		1,214,015	456,854	1,670,869	1,141,174
Families and parenting		359,681	46,546	406,227	452,944
Parent infant partnership		121,987	38,912	160,899	165,586
Other trading activities	3	401,415	-	401,415	201,781
Investment income	4	61	-	61	-
Other income		4,234	-	4,234	15,964
Total		<u>2,766,483</u>	<u>542,312</u>	<u>3,308,795</u>	<u>2,581,236</u>
EXPENDITURE ON					
Raising funds	6	95,024	-	95,024	41,491
Charitable activities	7				
General operations		467,557	-	467,557	299,262
Children and young people		1,529,609	495,686	2,025,295	1,169,308
Families and parenting		478,160	50,105	528,265	506,928
Parent infant partnership		158,750	10,531	169,281	257,442
Reversal of impairment losses		(32,500)	-	(32,500)	93,450
Total		<u>2,696,600</u>	<u>556,322</u>	<u>3,252,922</u>	<u>2,367,881</u>
NET INCOME/(EXPENDITURE)		69,883	(14,010)	55,873	213,355
Transfers between funds	21	<u>(14,010)</u>	<u>14,010</u>	-	-
Net movement in funds		55,873	-	55,873	213,355
RECONCILIATION OF FUNDS					
Total funds brought forward		582,890	-	582,890	369,535
TOTAL FUNDS CARRIED FORWARD		<u>638,763</u>	<u>-</u>	<u>638,763</u>	<u>582,890</u>

CONTINUING OPERATIONS

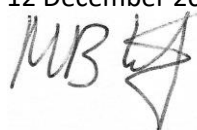
All income and expenditure has arisen from continuing activities.

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)**BALANCE SHEET
31 MARCH 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	14	488,472	452,277
Investments	15	<u>1</u>	<u>1</u>
		488,473	452,278
CURRENT ASSETS			
Debtors	16	635,089	616,353
Cash at bank and in hand		<u>545,182</u>	<u>800,836</u>
		1,180,271	1,417,189
CREDITORS			
Amounts falling due within one year	17	(994,651)	(1,231,160)
		<u>185,620</u>	<u>186,029</u>
NET CURRENT ASSETS			
		674,093	638,307
TOTAL ASSETS LESS CURRENT LIABILITIES			
		(35,330)	(55,417)
PROVISIONS FOR LIABILITIES	19		
		<u>638,763</u>	<u>582,890</u>
NET ASSETS/(LIABILITIES)			
FUNDS	21		
Unrestricted funds:			
General fund		183,763	160,390
Designated fund		<u>455,000</u>	<u>422,500</u>
		638,763	582,890
TOTAL FUNDS		<u>638,763</u>	<u>582,890</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 12 December 2023 and were signed on its behalf by:



Mr M B Stoddart, Chair

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>
		<u> </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><u>545,182</u></u>	<u><u>800,836</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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, rounded to the nearest Pound (£).

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.

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

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	- 20% 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Fund accounting

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.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Post Code Children Trust	437,500	362,500
Other donations and legacies	<u>178,735</u>	<u>222,788</u>
	<u>616,235</u>	<u>585,288</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	16,218	24,731
Charges for goods & services	<u>385,197</u>	<u>177,050</u>
	<u>401,415</u>	<u>201,781</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Investment income	<u>61</u>	<u>-</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	General operations £	Children and young people £	Families and parenting £
Grants	48,855	745,088	65,510
Contract income	-	916,449	249,107
Spot purchase of services	<u>-</u>	<u>9,332</u>	<u>91,610</u>
	<u>48,855</u>	<u>1,670,869</u>	<u>406,227</u>

	2023	2022
	£	£
Grants	38,912	732,470
Contract income	-	909,063
Spot purchase of services	<u>121,987</u>	<u>136,670</u>
	<u>160,899</u>	<u>1,778,203</u>

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

	2023	2022
	£	£
Health	120,724	5,877
Trusts	1,375	58,639
Other	<u>776,266</u>	<u>667,954</u>
	<u>898,365</u>	<u>732,470</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

6. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Staff costs	71,116	33,135
Other fundraising costs	23,908	8,138
Depreciation	-	218
	<u>95,024</u>	<u>41,491</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
General operations	311,235	156,322	467,557
Children and young people	1,950,943	74,352	2,025,295
Families and parenting	470,486	57,779	528,265
Parent infant partnership	<u>164,315</u>	<u>4,966</u>	<u>169,281</u>
	<u>2,896,979</u>	<u>293,419</u>	<u>3,190,398</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	2,570,790	1,775,941
Motor & travel expenses	91,452	40,573
Staff training & recruitment	24,682	26,117
Volunteer costs	5,741	3,897
Other client costs	<u>204,314</u>	<u>56,623</u>
	<u>2,896,979</u>	<u>1,903,151</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

9. SUPPORT COSTS

	Management & administration £	Governance costs £	Totals £
General operations	151,522	4,800	156,322
Children and young people	74,352	-	74,352
Families and parenting	57,779	-	57,779
Parent infant partnership	4,966	-	4,966
	<u>288,619</u>	<u>4,800</u>	<u>293,419</u>

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

Management & administration

	General operations £	Children and young people £	Families and parenting £
Rent & rates	(9,063)	12,343	20,694
Insurance	11,408	-	-
Light and heat	7,018	5,489	-
Telephone	6,079	14,650	5,856
Printing, postage, stationery and advertising	8,552	5,851	1,460
Sundries	4,451	6,090	3,344
Repairs & maintenance	18,929	4,880	586
Cleaning	11,029	6,544	18,026
Computer support & maintenance	41,912	15,000	3,121
Professional fees	29,999	728	4,424
Subscriptions	5,846	2,182	268
Bank charges	2,677	-	-
Depreciation of tangible fixed assets	12,984	595	-
Interest payable	(299)	-	-
	<u>151,522</u>	<u>74,352</u>	<u>57,779</u>
		2023	2022
	Parent infant partnership £	Total activities £	Total activities £
Rent & rates	1,581	25,555	19,933
Insurance	-	11,408	12,580
Light and heat	-	12,507	9,507
Telephone	1,244	27,829	23,639
Printing, postage, stationery and advertising	<u>1,032</u>	<u>16,895</u>	<u>18,929</u>
Carried forward	3,857	94,194	84,588

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

9. SUPPORT COSTS - continued

Management & administration - continued

		2023	2022
	Parent infant partnership £	Total activities £	Total activities £
Brought forward	3,857	94,194	84,588
Sundries	-	13,885	9,020
Repairs & maintenance	-	24,395	46,993
Cleaning	-	35,599	18,287
Computer support & maintenance	623	60,656	93,364
Professional fees	247	35,398	43,702
Subscriptions	239	8,535	15,664
Bank charges	-	2,677	1,577
Depreciation of tangible fixed assets	-	13,579	10,655
Interest payable	-	(299)	1,139
	<u>4,966</u>	<u>288,619</u>	<u>324,989</u>

Governance costs

	2023 General operations £	2022 Total activities £
Auditors' remuneration	<u>4,800</u>	<u>4,800</u>

10. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	4,800	4,800
Depreciation - owned assets	<u>13,579</u>	<u>10,873</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

12. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	2,306,528	1,708,602
Social security costs	196,193	144,451
Other pension costs	<u>139,185</u>	<u>(43,977)</u>
	<u>2,641,906</u>	<u>1,809,076</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 £179,074 (2022 - £132,101).

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

	2023	2022
All staff	<u>98</u>	<u>79</u>

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

	2023	2022
£60,001 - £70,000	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	585,288	-	585,288
Charitable activities			
General operations	18,499	-	18,499
Children and young people	782,423	358,751	1,141,174
Families and parenting	410,124	42,820	452,944
Parent infant partnership	165,586	-	165,586
Other trading activities	201,781	-	201,781
Other income	10,239	5,725	15,964
Total	<u>2,173,940</u>	<u>407,296</u>	<u>2,581,236</u>
EXPENDITURE ON			
Raising funds	41,491	-	41,491
Charitable activities			
General operations	293,537	5,725	299,262
Children and young people	832,679	336,629	1,169,308
Families and parenting	464,316	42,612	506,928
Parent infant partnership	257,442	-	257,442
Reversal of impairment losses	93,450	-	93,450
Total	<u>1,982,915</u>	<u>384,966</u>	<u>2,367,881</u>
NET INCOME	191,025	22,330	213,355
Transfers between funds	22,330	(22,330)	-
Net movement in funds	213,355	-	213,355
RECONCILIATION OF FUNDS			
Total funds brought forward	369,535	-	369,535
TOTAL FUNDS CARRIED FORWARD	<u>582,890</u>	<u>-</u>	<u>582,890</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2022	422,500	12,366	39,650	474,516
Additions	-	17,274	-	17,274
Reversal of impairments	<u>32,500</u>	<u>-</u>	<u>-</u>	<u>32,500</u>
At 31 March 2023	<u>455,000</u>	<u>29,640</u>	<u>39,650</u>	<u>524,290</u>
DEPRECIATION				
At 1 April 2022	-	4,414	17,825	22,239
Charge for year	<u>-</u>	<u>5,649</u>	<u>7,930</u>	<u>13,579</u>
At 31 March 2023	<u>-</u>	<u>10,063</u>	<u>25,755</u>	<u>35,818</u>
NET BOOK VALUE				
At 31 March 2023	<u>455,000</u>	<u>19,577</u>	<u>13,895</u>	<u>488,472</u>
At 31 March 2022	<u>422,500</u>	<u>7,952</u>	<u>21,825</u>	<u>452,277</u>

The property at 89 Denhill Park was revalued in November 2022 by R.A. George F. White at £280,000. The property at 4 Graingerville North was revalued in 2015 by Dunlop Haywood at £175,000 and the directors believe this remains appropriate. The historic cost of these properties is £407,734 and £593,382 respectively.

15. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	<u>1</u>
NET BOOK VALUE	
At 31 March 2023	<u>1</u>
At 31 March 2022	<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:

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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
Ordinary	100

	2023	2022
	£	£
Aggregate capital and reserves	1	1
Profit for the year	<u>-</u>	<u>93,450</u>

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

	2023	2022
	£	£
Trade debtors	517,252	502,412
Other debtors	17,511	41,908
Prepayments and accrued income	<u>100,326</u>	<u>72,033</u>
	<u>635,089</u>	<u>616,353</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	87,678	35,597
Amounts owed to group undertakings	1	1
Social security and other taxes	96,302	137,177
Other creditors	25,599	23,206
Accruals and deferred income	<u>785,071</u>	<u>1,035,179</u>
	<u>994,651</u>	<u>1,231,160</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 2022	1,002,043
Released to income from charitable activities	(1,002,043)
Amount deferred in year	<u>745,532</u>
Balance at 31 March 2023	<u>745,532</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Pension deficit provision	<u>35,330</u>	<u>55,417</u>

Present Values of Provision

	2023 £	2022 £	2021 £
Present value of provision	<u>35,330</u>	<u>55,417</u>	<u>267,020</u>

Reconciliation of Opening and Closing Provisions

	2023 £	2022 £
Provision at start of period	55,417	267,020
Unwinding of the discount factor (interest expense)	1,046	1,521
Deficit contribution paid	(20,190)	(67,572)
Remeasurements - impact of any change in assumptions	(943)	(1,274)
Remeasurements - amendments to the contribution schedule	<u>-</u>	<u>(144,278)</u>
Provision at end of period	<u>35,330</u>	<u>55,417</u>

Income and Expenditure Impact

	2023 £	2022 £
Interest expense	1,046	1,521
Remeasurements - impact of any change in assumptions	(943)	(1,274)
Remeasurements - amendments to the contribution schedule	<u>-</u>	<u>(144,278)</u>
	<u>103</u>	<u>(144,031)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

19. PROVISIONS FOR LIABILITIES - continued

Assumptions

	2023 % per annum	2022 % per annum	2021 % per annum
Rate of discount	<u>5.52</u>	<u>2.35</u>	<u>0.66</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 £	2023 Total funds £	2022 Total funds £
Fixed assets	488,472	-	488,472	452,277
Investments	1	-	1	1
Current assets	1,180,271	-	1,180,271	1,417,189
Current liabilities	(994,651)	-	(994,651)	(1,231,160)
Provision for liabilities	<u>(35,330)</u>	<u>-</u>	<u>(35,330)</u>	<u>(55,417)</u>
	<u>638,763</u>	<u>-</u>	<u>638,763</u>	<u>582,890</u>

21. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	160,390	508,219	(484,846)	183,763
Designated fund	422,500	32,500	-	455,000
Families and Parenting	-	(118,479)	118,479	-
Young People	-	(315,594)	315,594	-
Parent Infant Partnership	<u>-</u>	<u>(36,763)</u>	<u>36,763</u>	<u>-</u>
	582,890	69,883	(14,010)	638,763
Restricted funds				
Families and Parenting	-	(3,559)	3,559	-
Children and Young People	-	(10,388)	10,388	-
Parent Infant Partnership	<u>-</u>	<u>(63)</u>	<u>63</u>	<u>-</u>
	-	(14,010)	14,010	-
TOTAL FUNDS	<u>582,890</u>	<u>55,873</u>	<u>-</u>	<u>638,763</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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	1,070,800	(562,581)	508,219
Designated fund	-	32,500	32,500
Families and Parenting	359,681	(478,160)	(118,479)
Young People	1,214,015	(1,529,609)	(315,594)
Parent Infant Partnership	<u>121,987</u>	<u>(158,750)</u>	<u>(36,763)</u>
	2,766,483	(2,696,600)	69,883
Restricted funds			
Families and Parenting	46,546	(50,105)	(3,559)
Children and Young People	456,854	(467,242)	(10,388)
Parent Infant Partnership	<u>38,912</u>	<u>(38,975)</u>	<u>(63)</u>
	<u>542,312</u>	<u>(556,322)</u>	<u>(14,010)</u>
TOTAL FUNDS	<u><u>3,308,795</u></u>	<u><u>(3,252,922)</u></u>	<u><u>55,873</u></u>

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	(52,965)	387,329	(173,974)	160,390
Designated fund	422,500	-	-	422,500
Families and Parenting	-	(54,192)	54,192	-
Young People	-	(50,256)	50,256	-
Parent Infant Partnership	<u>-</u>	<u>(91,856)</u>	<u>91,856</u>	<u>-</u>
	369,535	191,025	22,330	582,890
Restricted funds				
Families and Parenting	-	208	(208)	-
Children and Young People	<u>-</u>	<u>22,122</u>	<u>(22,122)</u>	<u>-</u>
	<u>-</u>	<u>22,330</u>	<u>(22,330)</u>	<u>-</u>
TOTAL FUNDS	<u><u>369,535</u></u>	<u><u>213,355</u></u>	<u><u>-</u></u>	<u><u>582,890</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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	815,807	(428,478)	387,329
Families and Parenting	410,124	(464,316)	(54,192)
Young People	782,423	(832,679)	(50,256)
Parent Infant Partnership	165,586	(257,442)	(91,856)
	<u>2,173,940</u>	<u>(1,982,915)</u>	<u>191,025</u>
Restricted funds			
Families and Parenting	42,820	(42,612)	208
Children and Young People	358,751	(336,629)	22,122
Other restricted funds	5,725	(5,725)	-
	<u>407,296</u>	<u>(384,966)</u>	<u>22,330</u>
TOTAL FUNDS	<u>2,581,236</u>	<u>(2,367,881)</u>	<u>213,355</u>

Designated fund

The designated fund represents the net book value of the properties at Denhill and Weyes.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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 638 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2023 to 31 January 2025: £20,190 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 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 £139,082 (2022: £100,054) and the outstanding contributions (employer plus employee) owed at the balance sheet date was £23,765 (2022: £22,167).

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

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

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	55,873	213,355
Adjustments for:		
Depreciation charges	13,579	10,873
Interest received	(61)	-
Interest paid	(299)	1,139
Reversal of impairment losses	(32,500)	-
Increase in debtors	(18,736)	(166,574)
(Decrease)/increase in creditors	(236,509)	591,896
Difference between pension charge and cash contributions	<u>(20,087)</u>	<u>(211,603)</u>
Net cash (used in)/provided by operations	<u>(238,740)</u>	<u>439,086</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank and in hand	<u>800,836</u>	<u>(255,654)</u>	<u>545,182</u>
	<u>800,836</u>	<u>(255,654)</u>	<u>545,182</u>
Total	<u>800,836</u>	<u>(255,654)</u>	<u>545,182</u>

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.