

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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 15
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19 to 34

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.

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

ACHIEVEMENTS AND PERFORMANCE - continued

4. 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 £831,118 (2023: 638,763) of which £530,000 (2022: £455,000) 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 £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 to £489,000 in 2024 from £401,000 in 2023.

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL REVIEW - continued

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 the foregoing designated reserves and provision for pension liabilities comprises those General Funds (£301,118, 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.

4. Investment Policy

There are currently no investments in place.

FUTURE PLANS

As part of our 5-year Strategy, and following the growth sustained in the past three years, 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.

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 2024/25 with a view to delivering services from early 2025.

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 2024

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.

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 payscales.

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 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:



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 2024 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 2024 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 Auditors
71 Howard Street
North Shields
Tyne and Wear
NE30 1AF

19 December 2024

CHILDREN NORTH EAST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	730,496	1,250	731,746	616,235
Charitable activities	5				
General operations		4,800	-	4,800	48,855
Children and young people		643,864	1,149,072	1,792,936	1,670,869
Families and parenting		346,049	89,517	435,566	406,227
Parent infant partnership		254,500	164,613	419,113	160,899
Other trading activities	3	268,024	221,623	489,647	401,415
Investment income	4	190	-	190	61
Other income		-	-	-	4,234
Total		<u>2,247,923</u>	<u>1,626,075</u>	<u>3,873,998</u>	<u>3,308,795</u>
EXPENDITURE ON					
Raising funds	6	101,168	-	101,168	95,024
Charitable activities	7				
General operations		697,817	-	697,817	467,557
Children and young people		806,206	1,346,555	2,152,761	2,025,295
Families and parenting		358,961	85,690	444,651	528,265
Parent infant partnership		197,411	162,835	360,246	169,281
Reversal of impairment losses		<u>(75,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>(32,500)</u>
Total		<u>2,086,563</u>	<u>1,595,080</u>	<u>3,681,643</u>	<u>3,252,922</u>
NET INCOME		161,360	30,995	192,355	55,873
Transfers between funds	21	<u>30,995</u>	<u>(30,995)</u>	<u>-</u>	<u>-</u>
Net movement in funds		192,355	-	192,355	55,873
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>638,763</u>	<u>-</u>	<u>638,763</u>	<u>582,890</u>
TOTAL FUNDS CARRIED FORWARD		<u>831,118</u>	<u>-</u>	<u>831,118</u>	<u>638,763</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 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	<u>(1,173,432)</u>	<u>(994,651)</u>
NET CURRENT ASSETS		<u>263,041</u>	<u>185,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		847,621	674,093
PROVISIONS FOR LIABILITIES	19	<u>(16,503)</u>	<u>(35,330)</u>
NET ASSETS		<u>831,118</u>	<u>638,763</u>
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>
		<u> </u>	<u> </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><u>632,574</u></u>	<u><u>545,182</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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:

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024**

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 2024

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Post Code Children Trust	500,000	437,500
Other donations and legacies	<u>231,746</u>	<u>178,735</u>
	<u><u>731,746</u></u>	<u><u>616,235</u></u>

3. OTHER TRADING ACTIVITIES

	2024	2023
	£	£
Fundraising events	17,226	16,218
Charges for goods & services	<u>472,421</u>	<u>385,197</u>
	<u><u>489,647</u></u>	<u><u>401,415</u></u>

4. INVESTMENT INCOME

	2024	2023
	£	£
Investment income	<u>190</u>	<u>61</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	General operations £	Children and young people £	Families and parenting £
Grants	4,800	1,135,384	37,122
Contract income	-	653,181	277,928
Spot purchase of services	<u>-</u>	<u>4,371</u>	<u>120,516</u>
	<u><u>4,800</u></u>	<u><u>1,792,936</u></u>	<u><u>435,566</u></u>
		2024	2023
	Parent infant partnership £	Total activities £	Total activities £
Grants	84,613	1,261,919	898,365
Contract income	334,500	1,265,609	1,165,556
Spot purchase of services	<u>-</u>	<u>124,887</u>	<u>222,929</u>
	<u><u>419,113</u></u>	<u><u>2,652,415</u></u>	<u><u>2,286,850</u></u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

5. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2024	2023
	£	£
Health	312,034	120,724
Trusts	1,192	1,375
Other	<u>948,693</u>	<u>776,266</u>
	<u>1,261,919</u>	<u>898,365</u>

6. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Staff costs	73,131	71,116
Other fundraising costs	<u>28,037</u>	<u>23,908</u>
	<u>101,168</u>	<u>95,024</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
General operations	408,977	288,840	697,817
Children and young people	2,083,866	68,895	2,152,761
Families and parenting	436,715	7,936	444,651
Parent infant partnership	<u>357,364</u>	<u>2,882</u>	<u>360,246</u>
	<u>3,286,922</u>	<u>368,553</u>	<u>3,655,475</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	2,810,855	2,570,790
Motor & travel expenses	85,336	91,452
Staff training & recruitment	45,592	24,682
Volunteer costs	3,747	5,741
Other client costs	341,392	204,314
	<u>3,286,922</u>	<u>2,896,979</u>

9. SUPPORT COSTS

	Management & administration	Governance costs	Totals
	£	£	£
General operations	284,040	4,800	288,840
Children and young people	68,895	-	68,895
Families and parenting	7,936	-	7,936
Parent infant partnership	<u>2,882</u>	<u>-</u>	<u>2,882</u>
	<u>363,753</u>	<u>4,800</u>	<u>368,553</u>

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

Management & administration

	General operations	Children and young people	Families and parenting
	£	£	£
Rent & rates	30,517	5,246	-
Insurance	12,498	-	-
Light and heat	7,405	6,040	-
Telephone	18,853	8,329	1,405
Printing, postage, stationery and advertising	22,289	9,325	442
Sundries	6,823	1,892	719
Repairs & maintenance	11,922	8,994	914
Cleaning	28,193	8,647	191
Computer support & maintenance	93,480	15,965	9
Professional fees	22,189	2,774	3,298
Subscriptions	12,068	1,088	276
Bank charges	1,768	-	682
Depreciation of tangible fixed assets	16,035	595	-
Interest payable	<u>-</u>	<u>-</u>	<u>-</u>
	<u>284,040</u>	<u>68,895</u>	<u>7,936</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

9. SUPPORT COSTS - continued

Management & administration - continued

		2024	2023
	Parent infant partnership £	Total activities £	Total activities £
Rent & rates	-	35,763	25,555
Insurance	-	12,498	11,408
Light and heat	-	13,445	12,507
Telephone	1,664	30,251	27,829
Printing, postage, stationery and advertising	81	32,137	16,895
Sundries	70	9,504	13,885
Repairs & maintenance	72	21,902	24,395
Cleaning	-	37,031	35,599
Computer support & maintenance	10	109,464	60,656
Professional fees	-	28,261	35,398
Subscriptions	985	14,417	8,535
Bank charges	-	2,450	2,677
Depreciation of tangible fixed assets	-	16,630	13,579
Interest payable	-	-	(299)
	<u>2,882</u>	<u>363,753</u>	<u>288,619</u>

Governance costs

	2024 General operations £	2023 Total activities £
Auditors' remuneration	<u>4,800</u>	<u>4,800</u>

10. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Auditors' remuneration	4,800	4,800
Depreciation - owned assets	<u>16,630</u>	<u>13,579</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

12. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	2,489,959	2,306,528
Social security costs	209,885	196,193
Other pension costs	<u>184,142</u>	<u>139,185</u>
	<u>2,883,986</u>	<u>2,641,906</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 £244,042 (2023 - £179,074).

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

	2024	2023
All staff	<u>101</u>	<u>98</u>

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

	2024	2023
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2024

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	616,235	-	616,235
Charitable activities			
General operations	48,855	-	48,855
Children and young people	1,214,015	456,854	1,670,869
Families and parenting	359,681	46,546	406,227
Parent infant partnership	121,987	38,912	160,899
Other trading activities	401,415	-	401,415
Investment income	61	-	61
Other income	<u>4,234</u>	<u>-</u>	<u>4,234</u>
Total	<u>2,766,483</u>	<u>542,312</u>	<u>3,308,795</u>
EXPENDITURE ON			
Raising funds	95,024	-	95,024
Charitable activities			
General operations	467,557	-	467,557
Children and young people	1,529,609	495,686	2,025,295
Families and parenting	478,160	50,105	528,265
Parent infant partnership	158,750	10,531	169,281
Reversal of impairment losses	<u>(32,500)</u>	<u>-</u>	<u>(32,500)</u>
Total	<u>2,696,600</u>	<u>556,322</u>	<u>3,252,922</u>
NET INCOME/(EXPENDITURE)	69,883	(14,010)	55,873
Transfers between funds	<u>(14,010)</u>	<u>14,010</u>	<u>-</u>
Net movement in funds	55,873	-	55,873
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>582,890</u>	<u>-</u>	<u>582,890</u>
TOTAL FUNDS CARRIED FORWARD	<u>638,763</u>	<u>-</u>	<u>638,763</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2023	455,000	29,640	39,650	524,290
Additions	-	37,737	-	37,737
Reversal of impairments	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
At 31 March 2024	<u>530,000</u>	<u>67,377</u>	<u>39,650</u>	<u>637,027</u>
DEPRECIATION				
At 1 April 2023	-	10,063	25,755	35,818
Charge for year	<u>-</u>	<u>8,700</u>	<u>7,930</u>	<u>16,630</u>
At 31 March 2024	<u>-</u>	<u>18,763</u>	<u>33,685</u>	<u>52,448</u>
NET BOOK VALUE				
At 31 March 2024	<u>530,000</u>	<u>48,614</u>	<u>5,965</u>	<u>584,579</u>
At 31 March 2023	<u>455,000</u>	<u>19,577</u>	<u>13,895</u>	<u>488,472</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 undertaking £
MARKET VALUE	
At 1 April 2023 and 31 March 2024	<u>1</u>
NET BOOK VALUE	
At 31 March 2024	<u>1</u>
At 31 March 2023	<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 2024

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: %
Ordinary holding 100

	2024	2023
	£	£
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

	2024	2023
	£	£
Trade debtors	694,904	517,252
Other debtors	5,253	17,511
Prepayments and accrued income	<u>103,742</u>	<u>100,326</u>
	<u>803,899</u>	<u>635,089</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	116,351	87,678
Amounts owed to group undertakings	1	1
Social security and other taxes	70,094	96,302
Other creditors	27,622	25,599
Accruals and deferred income	<u>959,364</u>	<u>785,071</u>
	<u>1,173,432</u>	<u>994,651</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 2023	745,532
Released to income from charitable activities	(745,532)
Amount deferred in year	<u>884,413</u>
Balance at 31 March 2024	<u>884,413</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

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

	2024 £	2023 £
Pension deficit provision	<u>16,503</u>	<u>35,330</u>

Present Values of Provision

	2024 £	2023 £	2022 £
Present value of provision	<u>16,503</u>	<u>35,330</u>	<u>55,417</u>

Reconciliation of Opening and Closing Provisions

	2024 £	2023 £
Provision at start of period	35,330	55,417
Unwinding of the discount factor (interest expense)	1,351	1,046
Deficit contribution paid	(20,190)	(20,190)
Remeasurements - impact of any change in assumptions	<u>12</u>	<u>(943)</u>
Provision at end of period	<u>16,503</u>	<u>35,330</u>

Income and Expenditure Impact

	2024 £	2023 £
Interest expense	1,351	1,046
Remeasurements - impact of any change in assumptions	<u>12</u>	<u>(943)</u>
	<u>1,363</u>	<u>103</u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

19. PROVISIONS FOR LIABILITIES - continued

Assumptions

	2024 % per annum	2023 % per annum	2022 % per annum
Rate of discount	<u>5.31</u>	<u>5.52</u>	<u>2.35</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 £	2024 Total funds £	2023 Total funds £
Fixed assets	584,579	-	584,579	488,472
Investments	1	-	1	1
Current assets	859,655	576,818	1,436,473	1,180,271
Current liabilities	(596,614)	(576,818)	(1,173,432)	(994,651)
Provision for liabilities	<u>(16,503)</u>	<u>-</u>	<u>(16,503)</u>	<u>(35,330)</u>
	<u>831,118</u>	<u>-</u>	<u>831,118</u>	<u>638,763</u>

21. MOVEMENT IN FUNDS

	At 1/4/23 £	Net movement in funds £	Transfers between funds £	At 31/3/24 £
Unrestricted funds				
General fund	183,763	(66,923)	184,278	301,118
Designated fund	455,000	75,000	-	530,000
Families and Parenting	-	51,176	(51,176)	-
Young People	-	45,018	(45,018)	-
Parent Infant Partnership	<u>-</u>	<u>57,089</u>	<u>(57,089)</u>	<u>-</u>
	638,763	161,360	30,995	831,118
Restricted funds				
Families and Parenting	-	3,827	(3,827)	-
Children and Young People	-	25,390	(25,390)	-
Parent Infant Partnership	<u>-</u>	<u>1,778</u>	<u>(1,778)</u>	<u>-</u>
	<u>-</u>	<u>30,995</u>	<u>(30,995)</u>	<u>-</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 2024

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	732,062	(798,985)	(66,923)
Designated fund	-	75,000	75,000
Families and Parenting	410,137	(358,961)	51,176
Young People	851,224	(806,206)	45,018
Parent Infant Partnership	<u>254,500</u>	<u>(197,411)</u>	<u>57,089</u>
	2,247,923	(2,086,563)	161,360
Restricted funds			
Families and Parenting	89,517	(85,690)	3,827
Children and Young People	1,371,945	(1,346,555)	25,390
Parent Infant Partnership	<u>164,613</u>	<u>(162,835)</u>	<u>1,778</u>
	<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>

Comparatives for 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>
	<u>-</u>	<u>(14,010)</u>	<u>14,010</u>	<u>-</u>
TOTAL FUNDS	<u><u>582,890</u></u>	<u><u>55,873</u></u>	<u><u>-</u></u>	<u><u>638,763</u></u>

CHILDREN NORTH EAST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2024

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	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>

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 2024**

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 (2023: £100,054) and the outstanding contributions (employer plus employee) owed at the balance sheet date was £23,765 (2023: £22,167).

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 2024

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

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

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	192,355	55,873
Adjustments for:		
Depreciation charges	16,630	13,579
Interest received	(190)	(61)
Interest paid	-	(299)
Reversal of impairment losses	(75,000)	(32,500)
Increase in debtors	(168,810)	(18,736)
Increase/(decrease) in creditors	178,781	(236,509)
Difference between pension charge and cash contributions	<u>(18,827)</u>	<u>(20,087)</u>
Net cash provided by/(used in) operations	<u>124,939</u>	<u>(238,740)</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/23 £	Cash flow £	At 31/3/24 £
Net cash			
Cash at bank and in hand	<u>545,182</u>	<u>87,392</u>	<u>632,574</u>
	<u>545,182</u>	<u>87,392</u>	<u>632,574</u>
Total	<u>545,182</u>	<u>87,392</u>	<u>632,574</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.