

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

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

CHILDREN NORTH EAST

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CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

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

OBJECTIVES AND ACTIVITIES

1. Objectives

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

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

The charity's objectives are:

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

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

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

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

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

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES - continued

2. Our Strategy and Theory of Change

Strategy

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

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

Sustainability and growth

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

Reach

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

Impact

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

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

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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES - continued

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

3. Public Benefit

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

ACHIEVEMENTS AND PERFORMANCE

1. Message from the CEO

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

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

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

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

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

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

2. Our Impact and Reach

During the financial year, our key impact figures included:

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

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

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

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

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

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

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

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

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

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

3. Our Services

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

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

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

During the year, our services were provided by:

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

3.1 Stage of Childhood

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

Pre-Birth

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

The First 1,001 Days

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

Younger Years

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

Life at School

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

Young Adults

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

3.2 Tackling Health Inequalities

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

Our Impact

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

Policy Work

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

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

Breaking Down Barriers to Healthcare

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

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

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

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

Sexual Health

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

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

Empowering Neurodivergent Young People

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

A Holistic Approach to Health

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Access to Nature

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

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

Fighting Food Inequality

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

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

3.3 Challenging Poverty

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

Our Impact

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

Challenging Changemakers

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

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

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ACHIEVEMENTS AND PERFORMANCE - continued

A Clean Start in Life

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

Supporting Rural Youth

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

Systemic Change Through Poverty Proofing®

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

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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

3.4 Supporting Mental Health

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

Our Impact

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

Counselling and Therapy

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

Supporting Safer Futures

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

Recovery from Domestic Abuse

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

Supporting Parents Navigating Child Mental Health

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

3.5 Empowering Young Voices

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Our Impact

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

Improving Understanding of SEND Youth Experiences

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

Social Action at Scale

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

Amplifying Care Leaver Voices

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

Co-producing Youth Services

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

Young Voices Fighting Poverty

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

ACHIEVEMENTS AND PERFORMANCE - continued

Transforming School Transitions

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

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

3.6 Our Supporters

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

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

FINANCIAL REVIEW

1. Financial Position

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

2. Principal Sources of Income

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

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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW - continued

Grants

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

Restricted income

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

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

Sales

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

Donations and Fundraising

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

3. Reserves Policy and Going Concern

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

The Board designates unrestricted reserves as:

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

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

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW - continued

4. Investment Policy

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

FUTURE PLANS

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Recruitment and appointment of trustees

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

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

Trustee induction, training and appraisal

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

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STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

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

Organisational structure

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

Key management remuneration

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

Risk management

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

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

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

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

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

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

Mr M B Stoddart - Trustee

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

Opinion

We have audited the financial statements of Children North East (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In this regard, our procedures include the following:

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

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

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

Use of our report

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

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

17 December 2025

CHILDREN NORTH EAST

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

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

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

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

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

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

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

Mr M B Stoddart - Trustee

The notes form part of these financial statements

CHILDREN NORTH EAST**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

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

The notes form part of these financial statements

CHILDREN NORTH EAST

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Going concern

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

Income

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

Grants receivable

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

Contracts

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

Expenditure

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

Tangible fixed assets

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

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

Depreciation and amortisation

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

CHILDREN NORTH EAST

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Debtors

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

Cash at bank and in hand

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

Creditors

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

Financial instruments

Other than those mentioned above, the company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CHILDREN NORTH EAST

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

2. DONATIONS AND LEGACIES

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

3. OTHER TRADING ACTIVITIES

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

4. INVESTMENT INCOME

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

5. INCOME FROM CHARITABLE ACTIVITIES

	Community Services £	Poverty Proofing £	Therapeutic Services £
Grants	849,419	447,843	358,283
Contract income	413,256	-	701,908
Spot purchase of services	<u>13,736</u>	<u>-</u>	<u>-</u>
	<u>1,276,411</u>	<u>447,843</u>	<u>1,060,191</u>

	2025 Total Development £	2024 Total activities £	2024 Total activities £
Grants	27,006	1,682,551	1,261,919
Contract income	-	1,115,164	1,265,609
Spot purchase of services	<u>-</u>	<u>13,736</u>	<u>124,887</u>
	<u>27,006</u>	<u>2,811,451</u>	<u>2,652,415</u>

CHILDREN NORTH EAST

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

5. INCOME FROM CHARITABLE ACTIVITIES - continued

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

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

6. RAISING FUNDS

Raising donations and legacies

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

7. CHARITABLE ACTIVITIES COSTS

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

CHILDREN NORTH EAST

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

9. SUPPORT COSTS

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

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

Management & administration

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

CHILDREN NORTH EAST

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

9. SUPPORT COSTS - continued

Management & administration - continued

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

Governance costs

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

10. NET INCOME/(EXPENDITURE)

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

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

CHILDREN NORTH EAST

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

11. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

12. STAFF COSTS

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

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

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

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

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

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

CHILDREN NORTH EAST

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

CHILDREN NORTH EAST

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

14. TANGIBLE FIXED ASSETS

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

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

15. FIXED ASSET INVESTMENTS

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

There were no investment assets outside the UK.

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

CHILDREN NORTH EAST

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

15. FIXED ASSET INVESTMENTS - continued

CNE Trading Ltd

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

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

Class of share:	%
Ordinary	holding 100

	2025	2024
	£	£
Aggregate capital and reserves	1	1

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

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

Deferred Income

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

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

CHILDREN NORTH EAST

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

18. SECURED DEBTS

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

19. PROVISIONS FOR LIABILITIES

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

Present Values of Provision

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

Reconciliation of Opening and Closing Provisions

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

Income and Expenditure Impact

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

CHILDREN NORTH EAST

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

19. PROVISIONS FOR LIABILITIES - continued

Assumptions

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

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

21. MOVEMENT IN FUNDS

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

CHILDREN NORTH EAST

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

21. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

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

CHILDREN NORTH EAST

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

21. MOVEMENT IN FUNDS - continued

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

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

Designated fund

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

Restricted funds

Community Services

Families and Parenting

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

Youth Services

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

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

21. MOVEMENT IN FUNDS - continued

Poverty Proofing®

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

Therapeutic Services

Counselling

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

IFS (Intensive Family Support)

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

Neuro and Send

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

Development

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

General Operations

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

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

22. EMPLOYEE BENEFIT OBLIGATIONS

TPT Retirement Solutions - The Growth Plan

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

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

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

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

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

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

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

Pension Trust Flexible Pension Plan

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

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

CHILDREN NORTH EAST

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

23. RELATED PARTY DISCLOSURES

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

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

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

25. ANALYSIS OF CHANGES IN NET FUNDS

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

26. PRIOR PERIOD RESTATEMENT

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

27. LEGAL STATUS

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