

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

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

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

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

CHILDREN NORTH EAST

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

Children North East is a registered charity in the United Kingdom and a company limited by guarantee registered in England. The governing instruments are the memorandum and articles of association as adopted by special resolution passed in 2007.

Recruitment and appointment of trustees

Trustees of Children North East are also directors of the company. 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 four trustees have retired, with two of these being subsequent to the financial year end. The Board reviews expertise among the existing trustees and recruits people with expertise that the Board lacks. The Board is currently undergoing a recruitment process to appoint additional Trustees to ensure there is the right mix of skills and experience among the trustees.

Trustee induction, training and appraisal

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

Induction training is tailored to the experience, skills and interests of each trustee but includes meetings with the chief executive and key staff. Induction may include: visiting projects and meeting staff and volunteers. All trustees have an annual conversation with the chair to review their contribution.

Organisational structure

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

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;

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- Formal agenda for Board activity and minutes of decisions.

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

OBJECTIVES

The charity's objects are:

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

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

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

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

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

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THE DIFFERENCE WE MAKE FOR CHILDREN AND YOUNG PEOPLE

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

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

COVID IMPACT

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

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

PUBLIC BENEFIT

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

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

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

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

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

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

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- Food and wellbeing parcels for families
- Support line for expectant/new parents
- Online mentoring for young people (Youth Link)
- Tackling the digital divide

We also found new ways of delivering our services, much of which had to continue online or by phone, including our counselling and therapeutic services. As much of our crisis work is with extremely vulnerable families, it was felt that this was essential work, and as such, with the development of risk assessments and PPE, our social workers and family practitioners continued to work face-to-face with families. We developed a brand new online package of support for our youth link work, and delivered an online offer to schools for our Poverty Proofing work. All of this was possible through the hard work and dedication of our staff, volunteers and students, and it is clear that whilst everyone is looking forward to returning to face-to-face work, there is a place for online work and we will continue to explore this over the coming year as we gradually move out of lockdown.

What follows is a more in-depth look at our services and the work that they have done over the last year to ensure that the babies, children, young people and families we work with provide an opportunity to grow up happy and healthy.

Families and Parenting

We offer a 0-19 holistic service including crisis intervention, early intervention and preventative services for families. We strive to keep ‘families together in a safe and healthy way,’ our work is tailored to meet individual needs and we keep the child at the centre of all of our interventions. Newcastle and Sunderland Local Authorities mainly commission the work and grant funding is also received to run a range of other services to support families these include:

- **Whoops Home Safety Programme** – installation of home safety equipment, home safety assessments and paediatric and first aid courses for parents.
- **Little Friends Cowgate Stay and Play Sessions** – this work focuses on empowering the community to have a voice with regards to the type of community services they feel are needed to support babies, children, young people and families
- **Bright Stars** – funded by the Guy Redman Trust this programme supported struggling students in Kenton and Walbottle school to reach their full potential
- **Kenton and Walbottle School** – school based therapeutic support for vulnerable young people
- **Today’s Teens and Tomorrows Teens** – courses for group of parents with their teenage or pre-teenage children
- **Safeguarding Families** – is for families rebuilding their lives after escaping domestic abuse based upon the Domestic Abuse Recovery in Education programme (DARE); also offers 1:1 therapeutic support for children affected by domestic abuse.
- **Sunderland Intensive Intervention Service (IIS)** – holistic intensive work with families in crisis where children are subject to a Child Protection/Children In Need plan
- **Newcastle West Community Family Hub Early Intervention and Preventive Work** – holistic work with families who agree to an Early Help Assessment and Plan, this also includes the Preparing for Baby programme for expectant parents
- **Volunteer Family Support** – provided by trained volunteers and delivered in the West of Newcastle to compliment the West Community Family Hub early intervention work.
- **Contact Centre** – where separated parents can have good quality contact with their children in a safe, secure setting; supervised and supported by experienced contact workers.
- **Spot Purchase Work** – promoted by an Independent Social Worker in Court where it is deemed that the work needs to take place to identify if the parents have the capacity to parent their children appropriately and keep them safe from harm. This work is commissioned by Local Authorities and often is in line with

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a rehabilitation plan and is offered intensively over an agreed period of time. CNE keep detailed records of the intervention and the information is used to support decisions about the future care arrangements of the children.

- **Cowgate Community Café and Food Surplus** - offering low cost food for families to enjoy together and also a food bank for those families facing financial hardship.

The impact of COVID-19 on the service was immediate and caused disruption to services, in particular those where home visits took place. This raised concerns in respect of those vulnerable children now spending more time in the home and not being monitored by the usual services. Our staff managed to engage with most parents using IT platforms or telephone contact but unfortunately those families hardest to reach saw this as an excuse to disengage. Eight weeks after the first lockdown commenced, we were given authorisation to work directly with families where the children were subject to Child Protection Plans, court directed intervention or reunification plans. This allowed workers to undertake home visits following strict COVID-19 government guidance, which included a full risk assessment and workers supplied with PPE.

As lockdown progressed, we saw a surge in domestic abuse referrals and, in response, we developed a domestic abuse helpline, available 7 days a week, and an online chat service. The staff worked creatively with those deemed most at risk to ensure children were safe, this included door-step visits where food parcels and resource packs were dropped off. We also delivered home safety equipment as part of our WHOOPS Home Safety Project to families with children under the age of two.

The Cowgate Centre in Newcastle, where the service is based, became a food distribution centre for those families experiencing financial hardship or those who were classed as medically vulnerable and were shielding. We worked in partnership with other organisations, including Fareshare who delivered food to the Cowgate Centre several times a week.

The Contact Centre service was impacted due to the high risk in offering face-to-face contact, therefore online services were offered, however the initial take up was low. As a result, we observed some parents resolving some of the conflict difficulties between them and arranging contact with each other and some families choosing to pause contact until the Contact Centre was able to reopen.

Young People

Our service aims to build young people's resilience. It offers a range of activities and interventions to support young people, examples of this include:

- **Counselling for children and young people** – funded by CNTW (Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust), Sunderland City Council and the Police and Crime Commissioner for Northumbria, this service supports young people aged 9-25 years across the Tyne and Wear area and includes working with the victims of crime, and children affected by domestic abuse. Our team of experienced and qualified counsellors work in a person centred way providing one to one sessions to children and young people.
- **Youth Link** – is a community peer mentoring service aimed at young people aged 11-18 years. Last year we delivered this service in Newcastle, Gateshead and Northumberland, receiving funding from Newcastle City Council, Children in Need, the Pilgrim Trust, The Blyth Offshore foundation and Northumberland Children's Trust. Although our overall focus of this work is to support young people who need it, some of our funding was specifically aimed at; disabled young people and young people who have been affected by mental health, low self-esteem or learning difficulties. To carry out this work, Youth Link coordinators recruit and train young volunteers aged 17-25 to mentor and support young people 11-18. Our training focuses on:
 - Listening in a non-judgemental way and talking through problems
 - Encouraging the development of confidence and self esteem
 - Supporting a young person to get involved in their community e.g. by attending local groups and activities

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- **Sexual Health/Drop in's** – we have a rolling contract from Newcastle City Council Public Health to provide sexual health advice and support, C-Card (condom distribution) and chlamydia/gonorrhoea screening. We provide this service in outreach venues across Newcastle and through drop in's at our young people's base on the West Road in Newcastle. Alongside our responsibility to provide sexual health advice, we also run a number of youth groups, including:
 - Under 16s group
 - Over 16s group
 - Girls group
 - FAB (Fantastic And Brilliant) Group for young people with disabilities

During the financial year, COVID-19 had a significant impact. Although we continued to meet all targets associated with contracts, we had to adapt our delivery very quickly. Within two weeks of the first lockdown, we had developed a brand new video-based counselling approach and implemented new policies and procedures that ensured young people were able to continue their therapeutic support throughout the pandemic in a safe way.

The impact on delivery for Youth Link was initially large and we took the difficult decision to furlough part of the team, whilst we looked to develop video mentoring. The process for this was slightly more complicated because we use young volunteers to deliver mentoring. This meant that we had to take time to ensure that the new approach was safe for all concerned.

Our delivery of the Sexual Health contract was severely impacted as we were unable to provide face-to-face drop in sessions for large periods. The youth work team adopted an online social media presence and ran weekly sessions for their youth groups. This included quizzes, sexual health advice and even wildlife challenges to make the best use of daily walks. The FAB group increased its meetings from monthly to weekly, as we quickly realised that COVID-19 was having an adverse impact on young people with SEND (Special Educational Needs and Disability).

NEWPIP

NEWPIP (Newcastle Parent Infant Partnership) is specialist parent-infant relationship team with expertise in supporting and strengthening the important early relationships between babies and their parents or carers.

It is an early intervention, preventative service for parents and their children from pregnancy to 2 years of age (the 1001 Critical Days where the baby's brain is developing at an incredibly fast rate) who are dealing with issues which are likely to cause difficulties in the relationship between themselves and their baby.

The service is in its fifth and final year of commissioning through Newcastle City Council (via DCLG funding) which ends in June 2021. An additional three year financial contribution from PIP UK (now Parent Infant Foundation) ended in December 2020. From July 2021, a small amount of funding will be awarded through Newcastle City Council and the Clinical Commissioning Group. In order to ensure that the service can continue to run as previous, Children North East have committed to allocating an element of a one-off Extra Award, granted in the 2021 calendar year by the People's Postcode Lottery, to the service too.

Funding secured from Northumbria Police & Crime Commissioner's Extraordinary COVID funding and The National Lottery Community Fund during this year has enabled NEWPIP to develop an online parent infant therapy offer, Happy Parents, Happy Babies, in response to the COVID lockdown.

The service offers:

- **Individual Parent-baby Psychotherapy** – specialist therapeutic work with families experiencing severe, complex and/or ongoing difficulties in their early relationships, where babies' emotional wellbeing and development is particularly at risk.
- **Family Support** – support for families experiencing early difficulties which are impacting on their relationship with their baby.

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- **Therapeutic ante natal and Parent-baby groups** – support for parents and their babies in a small group environment to explore and understand their emotional wellbeing and the impact of their relationships through observation, play and music.
- **Consultation** – support for colleagues in Health Visiting, Midwifery, Children's Social Care, Perinatal Mental Health, Family Support and Early Years to discuss case work and to think about the impact of family circumstances and professional intervention on the baby.
- **Training and continuing professional development** – training to help the local workforce to understand and support parent-infant relationships, to identify issues where they occur and take the appropriate action, these include:
 - **Newcastle Infant Mental Health Course** – 10 sessions consisting of a mixture of theory, seminar discussion, work discussion and baby observation. Accredited with CPD Standards Unit.
 - **Parent Infant Relationship (PIR) Group** – Monthly group offering professionals from a variety of backgrounds the opportunity to engage in theoretical and case discussion.
 - **Attending to Parent Infant Relationships** – 3 x 2 hour workshops consisting of a mixture of theory and professional experiences to understand how parent-infant relationships are the key to future outcomes for babies; the value of a listening-watching stance; recognising links: past & present, parent & baby, parent & parent, professional & parent; learning from experience.
 - **Bespoke training** – tailored to the needs of the group, e.g. Early Years Setting, midwives, Community Family Hub team.

Poverty Proofing and Participation

Poverty Proofing and Participation Service was previously referred to as the Schools Team but has been renamed as it has grown in its delivery reach. Poverty Proofing is an innovative programme that seeks to identify and overcome barriers for those in poverty in accessing key services. Currently this work is happening nationally through the Poverty Proofing the School Day initiative and we supported 13 delivery partners nationally. In response to COVID-19 the service created a Poverty Proofing Covid Response programme, which was a shorter online version of the delivery model. Other areas developing within the Poverty Proofing work include:

- Poverty Proofing Early Years
- Poverty Proofing Cultural organisations
- Poverty Proofing Employers
- Poverty Proofing Charities
- Poverty Proofing Health settings

We continue, in partnership with the Child Poverty Action Group (CPAG), to quality assure a three year 'Cost of the School Day' project in England, Wales and Scotland. This project is funded via the National Lottery.

Poverty Proofing work is either a paid for service by individual organisations, or is commissioned through local authorities or Multi Academy Trusts (MATs).

Participation and Wellbeing work is also delivered by this service and includes the following programmes:

- **'BU'** - a group intervention delivered in schools to enable young people to cope with the emotional challenges of everyday life and develop the foundations for positive mental health.
- **Skills for Life**- an international wellbeing intervention for 5-11 year olds which encourages students to develop coping strategies when they come across life's hurdles. It was developed by Partnership for Children. We train teachers to be able to deliver this intervention. The training is sold to schools.

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- **Melva** – we embarked on a project with our partners at Mortal Fools, supporting workshops in schools prior to children and young people seeing the production of ‘Melva’. The production focuses on issues or anxieties and worries and over the last year this has been adapted as an online offer.
- **#iwill transition** - a transition programme drawing on our skills in peer mentoring, social action and transition support in schools in North Tyneside.
- **#iwill social action** - working with students from Bishop Auckland college to deliver social action events to support the local community around Bishop Auckland.
- **VOICES** - a regional consultation, delivered alongside Newcastle University to hear the voices of disadvantaged children and young people to ensure their voice is at the forefront of recovery programmes across all sectors regionally and nationally.
- **Working Together Young Advisors** - young people who advise the North East and North Cumbria Child Health and Well-being Network (NENC CHWN) strategic board.
- **Playful Lives** - an innovative play programme engaging parents and their children in play as support during COVID-19 recovery.
- **Digital Learning Programme** - a programme of support for parents in Ashington, Northumberland to ensure they both engage in online and home learning with their children, and encourage these families to build stronger relationships with the local primary school.
- **Resource and digital device distribution** - a response to COVID-19 to ensure families receive resources and IT equipment to ensure they are not hindered by the resource or digital divide.

REACH

Children North East provides direct services in Newcastle, Gateshead, Sunderland and South East Northumberland with smaller presences in North and South Tyneside. We received 844 referrals from organisations, including, schools, colleges, local authorities, the police, the health sector and the voluntary sector. We work in schools in every part of the North East region and in other parts of the United Kingdom.

Children North East provides opportunities for adults and young people to volunteer their time as mentors and offers practice placements for social work students. During the financial year, we worked with 44 (2020: 157) volunteers and 15 (2020: 16) students. Due to the pandemic, none of these went on to gain employment with CNE during the financial year, but a few have subsequently gained employment in the 2022 financial year.

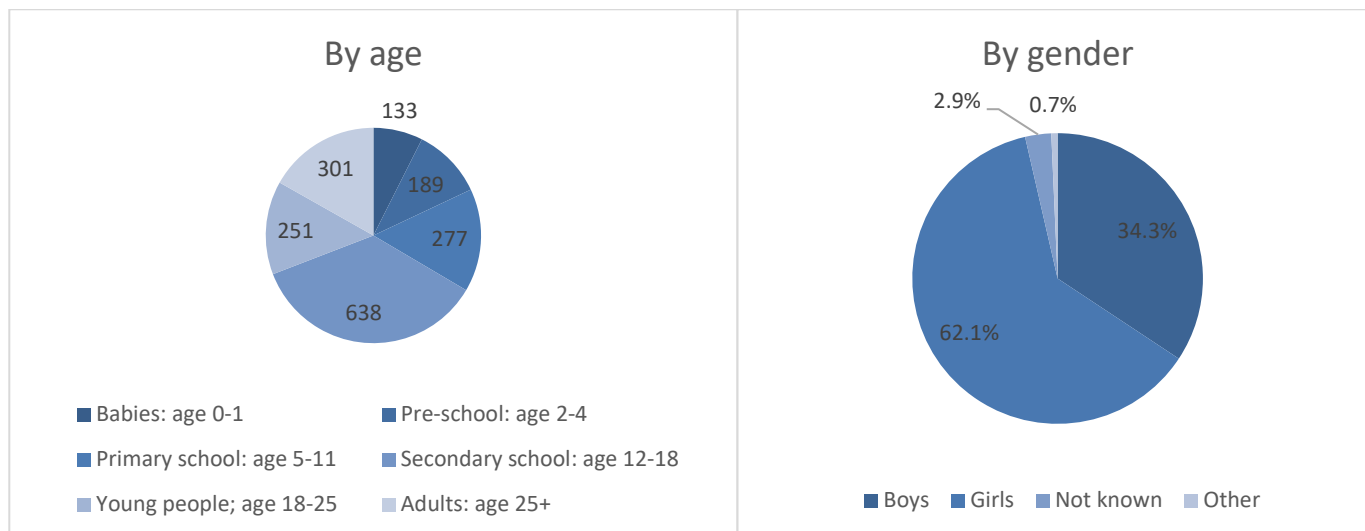
As a charity we receive gifts of goods and food throughout the year which we distribute to children and young people in need, and we have been working closely with Fareshare to make more food available to our beneficiaries, something which has been critical throughout the COVID-19 pandemic.

During the 2021 financial year, Children North East provided services directly to 2,008 (2020: 3,921) contacts, furthermore, we had an additional indirect impact on the lives of 941 (2020: 1,521) children and young people; a total of 2,949 (2020: 5,442). The impact of COVID-19 is reflected in these figures and so they are not comparable with previous years. We also had impact on children at 55 schools where we delivered our Poverty Proofing Covid Response (PPCR) programme.

Direct services provided were as follows:

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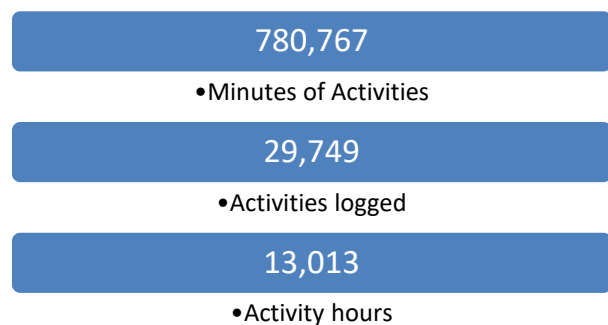


Although ethnicity is not recorded for every CNE activity, we worked with 264 (2020: 400) individuals from 26 (2020:21) different BAME (Black and Minority Ethnic) groups.

Overall, we worked with 554 (2020: 1,094) families.

Our service users are asked to complete an end of service questionnaire. Of those completed, **96.8%** would recommend Children North East to family and friends, **90.1%** said they had achieved their goals and **92.6%** percent of service users who took the survey rated us 4 or higher (4 is good – 5 is excellent).

During the financial year, our staff delivered the following amount of activities to help babies, children and young people:



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

- 6,456 contacts with families in need
- 2,174 counselling sessions for young people
- 1,211 Poverty Proofing & Participation sessions
- 1,210 NEWPIP therapy sessions
- 774 family invention sessions
- 454 peer mentoring sessions

These services were provided by:

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- 28 full-time staff
- 29 part-time staff
- 12 sessional workers
- 15 students on placement
- 44 volunteers
- 83 Youth Link peer mentors

If the volunteers were paid at the Living Wage (Children North East is a Living Wage Foundation employer) their contribution would have been worth approximately £22,943 (2020: £59,220).

During the year, 23 staff members were placed onto the furlough scheme as we adapted to COVID-19. All furloughed staff have now returned to work and we were lucky to suffer no staff losses as a direct result of the pandemic.

IMPACT REPORT

Children North East demonstrate the impact of our work through our five outcomes – babies feel safe and loved; children feel ready and looking forward to school; children and young people feel confident in school; young people feel valued and confident; and young people feel they are given a chance.

Our CiviCRM system, established across all of our services, provides us with a mechanism to produce clear monitoring and evaluation information. But there is also the story which sits alongside facts and figures. These stories bring to life the impact and quality of our work. What follows is an example of the real impact of our work on babies, children, young people and families:

Families and Parenting

We receive referrals, mostly from Health Visitors, for our WHOOPS Home Safety service however this Mum referred herself recognising that she needed support to keep the children safe at home.

K is a single parent living in the Fenham area who now has guardianship of her two young grandchildren. K had expressed worries around keeping two very active youngsters out of the kitchen and free from danger.

We were able to carry out a home safety check, which entails the assessment of the family home to highlight areas of possible concern. We were able to discuss home safety in detail including all the current information from Royal Society for the Prevention of Accidents (RoSPA) and The Child Accident Prevention Trust (CAPT) around childhood accident prevention. K was especially worried about choking so we were able to discuss with her choking hazards and how to prevent this and also respond if her one of the children started to choke on something.

We also provided a first aid session using the dolls to demonstrate how to provide resuscitation, treat a burn and how to remove a choke. K actively participated in the first aid demonstrations and, as a result, feels much more confident in keeping her grandchildren safe. K stated *“The demonstrations and being able to practice with a worker present has given me confidence, even the children got involved.”*

Finally, we arranged for our Safe at Home service to fit a safety gate and other equipment in the family home. We also gave information to the family on play sessions that they can access at the Cowgate centre in September as K was keen to access activities with the children as she feels very isolated.

Young People Services

Young Person (YP) was referred to us for counselling, due to concerns about their isolation and drug use. As his age would take him beyond the reach of the SPA we agreed to support this person because he had not yet reached his 19th

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birthday. He would also be unlikely to get appropriate support from adult mental health services without a long wait – YP required someone to attend the home initially and a flexible approach to how the appointments were offered. He had not left the family home except in his parent's car for more than two years and these trips would only be to pick up cannabis. YP is aware that he uses drugs to self-medicate and cope with how he feels about his life. The family have engaged in systemic therapy in the past and YP had attended drug services but this could not continue during the pandemic. He had also engaged with SCARPA as his previous friendship groups are known to engage in low-level crime.

An initial assessment meeting was held at the young person's home to allow for a safe, low-stress environment. Staff made a full risk assessment ahead of the visit so that COVID risks could be managed. It emerged that many of his fears about leaving the house were relating to the old friends he had and fears he would go back to that situation. It was clear that he had no real interests outside the home and, without a social group, there was no incentive for him to work towards this. We talked about his options beyond counselling and the other services he might be able to access in our centre to build some healthy reasons to do other things with his time. He said he had reduced his drug use already and was prepared to smoke less ahead of attending sessions.

We agreed times to meet for a session in our premises but assured the young person that he could stay in the car the first time if necessary as even getting in the car to come to us would be a big step. In preparation, we sent YP photos of our building, described what it would look like in the counselling room and who else would be there. This provided enough reassurance that he came into the building straight away on his first session.

YP attended five sessions during which he made steady progress. He found he was able to cope better on the days he put off smoking until the evening because he felt he had something to do. In the fifth session, he said a family friend would be visiting at the weekend and it was agreed that he should be invited to their lunch out so that he could choose if he was ready to do this. YP attended a meal at the pub with his family that weekend, for the first time in 3 years.

Next steps are on how to start engaging YP in activities in the service and working on getting him a mentor who may be able to do other low-level activities initially, such as visiting a shop or starting to explore what interests he has.

NEWPIP

NEWPIP receive referrals from across the health sector in Newcastle.

One Mum and her baby boy, were referred to the NEWPIP service by Talking Helps, following an initial assessment where Mum's low mood and difficulties in bonding with her 6 month old son were noted.

During the therapy, Mum talked about various experiences of loss in her childhood and early adulthood; and how she had seen her pregnancy as a way of starting over with a relationship that would last. She talked about how she had the vision of them becoming a 'perfect family' when she found out that she was pregnant. In the weekly therapy session's Mum talked about how her pregnancy hadn't progressed as she had imagined, with several complications and how she hadn't felt the love and connection she had expected and thought she would feel.

As the sessions progressed, Mum became visibly more relaxed as she was able to vocalise her feelings and fears and make the connection between the losses she had experienced in her life and her fear of allowing herself to have a relationship with her baby. She began to notice her baby's attempts to communicate with her and to articulate back to him what she was observing. Gradually the serve and return pattern in their communication developed.

Mum's progress during the therapy saw her HADS (Hospital Anxiety and Depression Scale) score decline from an initial 8 to 3 for anxiety and from 13 to 2 for depression.

In the final sessions, Mum and baby were often observed laughing together, making eye contact and enjoying cuddles. Mum said that she now feels like the Mum that she had hoped to be.

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Poverty Proofing & Participation

Playful Lives is an initiative that Children North East developed during the summer of 2020 in conjunction with the West End Schools' Trust, the West End Children's Community and Sussed and Able. The programme's mission was to support families' post-lockdown and to use play as a tool to ease stretched family relationships, promote wellbeing and offer relief to stressed and worried families.

CNE Playful Lives in the summer of 2020 was made possible due to funding from Streetgames Department for Education (DfE) which funded the Best Summer Ever programme. This allowed us to pilot a model of delivering playful activities with families who were isolated, struggling due to the lockdown and social distancing measures, and were seeking support. Bridgewater School in the West End of Newcastle, identified and referred families who would benefit from support in playful activities, and were happy to engage with the charity. Once a family was referred, they were contacted by us and agreed for a team of three play workers to go and visit them once or twice a week over the course of four weeks. The team visited families with resource packs and resources to facilitate playful engagement with the children, and encourage, support and provide new and different opportunities for parents and carers to interact and take part in child led and directed play. The programme saw great success with very positive family engagement and the outcomes described below.

Over the course of the Playful Lives pilot, our workers engaged with 11 families including 30 children and 15 parents. This amounted to a total of 124.6 hours of playful activities which had a really powerful impact on the wellbeing of all involved as demonstrated in the stories below. The Playful Lives team began to see the opportunity for play enhancing social development of individuals and the programme starting to foster stronger relationships between siblings and parents. In addition the focus of modelling child led play enabled parents to engage with their children using a fresh approach. To see a case study impact visit The Power of Child's Play - Children North East (children-ne.org.uk) and for a video visit <https://youtu.be/z6Wy8hZtDkw>

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

Financial position

At the balance sheet date, the group held funds of £276,085 (2020: deficit of £28,070) of which £422,500 (2020: £422,500) was designated in accordance with the reserves policy.

Main sources of income

The main sources of income are contracts and grants from the public sector and grant making bodies.

We are very grateful to People's Postcode Lottery for £400,000 unrestricted income, plus an additional amount of £100,000 (for the period September 2020 to August 2021) which is restricted to the Poverty Proofing and Participation service.

Grants

Our thanks and appreciation go to the following for their grants during the financial year:

#iwill
Action for Children
Big Lottery, Awards for All
Blyth Offshore Wind Farm Fund
Buckland Charitable Trust
Cafcass
Carr Ellison Charitable Trust
Catalyst Sector Challenge Programme
Child Poverty Action Group
Children in Need
Community Family Hub West (PIP Praxis)
Community Foundation - Durham & Darlington
Community Foundation - Tyne & Wear
Coop Foundation
Coop Local Community Fund
Craft Council
Department for Digital, Culture, Media & Sport
Department for Education
Edward Gostling Foundation
Guy Redman Foundation
Hadrian Trust
High Sheriff of Northumberland
Joseph Strong Frazer Trust
Leslie and Lilian Manning Trust
National Foundation of Youth Music
National Lottery
Natural History Lantern Fund
Ncle CC Arts Council England Culture Bridge
Newcastle City Council
Newcastle Fund
Newcastle University

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Donations

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

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

Fundraising and events

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

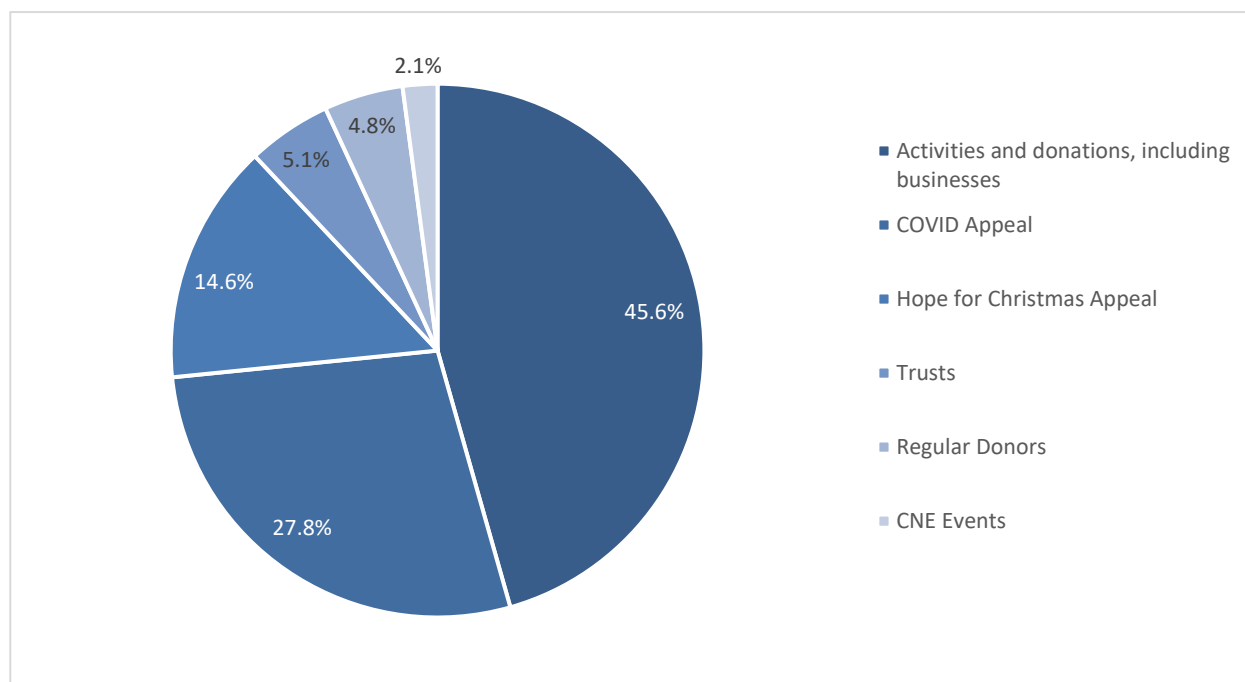
Coffee and Kin
Dan Jackson - In Memory of Namia Jackson
Durham Sixth Form Centre
Jackson Hogg
Mr Jim Farquhar
Mr Tommy Wanless
Mrs Sophie Stephenson
Ms Helen Smith
Newcastle Prep School
Ruth Oldfield t/as Coffee and Kin
Vistry

Unrestricted income

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021



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

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

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

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

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

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

Restricted income

We received income through contracts with the following commissioners:

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

NHS Newcastle and Gateshead

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

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

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

Reserves Policy and Going Concern

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

The Board designates unrestricted reserves as:

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

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

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

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

Investment Policy

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

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

There are currently no investments in place.

Funds in deficit

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

FUTURE PLANS

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

Our ambition is that:

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

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

Sustainability and growth

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

Reach

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

Impact

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

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

REFERENCE AND ADMINISTRATIVE DETAILS

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

CHILDREN NORTH EAST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

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

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

A handwritten signature in dark ink, appearing to read 'David W Bavaird', written over a light grey circular stamp.

Mr David W Bavaird, Chair

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

Opinion

We have audited the financial statements of Children North East (the 'parent company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Our responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

Use of our report

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



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

20 December 2021

CHILDREN NORTH EAST

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

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

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)

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

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

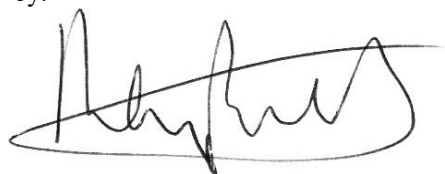
The notes form part of these financial statements

CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)

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

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

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

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

Mr David Bavaird, Chair

CHILDREN NORTH EAST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

The notes form part of these financial statements

CHILDREN NORTH EAST

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

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

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

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

Group financial statements

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

Income

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

Expenditure

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

CHILDREN NORTH EAST

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

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

Related party exemption

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

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Investments

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

Debtors

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

Cash at bank and in hand

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

CHILDREN NORTH EAST

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

1. ACCOUNTING POLICIES - continued

Creditors

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

Financial instruments

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

2. DONATIONS AND LEGACIES

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

3. OTHER TRADING ACTIVITIES

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

4. INVESTMENT INCOME

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

CHILDREN NORTH EAST

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

5. INCOME FROM CHARITABLE ACTIVITIES

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

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

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

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

6. RAISING FUNDS

Raising donations and legacies

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

CHILDREN NORTH EAST

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

7. CHARITABLE ACTIVITIES COSTS

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

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

9. SUPPORT COSTS

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

CHILDREN NORTH EAST

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

9. SUPPORT COSTS - continued

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

Management & administration

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

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

CHILDREN NORTH EAST

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

9. SUPPORT COSTS - continued

Governance costs

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

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

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

11. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,449,575	1,671,211
Social security costs	118,930	137,248
Other pension costs	97,531	89,444
	1,666,036	1,897,903

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

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

	2021	2020
All staff	66	74

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

CHILDREN NORTH EAST

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

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

CHILDREN NORTH EAST

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

14. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold Property £	Motor Vehicles £	Fixtures and Fittings £	Totals £
COST				
At 1 April 2020	422,500	39,650	-	462,150
Additions	-	-	12,366	12,366
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	422,500	39,650	12,366	474,516
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 April 2020	-	1,965	-	1,965
Charge for year	-	7,930	1,471	9,401
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	-	9,895	1,471	11,366
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 March 2021	422,500	29,755	10,895	463,150
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	422,500	37,685	-	460,185
	<hr/>	<hr/>	<hr/>	<hr/>

The property at 89 Denhill Park was revalued in 2019 by R.A. Jackson & Son at £247,500. The property at 4 Graingerville North was revalued in 2015 by Dunlop Haywood at £175,000 and the directors believe this remains appropriate. The historic cost of these properties is £407,734 and £593,382 respectively.

CHILDREN NORTH EAST

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

15. FIXED ASSET INVESTMENTS

Charity

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

There were no investment assets outside the UK.

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

CNE Trading Ltd

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

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

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

CHILDREN NORTH EAST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****16. DEBTORS**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	268,882	115,513	255,548	59,223
Amounts owed by group undertakings	-	-	109,052	78,580
Other debtors	7,521	10,864	7,521	9,820
Prepayments and accrued income	77,658	45,839	77,658	45,389
	<u>354,061</u>	<u>172,216</u>	<u>449,779</u>	<u>193,012</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	18,189	55,078	18,117	50,541
Social security and other taxes	75,028	121,407	74,387	94,187
Other creditors	22,414	22,819	21,976	21,020
Accruals and deferred income	526,839	167,518	524,784	118,381
	<u>642,470</u>	<u>366,822</u>	<u>639,264</u>	<u>284,129</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.

	Group £	Charity £
Balance at 1 April 2020	96,854	96,854
Released to income from charitable activities	(96,854)	(96,854)
Amount deferred in year	<u>497,441</u>	<u>497,441</u>
Balance at 31 March 2021	<u>497,441</u>	<u>497,441</u>

18. SECURED DEBTS

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

CHILDREN NORTH EAST

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

19. PROVISIONS FOR LIABILITIES - GROUP AND CHARITY

	2021	2020
	£	£
Pension deficit provision	267,020	316,383

Present Values of Provision

	2021	2020	2019
	£	£	£
Present value of provision	267,020	316,383	383,800

Reconciliation of Opening and Closing Provisions

	2021	2020
	£	£
Provision at start of period	316,383	383,800
Unwinding of the discount factor (interest expense)	7,109	4,856
Deficit contribution paid	(65,604)	(63,692)
Remeasurements - impact of any change in assumptions	9,132	(8,581)
Provision at end of period	267,020	316,383

Income and expenditure impact

	2021	2020
	£	£
Interest expense	7,109	4,856
Remeasurements - impact of any change in assumptions	9,132	(8,581)
	16,241	(3,725)

Assumptions

	2021	2020	2019
	% per annum	% per annum	% per annum
Rate of discount	0.66	2.53	1.39

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

CHILDREN NORTH EAST

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

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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

21. MOVEMENT IN GROUP FUNDS

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

CHILDREN NORTH EAST

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

21. MOVEMENT IN GROUP FUNDS - continued

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

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

Comparatives for movement in funds

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

CHILDREN NORTH EAST

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

21. MOVEMENT IN GROUP FUNDS - continued

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

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

Designated fund

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

Restricted funds

Families & Parenting

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

Children & Young People

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

22. PENSION COMMITMENTS

TPT Retirement Solutions - The Growth Plan

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

CHILDREN NORTH EAST

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

22. PENSION COMMITMENTS - continued

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

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

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

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

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

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

Pension Trust Flexible Pension Plan

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

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

23. RELATED PARTY DISCLOSURES

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

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

CHILDREN NORTH EAST

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

24. POST BALANCE SHEET EVENTS

Pension Commitments: TPT Retirement Solutions - The Growth Plan

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

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

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

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

26. ANALYSIS OF CHANGES IN NET FUNDS

Group

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

Charity

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

CHILDREN NORTH EAST

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

27. LEGAL STATUS

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