

**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 2019  
FOR**

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

Read, Milburn & Co  
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## **CHILDREN NORTH EAST**

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## **CHILDREN NORTH EAST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

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<sup>st</sup> March 2019. The financial statements comply with the Companies Act and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard for Smaller Entities.

## **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 report two trustees have retired and four new trustees have been appointed. The board reviews expertise among the existing trustees and recruits people with expertise that the board lacks. The board is now satisfied it has 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 two sub-committees, one for income and resources and the other for delivery and impact.

The chief executive manages the charity on behalf of the trustees with the deputy chief executive and operations director. 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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### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

- 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 through the provision of a range of services, training and development opportunities for children, young people, their mothers, fathers, carers and the professionals who work with them; and
- 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 'north east 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.

#### **THE DIFFERENCE WE MAKE FOR CHILDREN AND YOUNG PEOPLE**

##### **PUBLIC BENEFIT**

Children North East delivers 34 different services for children and young people in their families and schools, individually, in groups and training courses. The scope our services expands as children grow up – working with pregnant women and their partners; then with families; schools; in communities; with potential employers and influencing policy. The services are organised under 4 headings – Families and Parenting, Young People, NEWPIP and the Schools Team.

**Families and Parenting** offers holistic family support and 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 interventions. The work is mainly commissioned by Newcastle, Gateshead and Sunderland Local Authorities plus grant funding and spot purchases. The Contact Centre is self-funded by non-resident parents who wish to have contact with their children. We offer a 0-19 service including crises intervention, early intervention and preventative services for families.

Services include:

- Preparing for Baby – parenting course for parents to be
- Bump Buddies – social group for pregnant mothers
- Baby Social – social group for parents of new babies
- Whoops! – home safety and paediatric first aid course for parents

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- Safeguarding Futures – course for parents whose children are subject to a child protection plan
- Today's Teens and Tomorrows Teens – courses for group of parents with their teenage or pre-teenage children
- Families Are Special Together (FAST) – programme for groups of families rebuilding their lives after escaping domestic abuse
- Caring Dads – group programme for fathers who are worried about the aggression they feel towards their partner and children.
- Families in Crisis – intensive work with whole families
- Family Support – mostly provided by trained volunteers
- Contact Centre – where separated parents can have contact with their children in a safe, supervised setting

**Young People service** aims to build young people's resilience. It offers a range of services to enable us to do this funded in the following ways:

Counselling funded by Newcastle Gateshead Clinical Commissioning Group supports young people aged 9-25 years across both local authority areas. In addition we have a grant from the Police and Crime Commissioner to work with young victims of crime aged 11-25 in the Northumbria police force area. 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 for young people aged 11-18 years. We have two contracts from Newcastle City Council via the Children's Disabilities Team and Targeted Youth Support; and a Children in Need grant. In South East Northumberland we have a more targeted youth link service funded through the Tampon Tax Fund to provide support for young female victims of crime/domestic abuse and a small grant from Northumberland Children's Trust for the generic youth link work in this area and East Tynedale, both these services cover the same 11-18 age range. The projects recruit and train young volunteers aged 17-25 from the local area to mentor and support young people 11-18. Support can include:

- 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

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.

**NEWPIP** supports early relationships by providing the right support at the right time. It is a Parent Infant Psychotherapy service commissioned by Newcastle City Council with an additional financial contribution from PIP UK.

NEWPIP 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 offers: Individual Parent-child Psychotherapy; Parent-child group therapy; accredited training and continuing professional development for the early years workforce.

**Schools Team** provides Poverty Proofing the School Day, a whole school intervention that identifies the barriers to learning for disadvantaged students by listening to what the students in the school say about how the school excludes or treats differently those who have less financial resource and making recommendations to the school. It is a whole school intervention.

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The service is funded entirely by sales to schools, financial targets are set by the CNE Trading Ltd. subsidiary to cover the costs of running the service.

Poverty Proofing the School Day gives school leaders a unique insight into how the student's view the school. It is known to improve school attendance of disadvantaged children and can have a profound effect on the behaviour of everyone in the school.

The Schools Team also sells these service:

- **'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.
- **Wilderness Schooling** - a group intervention where up to 18 primary schools pupils spend one day a week outdoors in the natural environment (beaches, forests) with specially trained teachers who use the environment to teach curriculum work in Maths, Science and English. The programme was developed by another organisation and is delivered by Children North East as service sold to schools.
- **Zippys Friends** - an international wellbeing intervention for 5-9 year olds which encourages students to develop coping strategies when they come across life's hurdles. It was developed by another organisation. CNE train teachers to be able to deliver this intervention. The training is sold to schools.

**Children North East** provides direct services in Newcastle, Gateshead, Sunderland and South East Northumberland with smaller presences in North and South Tyneside. We work in schools in every part of the north east region and in other parts of England. We also work in partnership with other organisations to further our impact for children and young people.

Children North East provides opportunities for adults and young people to volunteer their time as mentors and offers practice placements for social work students.

As a charity Children North East receives gifts of goods and food throughout the year which we distribute to children and young people in need.

### PERFORMANCE

Children North East provided services directly to 3,744 (3,584<sup>1</sup>) children and young people; we had impact for another 43,075 (21,177) children and young people in schools where we delivered Poverty Proofing the School Day.

Of the children and young people we provided direct services to 177 (226) were babies age 0-1 years; 161 (127) were age 2-4 years; 394 (464) age 5-11 years; 1,622 (1,507) age 12-18 and 632 (921) were age 18-25; we also worked with another 757 children and young people but did not record their ages. In total we worked with 2,039 girls and 1,542 boys.

Although ethnicity is not recorded for every CNE activity, we worked with 448 individuals from 67 different BAME (Black and Minority Ethnic) groups. Those where we have data are:

	<b>Black and Minority Ethnic</b>
Families & Parenting service	14.4%
NEWPIP service	20.3%
Young peoples service	9.24%
Overall	11.99%

We worked with 766 (819) families, of which 146 (19%) were known to be headed by a single parent.

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<sup>1</sup> Figures in brackets are for the previous year 2017-2018

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These services were provided by:

- 37 full-time staff
- 33 part-time staff
- 6 sessional workers
- 26 students on placement
- 154 volunteers (mostly 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 £71,800.

### **IMPACT**

Children North East wishes to demonstrate the impact our work has on 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.

During the year we have introduced a client record database across all our services and appointed a Data, Information and Knowledge Lead, in due course we expect to be able to use anonymised client data to demonstrate impact and also identify unmet needs for new services. Narrative will continue to be an important way of demonstrating impact and also the quality of the work done by Children North East staff as can be seen in these examples:

#### **Babies feel safe and loved**

‘My Mammy had never taken me to a group before, she said she didn’t feel up to it till now, and I’m now four months old. We never left the house much, Mammy just looked sad and didn’t know what to do with me in the house. But one day Mammy decided to take me to a Children North East music session called Boogie Bairns that she had been told about by her health visitor.

I could tell she was very nervous and didn’t want to go and because I knew my Mammy was nervous, I used to cry a lot in the sessions. I wanted to cuddle my Mammy because I knew she needed me and I needed her too.

It was a very new place to me, I felt scared of the centre and didn’t know what to do with all my feelings. I don’t think my Mammy did either. I would cry and my Mammy would get stressed trying to settle me. She said she was embarrassed when I cried and she felt like I was ruining the group for all the other babies. I just needed her to tell me it was going to be OK.

A lady in the group, who did all the singing made me and my Mammy feel better. She told my Mam that it was OK for me to cry and that I would soon settle once I became familiar with the session, she reassured my Mammy and told her that others don’t mind me crying as this happens quite often when babies start new sessions. She gave my Mam ideas on how she could comfort me and help me to feel better.

Now I’m eight months old. I really like the Boogie Bairns session. I smile when I arrive at the doors and my Mammy smiles back at me. I know now that my Mammy is happy to be here, this makes me feel happy now too. We sing a hello song and the lady puts my name in it, I love this bit and I often laugh and show off my new clapping skills that I learnt in the group. I’ve even learnt how to shake the maraca and hit the drums, Mammy and I love it! I’m so proud of all my new skills I’ve learnt and Mammy is too. Mammy says I’m a quick learner and I think she’s right!’

#### **Children are ready and looking forward to school**

‘Two children aged three and one had been removed from the care of their parents and placed in foster care. The children were removed because the older child sustained radiator burns. Children’s Social Care had recommended that the children be placed for adoption, however at court it was ordered that their Mother should be given the opportunity and teaching to be able to parent the children. Children North East were asked to provide eight weeks intensive work and teaching with Mam and the children.

Upon meeting these lovely, pleasant children, it hit home what they have been through already in their short lives.

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They were so small and had already been uprooted from their own family and placed with a foster carer who at the time was a stranger. The children clearly had an attachment to Mam and happily came to Mam, the older child telling her about their day and what they had been up to. By the time I met them, they had already formed a relationship with the foster carer too. To me, they seemed confused. They were seeing their Mam the care giver they had always known in a contact centre supervised by strangers. Despite this, they took it all in their stride, following the routine and coming and going to and from carers every day.

The baby struck me as resilient, not fully understanding what was going on. The older child was more aware and found it challenging at times, showing divided loyalty, loving Mam but loving the carer too, where it was safe. It was a time of great change and insecurity, something us as adults would find difficult to manage. Despite all going on the children were happy and Mam was trying hard to re-form her relationship with them. She found it difficult to manage her emotions. She had had her children taken away, she was scared and wary of professionals but she tried hard. From the outset she was motivated to get her children back. The contact was of a high quality, sometimes challenging, but what always shone through was love.

Children North East facilitated contact initially 3x per week, gradually increasing in frequency and duration. We helped Mam to understand what it meant to be a parent meeting the needs of two young children and how to keep them safe. We covered boundaries, routines and safety in the home. We provided emotional support to help the children understand what was happening by answering their questions and slowly but surely their opinions started to change. They were seeing Mam and nothing bad was happening. They weren't getting burnt and they weren't witnessing arguments; things were different. There were people they could talk to and people to help Mam. The contact was increasing and some unsupervised time was permitted. Eventually there were sleepovers which was a little scary. After a few times, the children wanted to stay longer, the older child asked when they could come back to live there and the younger one began to cry when the foster carer collected them. The relationship had grown stronger and they realised Mam was different this time.

Things went so well, the Social Worker and the court decided the children could return home. Things went from strength to strength. The children were more settled being in one place. They felt stability and security and they were back home, their home. After 6 weeks, there had been no incidents. It wasn't all plain sailing but Mam was managing and being supported. The children were happy, safe and loved. No accidents, no injuries. Things had really turned around.

Within 14 weeks the children went from the brink of adoption to being home full time with their Mam. The plan had progressed well and things were going well. After this, Children North East withdrew. We were confident Mam was managing and didn't need further support. Mam will receive statutory support for 2 years, meaning a Social Worker will still visit and offer support and guidance. There is scope for the case to be re-referred if necessary. The outcomes have been met and the family are back together. The children are both in nursery and the older child starts school in September.'

#### **Children and young people are confident in school**

'I was struggling with my day to day activities, I lacked motivation and I had no interest in school, I struggled to get out of bed in the morning or even get dressed for school. I could not communicate with my friends and family. I began to self-harm, just to release the pressure I was having. I cried a lot and just wanted to commit suicide, life looked very dull. I was unable to talk to anyone about how I was feeling and felt very isolated. Then I went to speak to the pastoral staff at school about how I was feeling and they referred me to Mia from Children North East who comes in to our school twice a week.

I was at a low point when I met up with Mia, I was scared, my anxiety was at its worst, I was shaking, my heart was beating so fast and I was struggling to breathe, my speech was so fast when I was trying to talk, my head felt like it was going to burst and I just sat in the room crying. I was thinking, who is this woman? Can I trust this woman? Do I really need to be here? I began to panic and just seemed to have lost my voice due to being very nervous. But I was welcomed into the room and Mia introduced herself and said she was here to listen and to see if she could help, it was a great relief to hear those words.

Mia listened to me and made me feel very comfortable, she allowed me to talk about how I was feeling and what my



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worries were. She offered me weekly appointments so I was able to talk about how I was feeling. She explained that over a 6 week period we will work on my confidence and anxiety by using different activities.

I was then given an appointment card with regular times and dates on it. We then worked on a safety plan which Mia went over with me and gave me her contact number so I was able to contact her for extra support. She also gave me an A3 book to keep a diary to help me reflect on my positive and negative emotions and bring it back weekly so we could work on the things that seem to cause my anxiety. We also using a scaling chart to help reduce the anxiety and boost my confidence.

I was unsure how this would work, but over the weeks I made progress, I was no longer self-harming. I still felt like I wanted to sometimes but I then used methods Mia showed me when I felt like I needed to self-harm. One of these was to just get a little rubber band on my wrist ... I would just snap the rubber band and that physical pain then helped with me deal with my emotional pain.

I felt so much better, I was able to use different techniques Mia taught me such as breathing techniques and counting to 100. I was also able to fight my responses to anxiety rather than running from them. I feel better now, not 100% but I am able to come to school and process the information, socialise with friends and I can sort of live a normal life now, I am happier. I am sitting my exams soon and looking for to going to 6th form, I should achieve my GCSE's and I am hoping to get to university one day.'

#### **Young people feel valued and confident**

'Kate is aged 14 years and has autism. Kate was struggling at high school having recently moved from middle. There were also previous issues around self-harm. Kate agreed to try the Children North East Youth Link as she was not keen on engaging in youth groups. Her goals were being more independent from her family, having someone different to talk to, coming up with some coping strategies for problems and dilemmas. Kate was matched with a mentor to meet after school and they worked on independent travel until she could travel to meet her friends on her own and travel home by herself. At the end of the mentoring Kate said that she feels more organised, and has found having someone to talk to about friendships really useful. Overall Kate 's confidence has increased in several areas – she is now meeting friends on her own; meeting in town at weekends; and Kate 's Mum is less worried about her going out alone; and so feels able to let her have more independence. Kate successfully achieved all her goals.'

#### **Young people are given a chance**

'David originally asked Children North East for help and was allocated to the CAN (Confident Adults Newcastle) project which combines group work and mentoring. It quickly became clear that David's living situation was untenable. He had lived with his Grandma for over 20 years and when she died he took over her tenancy but was very quickly in debt. This was because his benefits did not cover the rent which included the 'bedroom tax' for the second bedroom. Not knowing what else to do David left the flat to live in his stepfather's bedsit where he slept in a chair.

I went with David to the housing office. It was here that we discovered that he would not be eligible for a flat until he had paid off the £2,750 rent arrears, however this could be frozen for 12 months and then written off if necessary. However there was a £90 fee for this which Children North East paid out of the hardship fund.

I took David to the launderette so he could get his clothes clean as there was no washing machine at his stepfathers.

David had no income so needed to apply for Universal Credit but this could only be paid into a bank account. David did not have one and he could only open one with two forms of identity. The only form of identity David had was his birth certificate however the bank said they would also accept a letter from a GP. I persuaded the GP to waive their £30 fee for this.

The housing people needed a credit check on David before they would agree to freeze the previous arrears. Fortunately this was now possible because David had a bank account and the debt arrangement was put in place.

The months went by during which the red tape surrounding David's application for housing became more and more obscure. Different people gave him conflicting information, advice and instructions and emails sent to David went missing. I supported David through all the set-backs and made numerous phone call on his behalf.

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In the meantime David decided to sign up to a “Life and Work Skills” course offered by Newcastle United Foundation and I helped him write his first CV for that.

Nearly a year on David has applied for a few flats and is awaiting the response. He is also into the last week of his course and has signed up to complete a three month Princes Trust course. He is generally a lot happier and is paying more attention to his hygiene. He is growing in confidence and has started focusing on the things that he wants from life. I am as excited as David is for the day that he moves into his new flat and already have a plan with an existing contact to help him acquire some of the furniture that he will need.’

#### **WIDER IMPACT**

Children North East was awarded a grant from the DfE to provide healthy food and activities for children and young people during the 2018 summer holidays. We coordinated holiday clubs in 16 schools, in six North East local authorities which were attended by 600 children and young people. We provided 3,660 healthy breakfasts and 7,095 healthy lunches. This work contributed to the growing bank of evidence that holiday clubs that provide stimulating activities and good food make a significant difference for families struggling to feed and entertain their children during the long summer holiday and help ensure children return to school in September ready to learn.

Children North East poverty proofing the school day work has inspired the Tyne and Wear Citizens UK ‘Just Change’ campaign. We uncovered the widespread practice that unspent ‘change’ from pupils’ free school meals allowance is not rolled over for use on another day, but instead retained by the meal provider.

Children North East services have a financial benefit to public agencies. For example we worked with a total of 338 babies and pre-school children. Assuming all those children were better prepared to start school than they would have been with no intervention, this saved school and education support services £1,053 per child, a total of £355,914.

Government estimates the cost to a council of managing a child in need case for 6 months is £1,626. Children North East took the Lead Professional in 50 cases thus saving local councils in the region of £81,300.

For every child or young person Children North East counselling services keep out of public sector provision, Government estimates a saving of £3,755 per person per year.

Children North East services such as Youth Link, BU and drop-in’s all contribute to reducing anti-social behaviour by young people which is estimated to cost £673 per incident. They also lessen the likelihood of attendance at A & E which costs an average of £117 per incident.

It is estimated the average cost of a child being in care for a year is £52,676. Children North East worked with 52 children in care, some of whom were returned home to live with their parents as a result of our intervention with substantial savings to local authorities.

#### **FINANCIAL REVIEW**

##### **Financial position**

At the balance sheet date, the group held funds of £166,348 (2018 - £11,708) of which £422,500 (2018 - £375,000) 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 Postcode Children Trust for £350,000 unrestricted income.

Our thanks and appreciation to the following for their grants:

Barbour Foundation	Leslie and Lilian Manning Trust
Big Lottery, Awards for All	Masonic Charitable Foundation
Buckland Charitable Trust	Mel Weir Charitable Trust
Carr Ellison Charitable Trust	Netherton Park Trust
Catherine Cookson Charitable Trust	Newcastle Fund

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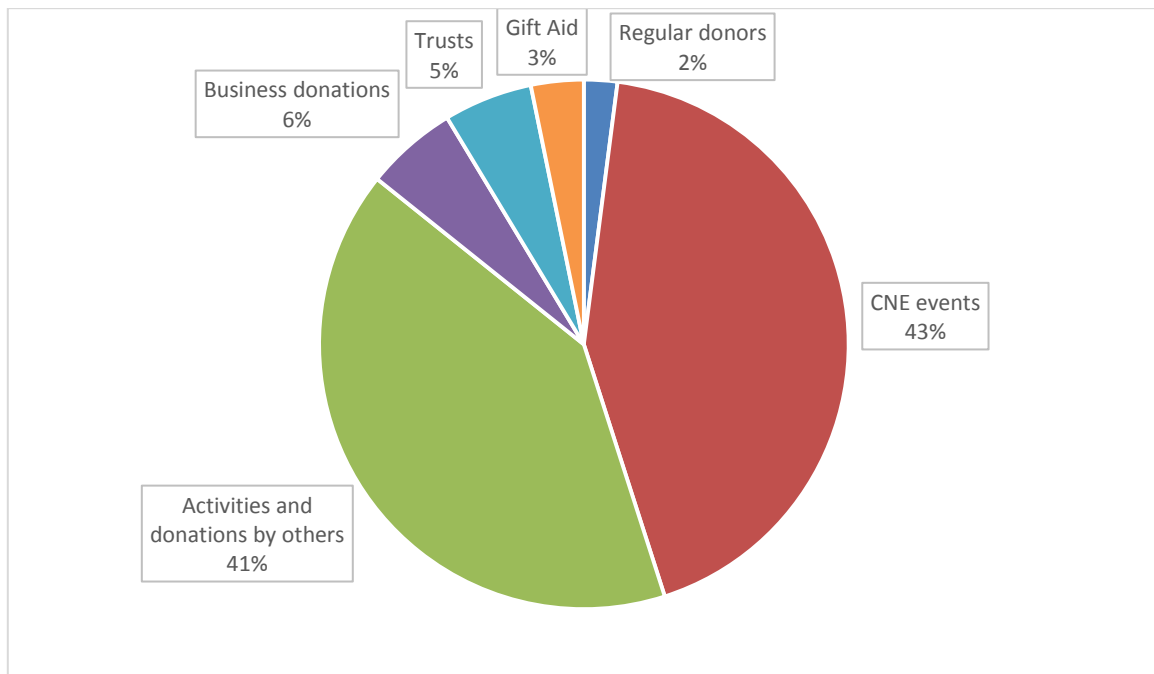
Children in Need	Northumberland Children’s Trust
Community-led Local Development European Social Fund	Northumbria Police and Crime Commissioner
David Dockray	PIP UK
Department for Digital, Culture, Media & Sport,	Prudhoe Town Council
Tampon Tax Fund	Reece Foundation
Department for Education	Rothley Trust
Hadrian Trust	Ridley Family Trust
High Sheriff of Tyne and Wear	-Sir James Knott Trust
Ironmongers Foundation	W A Handley
J H Burn Charity	William Leech Charity
Joseph Strong Frazer Trust	

We are very grateful to all the businesses and individual donors who support Children North East, especially these who have made donations over £1,000:

Robertson Construction England	Stagecoach
Galliford Try Partnerships North	Concept
Barclays Premier Banking Sunderland	ARP Design
Babucho	TSB
Computershare	Nike
Ade and Sarah Clark	

**Unrestricted income**

This chart shows the sources of unrestricted income other than the Postcode Children’s Trust:



Our approach to fundraising is to encourage supporters and local businesses to fundraise for Children North East. Businesses also provide pro bono support and their sponsorship of fundraising events organised by Children North East reduces costs and increases net income from them. The main fundraising events organised by Children North East during the year were:

- Christmas giving campaign

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- Sandcastle challenge
- Sandcastle summer party
- Golf Day
- Participants in the Great North Run

We have invested in our communications capacity in order to attract more supporters to Children North East and encourage them to contribute by fundraising for us.

Our beneficiaries are in great need of clothing and food. We receive unsolicited gifts of 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  
Northumbria Police and Crime Commissioner  
Northumberland County Council  
City of Sunderland Council  
Stockton-on-Tees Borough Council  
Newcastle and Gateshead Clinical Commissioning Group

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

Total income was greater than the previous year and this is reflected in the reported surplus.

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 (£127,648, excluding the provision for pension deficit payments as detailed in notes 18 and 21) 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.

## **CHILDREN NORTH EAST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

Following the end of the accounting period, the trustees began implementing a package of financial measures aimed at reducing costs and ensuring the longevity of the organisation. Amongst those measures is the consolidation of operations into a single location and sale of surplus property at Denhill Park. At the date of approval of the financial statements, a buyer had been identified and negotiations on the sale are at an advanced stage and, while the trustees consider it probable that the sale will complete in a timely fashion, it is not guaranteed. Due to an expected temporary cash deficit within the next 12 months, going concern is contingent on the successful sale of the property.

#### **Investment Policy**

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.

#### **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 18 and 21), amounting to £383,800 (2018 - £640,980). As a result there is a net deficiency in general, unrestricted funds in the amount of £256,152 (2018 - £363,292).

#### **FUTURE PLANS**

Our objectives for the coming year are:

1. Continue to increase reach and impact by offering free, relevant information and advice on our website for young people and parents.
2. Increase reach and impact by extending existing services into new places where demand exists and can be funded and also by selling services.
3. Increase the number of supporters and donations by continuing to improve communications with potential supporters, donors, customers and service users.
4. Increase working capital by increasing unrestricted income.
5. Continue to refine reporting of the impact that Children North East has for service users and the impact made on the policies and practice of other organisations.

## **CHILDREN NORTH EAST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Trustees</b>	Dr Hazel Jones-Lee (retired September 2018) Mrs Debbie McCordall Mr Ian Railton, Chair until May 2019 Mrs Lucy Kendall Mr Stephen Robinson Mrs Judith Stone (retired September 2018) Ms Glenda Devlin Mrs Judith Hay OBE Prof Eileen Kaner Mr Mark Stoddart (appointed May 2018) Mr Alex Coburn (appointed December 2018) Ms Philippa Hughes (appointed December 2018) Reverend Sarah Lunn (appointed December 2018) Mr David Bavaird, Chair from May 2019 (appointed May 2019) Mrs Gemma Lockyer-Turnbull (retired April 2018)
<b>Chief Executive</b>	Mr Jeremy Cripps (retired August 2019)
<b>Deputy Chief Executive</b>	Mrs Leigh Elliott
<b>Operations Director</b>	Ms Michele Deans (appointed January 2019)
<b>Head Office &amp; Registered Office</b>	89 Denhill Park Newcastle upon Tyne, NE15 6QE
<b>Auditors</b>	Read, Milburn and Co 71 Howard Street North Shields NE30 1AF
<b>Bankers</b>	Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB
<b>Investment Managers</b>	Speirs & Jeffrey Limited 36 Renfield Street Glasgow G21 NA

## CHILDREN NORTH EAST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

#### 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 29 January 2020 and signed on its behalf by

Mr David Bayaire, 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 2019 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 2019 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.

### **Material uncertainty relating to going concern**

We draw attention to note 1 to the financial statements, which indicates that the company's ability to mitigate an expected cash deficit within the next 12 months is contingent on the sale of surplus property which, at the date of this report, is considered probable but not certain. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of the matter.

### **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 consolidated financial statements does not cover the other information and 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, 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**

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's 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 financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 parent 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.

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



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

Date: 30 January 2020

## CHILDREN NORTH EAST

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	465,281	-	465,281	445,088
<b>Charitable activities</b>	5				
General operations		5,502	-	5,502	43,911
Children and young people		384,039	347,406	731,445	706,640
Families and parenting		532,072	119,634	651,706	594,255
Parent infant partnership		306,404	-	306,404	313,711
Other trading activities	3	269,679	-	269,679	182,789
Investment income	4	3,884	-	3,884	5,111
Other income		27,396	-	27,396	17,729
<b>Total</b>		<b>1,994,257</b>	<b>467,040</b>	<b>2,461,297</b>	<b>2,309,234</b>
<b>EXPENDITURE ON</b>					
Raising funds	6	44,412	-	44,412	38,310
<b>Charitable activities</b>	7				
General operations		461,029	-	461,029	453,737
Children and young people		390,185	362,590	752,775	768,464
Families and parenting		641,775	107,331	749,106	655,496
Parent infant partnership		346,178	-	346,178	316,144
Reversal of impairment losses		(47,500)	-	(47,500)	-
<b>Total</b>		<b>1,836,079</b>	<b>469,921</b>	<b>2,306,000</b>	<b>2,232,151</b>
Net gains/(losses) on investments		(657)	-	(657)	3,799
<b>NET INCOME</b>		<b>157,521</b>	<b>(2,881)</b>	<b>154,640</b>	<b>80,882</b>
<b>Transfers between funds</b>		<b>(2,881)</b>	<b>2,881</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>154,640</b>	<b>-</b>	<b>154,640</b>	<b>80,882</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>11,708</b>	<b>-</b>	<b>11,708</b>	<b>(69,174)</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>166,348</b>	<b>-</b>	<b>166,348</b>	<b>11,708</b>

### 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 2019**

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>FIXED ASSETS</b>					
Tangible assets	14	422,500	375,000	422,500	375,000
Investments	15	78,076	149,743	78,077	149,744
		<u>500,576</u>	<u>524,743</u>	<u>500,577</u>	<u>524,744</u>
<b>CURRENT ASSETS</b>					
Debtors	16	196,141	195,344	225,275	242,265
Cash at bank and in hand		165,696	298,209	160,291	291,692
		<u>361,837</u>	<u>493,553</u>	<u>385,566</u>	<u>533,957</u>
<b>CREDITORS</b>					
Amounts falling due within one year	17	(312,265)	(365,608)	(264,267)	(350,962)
		<u>49,572</u>	<u>127,945</u>	<u>121,299</u>	<u>182,995</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		550,148	652,688	621,876	707,739
<b>PROVISIONS FOR LIABILITIES</b>	18	(383,800)	(640,980)	(383,800)	(640,980)
<b>NET ASSETS/(LIABILITIES)</b>		<u>166,348</u>	<u>11,708</u>	<u>238,076</u>	<u>66,759</u>
<b>FUNDS</b>	20				
Unrestricted funds:					
General fund		(256,152)	(363,292)	(184,424)	(308,241)
Designated fund		422,500	375,000	422,500	375,000
		<u>166,348</u>	<u>11,708</u>	<u>238,076</u>	<u>66,759</u>
Restricted funds		-	-	-	-
<b>TOTAL FUNDS</b>		<u>166,348</u>	<u>11,708</u>	<u>238,076</u>	<u>66,759</u>

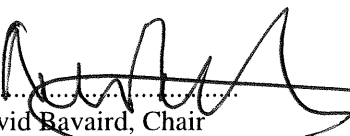
The notes form part of these financial statements

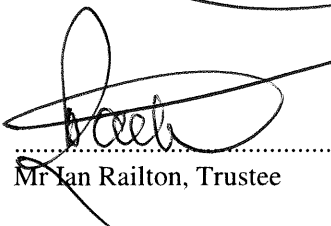
**CHILDREN NORTH EAST (REGISTERED NUMBER: 00090288)**

**CONSOLIDATED BALANCE SHEET - CONTINUED  
AS AT 31 MARCH 2019**

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 29 January 2020 and were signed on its behalf by:

  
.....  
Mr David Bavaird, Chair

  
.....  
Mr Ian Railton, Trustee

The notes form part of these financial statements

## CHILDREN NORTH EAST

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Cash flows from operating activities:</b>					
Cash generated from operations	24	(205,796)	92,785	(204,827)	86,204
Interest paid		(1,611)	(2,435)	(1,468)	(2,371)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash provided by (used in) operating activities</b>		<u>(207,407)</u>	<u>90,350</u>	<u>(206,295)</u>	<u>83,833</u>
<b>Cash flows from investing activities:</b>					
Purchase of fixed asset investments		-	(24,791)	-	(24,791)
Sale of fixed asset investments		71,010	25,821	71,010	25,821
Interest received		3,884	5,111	3,884	5,111
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash provided by (used in) investing activities</b>		<u>74,894</u>	<u>6,141</u>	<u>74,894</u>	<u>6,141</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(132,513)</u>	<u>96,491</u>	<u>(131,401)</u>	<u>89,974</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>298,209</u>	<u>201,718</u>	<u>291,692</u>	<u>201,718</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>165,696</u></u>	<u><u>298,209</u></u>	<u><u>160,291</u></u>	<u><u>291,692</u></u>

The notes form part of these financial statements

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

#### 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 2015)', 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.

##### **Going concern**

Following the end of the accounting period, the trustees began implementing a package of financial measures aimed at reducing costs and ensuring the longevity of the organisation. Amongst those measures is the consolidation of operations into a single location and sale of surplus property at Denhill Park. At the date of approval of the financial statements, a buyer had been identified and negotiations on the sale are at an advanced stage and, while the trustees consider it probable that the sale will complete in a timely fashion, it is not guaranteed. Due to an expected temporary cash deficit within the next 12 months, going concern is contingent on the successful sale of the property.

As explained more fully in notes 18 and 21 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 £383,800 (2018 - £640,980). As a result there is a net deficiency in general, unrestricted funds in the amount of £256,152 (2017 - £363,292).

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.

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 1. ACCOUNTING POLICIES - continued

##### **Expenditure**

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

##### **Tangible fixed assets**

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

Freehold property	- not provided
Motor vehicles	- at varying rates 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.



## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 1. ACCOUNTING POLICIES - continued

##### Debtors

Debtors and prepayments are recognised at the settlement

##### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term

##### 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

	2019	2018
	£	£
Post Code Children Trust	350,000	350,000
Other donations and legacies	115,281	95,088
	<u>465,281</u>	<u>445,088</u>

#### 3. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Fundraising events	51,368	67,624
Charges for goods & services	218,311	115,165
	<u>269,679</u>	<u>182,789</u>

#### 4. INVESTMENT INCOME

	2019	2018
	£	£
Investment income	<u>3,884</u>	<u>5,111</u>

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 5. INCOME FROM CHARITABLE ACTIVITIES

	General Operations £	Children and young people £	Families and parenting £
Grants	5,502	266,017	68,831
Contract income	-	461,688	516,527
Spot purchase of services	-	3,740	66,348
	<u>5,502</u>	<u>731,445</u>	<u>651,706</u>

	Parent infant partnership £	2019 Total activities £	2018 Total activities £
Grants	302,318	642,668	602,227
Contract income	2,180	980,395	947,166
Spot purchase of services	1,906	71,994	109,124
	<u>306,404</u>	<u>1,695,057</u>	<u>1,658,517</u>

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

	2019 £	2018 £
Local Authority	-	6,945
Health	105,686	119,686
Trusts	79,100	22,895
Big Lottery	18,097	117,721
Other	439,785	334,980
	<u>642,668</u>	<u>602,227</u>

#### 6. RAISING FUNDS

##### Raising donations and legacies

	2019 £	2018 £
Staff costs	35,931	33,776
Other fundraising costs	8,481	4,534
	<u>44,412</u>	<u>38,310</u>

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8) £	Support Costs (See note 9) £	Totals £
General operations	303,251	157,778	461,029
Children and young people	704,941	47,834	752,775
Families and parenting	675,855	73,251	749,106
Parent infant partnership	316,152	30,026	346,178
	<u>2,000,199</u>	<u>308,889</u>	<u>2,309,088</u>

#### 8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	1,810,302	1,752,307
Motor & travel expenses	74,981	63,880
Staff training & recruitment	16,468	14,264
Volunteer costs	28,501	20,010
Other client costs	69,947	85,186
	<u>2,000,199</u>	<u>1,935,647</u>

#### 9. SUPPORT COSTS

	Management & administration £	Governance costs £	Totals £
General operations	151,793	5,985	157,778
Children and young people	47,834	-	47,834
Families and parenting	73,251	-	73,251
Parent infant partnership	30,026	-	30,026
	<u>302,904</u>	<u>5,985</u>	<u>308,889</u>

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 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	1,650	9,074	32,441
Insurance	8,942	-	-
Light & heat	3,416	4,745	(648)
Telephone	9,144	7,112	6,499
Printing, postage, stationery & advertising	26,986	7,809	6,004
Sundries	157	191	5,372
Repairs & maintenance	15,639	4,909	7,027
Cleaning	11,050	6,444	1,975
Computer support & maintenance	56,726	5,064	8,282
Professional fees	8,191	-	4,846
Subscriptions	8,284	2,486	1,453
Bank interest & charges	1,608	-	-
	<u>151,793</u>	<u>47,834</u>	<u>73,251</u>

	Parent infant partnership £	2019 Total activities £	2018 Total activities £
Rent & rates	14,577	57,742	1,597
Insurance	-	8,942	7,994
Light & heat	-	7,513	3,337
Telephone	2,438	25,193	6,215
Printing, postage, stationery & advertising	3,413	44,212	13,446
Sundries	2	5,722	102
Repairs & maintenance	2,611	30,186	8,317
Cleaning	263	19,732	5,972
Computer support & maintenance	5,824	75,896	46,598
Professional fees	-	13,037	26,903
Subscriptions	897	13,120	6,702
Bank interest & charges	1	1,609	2,435
	<u>30,026</u>	<u>302,904</u>	<u>129,618</u>

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 9. SUPPORT COSTS - continued

##### Governance costs

	2019 General Operations £	2018 Total activities £
Auditors' remuneration	5,985	4,920

#### 10. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Auditors' remuneration	5,985	4,920

#### 11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

##### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

#### 12. STAFF COSTS

	2019 £	2018 £
Wages and salaries	1,794,070	1,568,224
Social security costs	155,396	135,184
Other pension costs	(103,233)	82,675
	<u>1,846,233</u>	<u>1,786,083</u>

The key management personnel, including the trustees, are listed under Reference and Administrative Details. The total employee benefits of the key management personnel were £126,021 (2018 - £116,024).

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

	2019	2018
All staff	<u>78</u>	<u>74</u>

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

**CHILDREN NORTH EAST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	445,088	-	445,088
<b>Charitable activities</b>			
General operations	43,911	-	43,911
Children and young people	367,775	338,865	706,640
Families and parenting	560,645	33,610	594,255
Parent infant partnership	313,711	-	313,711
Other trading activities	182,789	-	182,789
Investment income	5,111	-	5,111
Other income	17,729	-	17,729
<b>Total</b>	<b>1,936,759</b>	<b>372,475</b>	<b>2,309,234</b>
<b>EXPENDITURE ON</b>			
Raising funds	38,310	-	38,310
<b>Charitable activities</b>			
General operations	453,737	-	453,737
Children and young people	451,842	316,622	768,464
Families and parenting	617,972	37,524	655,496
Parent infant partnership	316,144	-	316,144
<b>Total</b>	<b>1,878,005</b>	<b>354,146</b>	<b>2,232,151</b>
Net gains/(losses) on investments	3,799	-	3,799
<b>NET INCOME</b>	<b>62,553</b>	<b>18,329</b>	<b>80,882</b>
<b>Transfers between funds</b>	<b>18,329</b>	<b>(18,329)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>80,882</b>	<b>-</b>	<b>80,882</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>(69,174)</b>	<b>-</b>	<b>(69,174)</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>11,708</b>	<b>-</b>	<b>11,708</b>

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 14. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Freehold Property £	Motor Vehicles £	Totals £
<b>COST</b>			
At 1 April 2018	375,000	33,733	408,733
Disposals	-	(33,733)	(33,733)
Reversal of impairments	47,500	-	47,500
	<hr/>	<hr/>	<hr/>
At 31 March 2019	422,500	-	422,500
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 April 2018	-	33,733	33,733
Eliminated on disposal	-	(33,733)	(33,733)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	-	-	-
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 March 2019	422,500	-	422,500
	<hr/>	<hr/>	<hr/>
At 31 March 2018	375,000	-	375,000
	<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.

#### 15. FIXED ASSET INVESTMENTS

##### Group

	Listed investments £
<b>MARKET VALUE</b>	
At 1 April 2018	149,743
Disposals	(71,010)
Revaluations	(657)
	<hr/>
At 31 March 2019	78,076
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2019	78,076
	<hr/>
At 31 March 2018	149,743
	<hr/>

**CHILDREN NORTH EAST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. FIXED ASSET INVESTMENTS - continued**

**Charity**

	Shares in group undertakings £	Listed investments £	Totals £
<b>MARKET VALUE</b>			
At 1 April 2018	1	149,743	149,744
Disposals	-	(71,010)	(71,010)
Revaluations	-	(657)	(657)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	1	78,076	78,077
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 March 2019	1	78,076	78,077
	<hr/>	<hr/>	<hr/>
At 31 March 2018	1	149,743	149,744
	<hr/>	<hr/>	<hr/>

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		
		2019	2018
		£	£
Aggregate capital and reserves		(71,727)	(55,050)
(Loss) for the year/period		(16,677)	(55,051)
		<hr/>	<hr/>



**CHILDREN NORTH EAST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	110,793	87,521	36,875	61,422
Amounts owed by group undertakings	-	-	106,922	73,020
Other debtors	10,325	14,815	9,275	14,815
Prepayments and accrued income	75,023	93,008	72,203	93,008
	<u>196,141</u>	<u>195,344</u>	<u>225,275</u>	<u>242,265</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	43,879	60,100	43,067	58,245
Social security and other taxes	71,405	56,516	53,338	47,516
Other creditors	30,360	93,670	28,703	92,589
Accruals and deferred income	166,621	155,322	139,159	152,612
	<u>312,265</u>	<u>365,608</u>	<u>264,267</u>	<u>350,962</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 2018	127,023	127,023
Released to income from charitable activities	(121,604)	(121,604)
Released to other incoming resources	(5,419)	(5,419)
Amount deferred in year	135,003	111,403
	<u>135,003</u>	<u>111,403</u>
Balance at 31 March 2019	<u>135,003</u>	<u>111,403</u>

**CHILDREN NORTH EAST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**18. PROVISIONS FOR LIABILITIES - GROUP AND CHARITY**

	2019	2018
	£	£
Pension deficit provision	383,800	640,980

**Present Values of Provision**

	2019	2018	2017
	£	£	£
Present value of provision	383,800	640,980	701,605

**Reconciliation of Opening and Closing Provisions**

	2019	2018
	£	£
Provision at start of period	640,980	701,605
Unwinding of the discount factor (interest expense)	10,426	8,860
Deficit contribution paid	(57,883)	(56,197)
Remeasurements - impact of any change in assumptions	3,508	(13,288)
Remeasurements - amendments to the contribution schedule	(213,231)	-
Provision at end of period	383,800	640,980

**Income and expenditure impact**

	2019	2018
	£	£
Interest expense	10,426	8,860
Remeasurements - impact of any change in assumptions	3,508	(13,288)
Remeasurements - amendments to the contribution schedule	(213,231)	-
	(199,297)	(4,428)

**Assumptions**

	2019	2018	2017
	% per annum	% per annum	% per annum
Rate of discount	1.39	1.71	1.32

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 2019**

**19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	2019 Total funds £	2018 Total funds £
Fixed assets	422,500	-	422,500	375,000
Investments	78,076	-	78,076	149,743
Current assets	361,837	-	361,837	493,553
Current liabilities	(312,265)	-	(312,265)	(365,608)
Provision for liabilities	(383,800)	-	(383,800)	(640,980)
	<u>166,348</u>	<u>-</u>	<u>166,348</u>	<u>11,708</u>

**20. MOVEMENT IN GROUP FUNDS**

	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
<b>Unrestricted funds</b>				
General fund	(363,292)	217,613	(110,473)	(256,152)
Designated fund	375,000	47,500	-	422,500
Families and Parenting	-	(70,113)	70,113	-
Young People	-	(3,625)	3,625	-
Parent Infant Partnership	-	(33,854)	33,854	-
	<u>11,708</u>	<u>157,521</u>	<u>(2,881)</u>	<u>166,348</u>
<b>Restricted funds</b>				
Families and Parenting	-	12,303	(12,303)	-
Children and Young People	-	(15,184)	15,184	-
	<u>-</u>	<u>(2,881)</u>	<u>2,881</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>11,708</u>	<u>154,640</u>	<u>-</u>	<u>166,348</u>

**CHILDREN NORTH EAST**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**20. 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 £
<b>Unrestricted funds</b>				
General fund	723,711	(505,441)	(657)	217,613
Families and Parenting	571,662	(641,775)	-	(70,113)
Young People	386,560	(390,185)	-	(3,625)
Parent Infant Partnership	312,324	(346,178)	-	(33,854)
Designated fund	-	47,500	-	47,500
	<u>1,994,257</u>	<u>(1,836,079)</u>	<u>(657)</u>	<u>157,521</u>
<b>Restricted funds</b>				
Families and Parenting	119,634	(107,331)	-	12,303
Children and Young People	347,406	(362,590)	-	(15,184)
	<u>467,040</u>	<u>(469,921)</u>	<u>-</u>	<u>(2,881)</u>
<b>TOTAL FUNDS</b>	<u>2,461,297</u>	<u>(2,306,000)</u>	<u>(657)</u>	<u>154,640</u>

**Comparatives for movement in funds**

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
<b>Unrestricted funds</b>				
General fund	(444,174)	160,223	(79,341)	(363,292)
Designated fund	375,000	-	-	375,000
Families and Parenting	-	(20,742)	20,742	-
Young People	-	(77,811)	77,811	-
Parent Infant Partnership	-	883	(883)	-
	<u>(69,174)</u>	<u>62,553</u>	<u>18,329</u>	<u>11,708</u>
<b>Restricted funds</b>				
Families and Parenting	-	(3,914)	3,914	-
Children and Young People	-	22,243	(22,243)	-
	<u>-</u>	<u>18,329</u>	<u>(18,329)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>(69,174)</u>	<u>80,882</u>	<u>-</u>	<u>11,708</u>

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 20. 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 £
<b>Unrestricted funds</b>				
General fund	648,471	(492,047)	3,799	160,223
Families and Parenting	597,230	(617,972)	-	(20,742)
Young People	370,286	(448,097)	-	(77,811)
Parent Infant Partnership	320,772	(319,889)	-	883
	<u>1,936,759</u>	<u>(1,878,005)</u>	<u>3,799</u>	<u>62,553</u>
<b>Restricted funds</b>				
Families and Parenting	33,610	(37,524)	-	(3,914)
Children and Young People	338,865	(316,622)	-	22,243
	<u>372,475</u>	<u>(354,146)</u>	<u>-</u>	<u>18,329</u>
<b>TOTAL FUNDS</b>	<u>2,309,234</u>	<u>(2,232,151)</u>	<u>3,799</u>	<u>80,882</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.

#### 21. 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 2019

#### 21. 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 18 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 £96,065 (2018: £80,769) and the outstanding contributions (employer plus employee) owed at the balance sheet date was £16,950 (2018: £11,722).

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

#### 22. 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 2019.

## CHILDREN NORTH EAST

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 23. 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.

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

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	154,640	80,882	171,317	120,367
<b>Adjustments for:</b>				
Losses/(gains) on investments	657	(3,799)	657	(3,799)
Interest received	(3,884)	(5,111)	(3,884)	(5,111)
Interest paid	1,611	2,435	1,468	2,371
Reversal of impairment losses	(47,500)	-	(47,500)	-
Decrease/(increase) in debtors	72,223	9,491	16,990	(37,430)
(Decrease)/increase in creditors	(126,363)	69,512	(86,695)	70,431
Difference between pension charge and cash contributions	(257,180)	(60,625)	(257,180)	(60,625)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net cash provided by (used in) operating activities</b>	<b>(205,796)</b>	<b>92,785</b>	<b>(204,827)</b>	<b>86,204</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## CHILDREN NORTH EAST

### DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
<b>INCOME AND ENDOWMENTS FROM</b>		
<b>Donations and legacies</b>		
Post Code Children Trust	350,000	350,000
Other donations and legacies	115,281	95,088
	<hr/>	<hr/>
	465,281	445,088
<b>Other trading activities</b>		
Fundraising events	51,368	67,624
Charges for goods & services	218,311	115,165
	<hr/>	<hr/>
	269,679	182,789
<b>Investment income</b>		
Deposit account interest	-	-
Investment income	3,884	5,111
	<hr/>	<hr/>
	3,884	5,111
<b>Charitable activities</b>		
Grants	642,668	602,227
Contract income	980,395	947,166
Spot purchase of services	71,994	109,124
	<hr/>	<hr/>
	1,695,057	1,658,517
<b>Other income</b>		
Rent & other income	27,396	17,729
	<hr/>	<hr/>
	27,396	17,729
	<hr/>	<hr/>
<b>Total incoming resources</b>	2,461,297	2,309,234
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Wages	31,569	29,706
Social security	2,713	2,540
Pensions	1,649	1,530
Other fundraising costs	8,481	4,534
	<hr/>	<hr/>
	44,412	38,310

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## CHILDREN NORTH EAST

### DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
<b>Charitable activities</b>		
Wages	1,762,501	1,538,518
Social security	152,683	132,644
Pensions	(104,882)	81,145
Motor & travel expenses	74,981	63,880
Staff training & recruitment	16,468	14,264
Volunteer costs	28,501	20,010
Other client costs	69,947	85,186
	<hr/>	<hr/>
	2,000,199	1,935,647
<b>Reversal of impairment losses</b>		
Impairment losses for tangible fixed assets	(47,500)	-
<b>Support costs</b>		
<b>Management &amp; administration</b>		
Rent & rates	57,742	48,886
Insurance	8,942	7,994
Light and heat	7,513	8,603
Telephone	25,193	21,149
Printing, postage, stationery and advertising	44,212	25,509
Sundries	5,722	661
Repairs & maintenance	30,186	17,362
Cleaning	19,732	12,692
Computer support & maintenance	75,896	71,634
Professional fees	13,037	26,903
Subscriptions	13,120	9,446
Bank interest & charges	1,609	2,435
	<hr/>	<hr/>
	302,904	253,274
<b>Governance costs</b>		
Auditors' remuneration	5,985	4,920
	<hr/>	<hr/>
<b>Total resources expended</b>	2,306,000	2,232,151
	<hr/>	<hr/>
<b>Net income before gains and losses</b>	155,297	77,083
<b>Recognised gains and losses</b>		
Recognised gains/(losses) on fixed asset investments	(657)	3,799
	<hr/>	<hr/>
<b>Net income</b>	<u>154,640</u>	<u>80,882</u>

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