

**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**CHANGING FUTURES NORTH EAST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Trustees**

G Walker, Chair  
D Blackith (appointed 22 July 2020)  
G Lamb (appointed 19 August 2020)  
J Henderson, Vice Chair  
A N Jackson  
A M Croymans  
D M Jeffery  
C Wright (appointed 19 August 2020)  
J M Townshend  
H Deacon

**Company registered number**

04009541

**Charity registered number**

1089347

**Registered office**

3 Abbey Street, Hartlepool, TS24 0JR

**Company secretary**

A Jackson

**Accountants**

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

**Bankers**

Co-operative Bank Plc, Olympic House, 6 Olympic Court, Off Montford Street, Salford, M5 2QP

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**CHAIRMAN'S STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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In my previous Chair's Annual Report I spoke about Changing Futures' development towards a healthy relationships service, and the increasing development of our mission to make a difference to the lives of those adults and children we meet in our work. 2019/20 has seen this work continue with a lot of consolidation in our services and delivery and the coming to fruition of work planned in 2018/19.

Our DWP "Moving On" service went live in May 2019 and referrals were ready and waiting. We were pleased to find that we could continue to have a high success rate in the Mentalisation based therapy we had previously delivered and that referrals were good. We have lots of great evidence of outcomes for this project, and a lot of really valuable learning. Unfortunately with the project being part of an evaluation we are having to keep much of this to ourselves for now! For now, suffice to say that we are really pleased with the numbers of people we are working with, the hard data about the change it's supporting people to make and the stories people are telling us about the real world differences they're experiencing in their lives.

Until March 2020 our payment by results contract was performing better than we had hoped and there was reason for optimism as the next year of the project continued, with high levels of satisfaction as well as real changes seen in those people in high conflict referred to the project. The shock of Covid significantly reduced referrals for a few months, but a swift move to digital and tremendous efforts by our staff and people working across the children and families system helped referrals rapidly recover and helped work to switch to digital delivery.

We were very proud to invest in fostering and in 2019 established a wholly owned subsidiary Company, Changing Futures Fostering Limited (CFF), to bring a new therapeutic, child focused nonprofit fostering agency to the North East. A Registered Manager was recruited for the service and she set about preparing all the policy and practice framework documents that we would need to secure OFSTED registration. The agency achieved OFSTED registration in summer 2020 and by Christmas it was taking potential foster parents through the assessment process. A new Board of Directors has been established for the new Company. It maintains operational independence and has its own day to day management structure. The constitution of CFF allows the Board of CFNE to appoint three Directors to CFF; at this time they are one Trustee of CFNE, the CEO of CFNE and the Deputy CEO of CFNE. The Board of CFF can add three Directors (and has to date made one appointment).

Mentoring was redesigned with the cooperation of Hartlepool Children's Services and we were excited to offer a model which much more closely supported young people and their parents with a positive purpose of improving family relationships as well as learning by doing fun activities together. Mentoring is one of our services using volunteers with young people; the other service using volunteers is our Independent Visitors service and this year we gained the Tees Valley contract for this important work, in addition to the Hartlepool contract. We have every hope that it will be as successful as the Hartlepool service (indeed it is exceeding it's tender performance targets).

As a board of trustees it is important to continually review our mission and objectives and ensure that we are working in sync with our constitutional documents. Our existing Memorandum and Articles was developed to serve us when we began life as a youth and community service and it became clear that our objectives may not be clear enough to unequivocally allow us to pursue our aspirations to deliver a fostering agency and to work substantively with the whole family. With this in mind we (and following the approval of the Charity Commission) in July 2019 we agreed new Objects at a Special Meeting of CFNE members. These now more properly reflect our work with parents as well as children, a relationship focus across our work and enable us, through investment in the subsidiary, to develop the fostering service.

March 2020 saw the end of the Early Help 5 year project, with some underspend carried forward into 2020/21 to continue the work in schools which was only just getting started properly. Additional funding for further work has been secured. This project provided the firm basis for the developments we spoke about last year – redirection in line with our change of name towards improving relationships and applying those ideas across the whole of Changing Futures North East. It achieved success in most of the areas of operation and we learned much about ourselves, partnership building and relationships with other professionals from both the successes and the not



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**CHAIRMAN'S STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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quite so successful. It brought new people with enthusiasm and different skills into our team; it changed some of the systems in Hartlepool forever; it developed new skills in professionals from across the Health and Social Care sector and it helped to establish CFNE as a charity worthy of regional and national notice. I offer the unreserved thanks of the Board and myself to those people who worked so hard on this project - some who have now left us, and others who remain firmly in our team. The project may be finished but your work should be recognised for its quality, professionalism and contribution to the future of CFNE as well as to the people of Hartlepool. Thank you all.

2019/20 was a year of hard work, focused on new developments in our delivery and building on the previous year's planning. Financially it was a successful year in which we made a reasonable surplus allowing us to exceed our 5-year target (achieved an average of 5.1% reserves growth a year as posed to a target of 4% average a year). This good performance in building reserves has helped enable the Charity to invest in the fostering service, starting in 2020, whilst still retaining sufficient funds to manage cashflow and have some money left over for a rainy day. Having a global pandemic hit just as we stepped up our investment in fostering and were delivering a major payment by results contract did give us a bit of a shock! However the DWP PBR contract was converted to a grant, providing stability and reassurance, and the organisation adapted very quickly and very well without major in year financial impact (other than the loss of profit on the DWP contract from the point of the pandemic onwards). One of the impacts of the pandemic was to increase need for foster placements, and the move to digital delivery allowed us to take our mediation offer nationally in December 2020 which opens up new profit generating opportunities.

Mediation has contributed fairly generously to our increased income, with referrals rising across Tees Valley and we now use our own Legal Aid Contract rather than operating as a client of another mediation body. We look forward to 2020/21 and beyond from a position of comparative strength though as usual with little security in funding beyond next year, and the financial impact of covid on trusts, foundations and public sector spending on social programmes yet to be properly understood or experienced.

As I've touched on earlier in my report, in the final month of the year came Covid 19! Whilst the operational impact has been significant, with a lot of hard work and a move to digital delivery we can see a good way forward which is more than some charities and businesses can say. It will not be easy and I know that over the coming months Graham and the whole staff and volunteer team will be working hard both to everyone safe, and also to delivery well and secure funding for subsequent years. We do not know how long this pandemic will continue, but we do know that some benefits from the changes are already becoming visible and there will probably be long lasting changes made to some of the ways we work in months and years go on . We can be thankful for a solid base to start 2020/21 giving us some breathing space to assess the future and make new plans.

Thank you to all the staff and volunteers who have worked so hard this year to make it a success for both the company and our customers, and thank you specially to the senior management team for their continued hard work, planning and implementation driving CFNE forward year by year. And last but not least, thank you to our team of trustee/directors who regularly and enthusiastically find time and energy to share with us. The turnover of directors continues at a pace appropriate for the team and we look forward to having more new trustees next year to develop our team, extend our skill set and "get stuck in"!

Thank you all!



Chairman  
Date: Jan 22, 2021

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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The Trustees present their annual report together with the financial statements of the Charity for the year 1 April 2019 to 31 March 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**OBJECTIVES AND ACTIVITIES**

● **Aims and objectives**

The Board reviewed the objects of the Charity in 2019/20 and duly amended them on 10th July 2019 from:

To promote the benefit of children and young persons living in North East England and in particular those aged between 8 and 24 without distinction of sex, political, religious or other opinions by associating the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and other leisure time occupation with the object of improving their conditions of life. The expression "North East England" means the administrative areas of the boroughs of Hartlepool, Middlesbrough, Redcar and East Cleveland, Stockton, Darlington, Gateshead, North Tyneside and South Tyneside; the counties of Durham and Northumberland and the cities of Sunderland and Newcastle upon Tyne.

To:

The Charity's objects are specifically restricted for the public benefit to the promotion of the upbringing and care of children and young people in need from all backgrounds, cultures and faiths or none, in particular by:

- Promoting their better care and safeguarding them.
- Providing assistance to them and their families and carers
- Promoting their health
- Promoting their education and establishment in life.

The charity promotes the benefit of children and young persons in particular through recognition of the interconnectedness of human systems and the role of the family and the community in creating the environmental conditions to enable children and young people to thrive.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

• **Our vision, mission and key strategies**

The Charity is founded on the fundamental belief that relationships matter to people. They can catalyse joy, or lead to great misery. People with a variety of strong, healthy relationships are better able to thrive, and better deal with challenges presented by life. Through enhancing the relational resources available to children, family members, and community members and indeed those agencies and workers that make up the village around the family the Charity seeks to bring about lasting social change.

Changing Futures North East seeks to make the North East of England, and Hartlepool in particular, a place where people have happier, healthier relationships than anywhere else in the country.

The organisation seeks to enable people and communities to flourish, through:

- Primarily enabling individuals and couples to have healthier couple relationships, improving children's outcomes and wider societal outcomes
- Enabling family systems to have better communication and better functioning relationships
- Enabling organisations to establish and maintain healthier relationships, internally and externally, and better support key couple relationships
- Enabling everyone to increasingly recognise and value the importance of relationships, and use this knowledge to improve relationships.

• **The values that underpin what we do and how we work**

The way the organisation thinks and operates will be reflective of and congruent with specific beliefs and values:

- Relationships matter to people, and have a tremendous impact on their happiness, health and life chances; different people within families and communities have different needs, but all have the right to multiple stable attachments within and outside of the family where power is not distributed harmfully
- Early help is socially, ethically & financially better than late intervention, and is a cost effective and ethical way of enabling social change. Some people are not helped early enough to prevent significant difficulties developing, and their needs must be catered for too
- People are complex social creatures that influence, and are influenced by, a range of internal and external factors; we must think and, as appropriate, work with, people's internal worlds and people's wider systems in order to best enable change
- All people have potential, and are best helped by demonstrating belief in them and enabling them to achieve their own self determined goals
- Parents love their children; families are an asset to work with, and family members have a key role to play in promoting healthy family functioning and children's welfare
- Reflective organisations where healthy relationships between workers and agencies are the norm enable better outcomes for customers.
- By modelling healthy ways of relating within the workplace and creating an environment conducive to effective communication and emotional regulation (that treats employees with the same respect we treat people in the community we help) we will best realise the organisation's social ambitions.

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**TRUSTEES' REPORT (CONTINUED)**  
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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

● **Our history and current focus**

Changing Futures North East began life as an estate based youth provider. In around 1997, a group of Headland residents and development workers banded together to consult young people as to their needs, and how they might better be met through youth provision in the area. The culmination of this work was the development of the Abbey Street Youth Project, led by a young person's steering group and supported by the wider community. At this point, the organisation formalised as Headland Future Limited.

The Charity still pursues its original mission to improve the lives of children and young people. Over time, the work of the organisation has shifted, based on learning that for many young people, direct work with them can only have so much impact. True change is enabled when the family context children live in is warm, nurturing, and free of poorly managed conflict, with healthy parental relationships in particular.

Changing Futures North East now operates across North East England, seeking to give young people the best chance to thrive by supporting key relationships in families, and enabling other agencies to maintain a focus on these key relationships to improve the impact of their work.

The Charity has recently set up a subsidiary company, Changing Futures Fostering, to enable provision of a fostering service for children and young people.

● **The people we work with**

The Charity has the privilege to work with children, young people, families and organisations in the North East of England, particularly in the Tees Valley.

The parents and organisations we work with are passionate about meeting the needs of children, and have a range of superb assets at their disposal. The children we work with care about their parents, their siblings and their peers, and want to enjoy life and succeed. The individuals we work with care about the people in their lives, want what's best for them, and want to be happy.

It is an unfortunate truth that many of those that ask for our help have been through forms of hardship (for instance, poverty, the trauma of losing a loved one, bullying, conflict laden and sometimes violent relationships, abuse) and that difficulties in their lives have left them with challenges that they are struggling to overcome successfully. However, they have shown much resilience, determination, and loyalty to others in their lives; our job, when asked, is to help people to draw on these assets and build on their strengths, identifying their own goals and then catalysing their own change.

Different help is sometimes targeted to different groups, for instance separated families. The majority of families who accessed separation support had low incomes, and most former couples were in long term conflict. Evidence shows poorly managed and enduring couple conflict is highly detrimental to children's outcomes (especially when combined with material deprivation). Conflict where there are financial difficulties, or children and families live in poverty, is far more likely to result in poorer outcomes for children.

Much of the Charity's work is with people living in deprived communities (in Hartlepool the majority of the people we work with live in areas where children's outcomes are worse than in other areas, and there is material poverty). Some of the Charity's work is specifically targeted towards those that have suffered multiple disadvantages. Some work is focused on enabling people to develop the strengths and resources to avoid hardship through preventative programmes and collaboration with other agencies.

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**TRUSTEES' REPORT (CONTINUED)**  
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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

- **The people who enable change for children and families**

Across the year 2019/20 19 staff and 45 volunteers helped children and families, in addition to 10 people who volunteered as Trustees. The Charity would like in particular to thank those committed individuals who give up so much of their time to support people in the community, without whose help we would be unable to provide anywhere near the current level of service.

**ACHIEVEMENTS AND PERFORMANCE**

- **Main achievements of the Charity**

Service delivery

- 1 Spread and grow the Independent Visitors offer across Tees Valley
- 2 Increase mediation referrals across Tees Valley
- 3 Provide increase levels of service across service delivery programmes, particularly focused on the DWP funded reducing Parental Conflict project
- 4 Co-construct a therapeutic fostering model with care leavers and foster parents

The Charity supported 661 people through it's service provision compared to 650 people in 2018/19 and 271 people in 2017/18. We may expect this number to reduce next year as the Healthy Relationships project comes to an end.

The table below shows numbers of people who benefited from our help in 2019/20 and 2018/19. Direct beneficiaries are people we worked with ourselves; indirect beneficiaries are usually children (where we have worked with their parents to help resolve conflict, improve parenting capacity or resolve a legal dispute).

	<b>Practitioners</b>	<b>Direct beneficiaries</b>	<b>Indirect beneficiaries</b>	<b>Total</b>
<b>Main Services 19/20</b>	30	366	265	661
<b>Main Services 18/19</b>	32	384	234	650

The Charity is the founder member of the Healthy Relationships Partnership. It holds the contract for the grant funding, employs and hosts the staff team and has responsibility for operational management of this initiative. Through this work, the Charity supported over 100 practitioners (circa 30 substantively) and 50 families through it's Relationships Matter systems change work. Given the nature of this work it is more difficult to pin down exact numbers who benefitted.

**1 Independent Visitors**

Independent Visitors guide, advise, listen to and befriend young people in care, sharing their experiences as well as trying new activities and spending quality time together.

Some young people in care have had a lot of broken relationships with adults in their lives. Having a positive and stable relationship with an adult unconnected to the care system can really help. The value comes from the quality and stability of the relationship.

The Charity has the contract to deliver the independent visitors service in Hartlepool. In March 2019 we also

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**TRUSTEES' REPORT (CONTINUED)**  
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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

tendered for and won the contract to deliver the service across Middlesbrough, Stockton, Redcar and Darlington under a spot purchase, payment by results arrangement. The new contract for these 4 local authorities commenced April 2019.

In Hartlepool, across this year the Charity reached a high number of children and young people compared to the number when the contract was secured in 2014.

	<b>When we took over the contract–01/04/14</b>	<b>At 31<sup>st</sup> March 2020</b>
Children matched	2	18
Children on a waiting list	1	10

Using a mix of feedback sheets and qualitative interviews with children, social workers and independent visitors we know that some very positive changes were reported by or for children who benefitted from an independent visitor. However we recognise that looked after children's overall outcomes are impacted by far more than a fortnightly to monthly independent visitors visit and therefore changes, positive and negative, cannot be created by the service.

We operate under an evidence-based theory of change that shows that healthy independent visitor relationships with looked after children can mitigate harm, improve stability and help children achieve positive outcomes. Therefore we measure success for this service based on the quality of the relationship.

90% of children who accessed the service reported that they gained a trusted friend/adult. Of this 90%, all children rated the quality of the relationship as 9/10 or 10/10 (10/10 being excellent).

**2 Increase mediation referrals across Tees Valley**

Tees Valley Mediation is the trading name for our Mediation service and provides mediation in Tees Valley and East Durham. Mediation enables couples to resolve a legal dispute usually around children but also in connection with their finance arrangements following a separation or divorce. It provides a neutral space in which the Mediators can help facilitate and enable couples to agree their own solution to avoid the need to go to court. The service operates under the following principles and quality assurance parameters:

- We prioritise a good customer experience to reduce waiting times to minimise the stress for couples at a difficult time and to maximise the chance of people progressing to mediation.
- Both parents tend to be more satisfied with arrangements they are able to agree on together rather than arrangements being imposed upon them in court and therefore are more likely to succeed.
- We have established an evidence-based theory of change suggesting positive child outcomes will result from mediations where plans are in place and implemented by parents, and there is a strong evidence base.
- We are not resourced to evaluate child outcomes post mediation, but we do monitor
  - o Compliments and complaints
  - o Referral numbers and trends
  - o Conversion rates from referral to mediation
  - o Mediations concluded with a Mediation Agreement / Outcome between the parents

**Outputs and outcomes**

- 299 referrals were received; which represents a 13% increase on the previous financial year. From these referrals we supported 137 clients with an initial piece of work.
- 58 couples then went on to engage in mediation which is a 70% increase from last years' figure of 34.

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**TRUSTEES' REPORT (CONTINUED)**  
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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

- Of those 58 couples 76% reached a Mediation Agreement.

Typically, across the industry, the vast majority of clients do not proceed from assessment to mediation because of either an unwillingness to mediate past the point of assessment or because one partner will not attend an assessment.

**3 Provide increase levels of service across service delivery programmes, particularly focused on the DWP funded reducing Parental Conflict project**

Overall we worked with 144 adults with secondary benefit for 192 children.

Department for Work and Pensions Contract (subcontracted from RELATE to CFNE to operate in Tees Valley)

The Reducing Parental Conflict programme is being funded by the Department for Work and Pensions. As part of the programme, relationship support interventions will be offered to parents in conflict in four target geographies. The North East is one of these areas.

RELATE secured the tender for the North East contract area, and have sub contracted provision of the work in Tees Valley to Changing Futures North East. Directly delivery with families commenced in 2019/20.

The payment model is largely payment by results and focused on parents attendance levels.

Performance of this project has been very good, with parents reporting substantial positive changes as a result of their work with the project. Help has included:

- Mentalisation based therapy for couples – this is based on the same principles as our Moving On provision, however is a more structured programme branded as “parenting under pressure” developed by Tavistock Relationships.
- Parenting when separated – a structure groupwork programme for parents who have separated or are separating, with each parent taking part in separate groups
- Family Check Up – a family focused intervention tha examines family dynamic sand communication by video recording of activities and structured feedback
- Incredible years advances – a relationships module to extend the well known parenting programme.

This project represents a large part of the organisations work across 2019/20. Unfortunately because this project is part of a research piece delivered under contract from a government department we are unable to publicly publish results at this stage. We hope to include details in our next annual report.

Mentoring

The mentoring service traditionally worked with young people, usually in groups, for at least 12 months. A volunteer mentor works with each child. We have now developed the project to offer Adverse Childhood Experiences Groups for parents and separately for Children. These are based on Rockpools model. Rockpool succintly explain what ACES are any why helping people who have experienced ACES matters:

“Adverse Childhood Experiences (ACEs) are stressful or traumatic experiences, including abuse, neglect and a range of household dysfunctions such as witnessing domestic violence or growing up with substance abuse, mental illness, parental discord or incarceration. Living with ACEs results in individuals developing coping and lifestyle strategies that are based on poor parental attachment and the effects of trauma.

As knowledge of ACEs increases, so is the understanding that a person’s behaviour is a reflection of the coping strategies they developed when living with adversity. The impact of a high ACE score affects how a person perceives themselves (self-esteem, self-image), how they interact with others (passively or angrily), how they cope with the emotional pain (depression, anxiety, alcohol or drug use), how they use their parenting skills; it

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**TRUSTEES' REPORT (CONTINUED)**  
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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

can also leave them with confusion about issues of trust, boundaries and respectful relationships (both with adults and children). Compared with people with no ACEs, those with four or more ACEs are:

- 4 times more likely to be a high-risk drinker
- 6 times more likely to have had or caused unintended teenage pregnancy
- 6 times more likely to smoke e-cigarettes or tobacco
- 6 times more likely to have had sex under the age of 16
- 11 times more likely to have smoked cannabis
- 14 times more likely to have been a victim of violence over the last 12 months
- 15 times more likely to have committed violence against another person in the last 12 months
- 16 times more likely to have used crack cocaine or heroin
- 20 times more likely to have been incarcerated at any point in their lifetime

Our approach now encourages and enables parents who have experienced ACEs to learn from and support each other. It links some families in with volunteer mentors who can provide extra support. Importantly, it recognises that in order for things to get better for children, and for their parents, we need to understand and support the parents themselves.

The adult group work programme lasts 10 weeks and seeks to educate and inform individuals about the impact of ACEs on them and their children if they have them. It provides guidance on the protective factors that help mitigate the impact of ACEs, and practical methods for individuals developing the resilience they need for themselves and for their children if they have them. The Children and Young Peoples programme runs over 8 weeks and uses a combination of creative activities and group working to develop young people's resilience and give them opportunity to experience the healing of relational support. It provides information and education that enables children and young people to cope with the adversity they have experienced (and may experience in the future).

We delivered 3 groups for 36 weeks of the year and the service has supported 31 children, young people and parents. Outcomes included:

- Social Skills and building friendships.
- Achieving a range of personal development goals.
- Managing difficult emotions and coping with stress.

A full evaluation is ongoing.

Improving Access to Psychological Therapies (IAPT) for Children, Young People and Families

Set up commenced in late January 2020 with referrals beginning in March. We worked with 5 people in this financial year. Full outputs and outcomes will be reported on next year. Referral pathways are being in the process of being built. The project is employing five staff who will have a small amount of delivery capacity a week to work with children and families, with the rest of their time spend on studying to achieve their qualification. The work is funded by Health Education England through the local Clinical Commissioning Group.

**4 Co-construct a therapeutic fostering model with care leavers and foster parents**

A therapeutic model has been developed by children who used to be cared for by foster parents, in residential homes, and experienced foster parents. They have worked with Sarah Richardson, the new fostering manager, and Sally Wood, an experienced therapist, to develop a programme that is practical and helpful.

**Enabling wider systems change in Hartlepool Objectives**

- Embed core activities within partner organisations to enable their continuation beyond the lifetime of the project (from April 2020)



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**TRUSTEES' REPORT (CONTINUED)**  
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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

- Build on the help seeking behaviour campaign to improve community awareness, self help and relevant service access
- Work with parents to identify what additional support might be helpful, and support them with resourcing this as necessary

This year represented the last planned year of our five year work to help embed within the children's workforce a focus on understanding the dynamics of parental relationships and supporting agencies and practitioners to improve them. This was a partnership initiative hosted and administered by Changing Futures North East involving a far wider collaboration of statutory sector, voluntary sector and private sector agencies. Some legacy has been extended into 2020/21, but most activities were concluded by March 2020.

This year the partnership focused on five key priorities:

- Campaign work
- Celebrating the achievements of our local stakeholders
- Complete evaluation and learning activities
- Disseminate learning to local, regional and national audiences
- Implement legacy activities to enable further work beyond 2020 and influence service design and strategy outside of Hartlepool

Progress against each of these priorities is detailed in under the relevant headers.

● **Campaign work**



Community campaigns grew to be an integral part of raising awareness of the impact of parental conflict and increasing uptake for relationship support for parents who needed it. Following our first campaign, #ThroughTheirEyes, the previous year, we evaluated the campaign. Local stakeholders felt the campaign was a positive step in awareness raising but felt that future campaigns should be more targeted to specific groups of parents. Following consultation of national research evidence on groups particularly vulnerable to relationship distress, our stakeholders decided we should focus on:

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TRUSTEES' REPORT (CONTINUED)  
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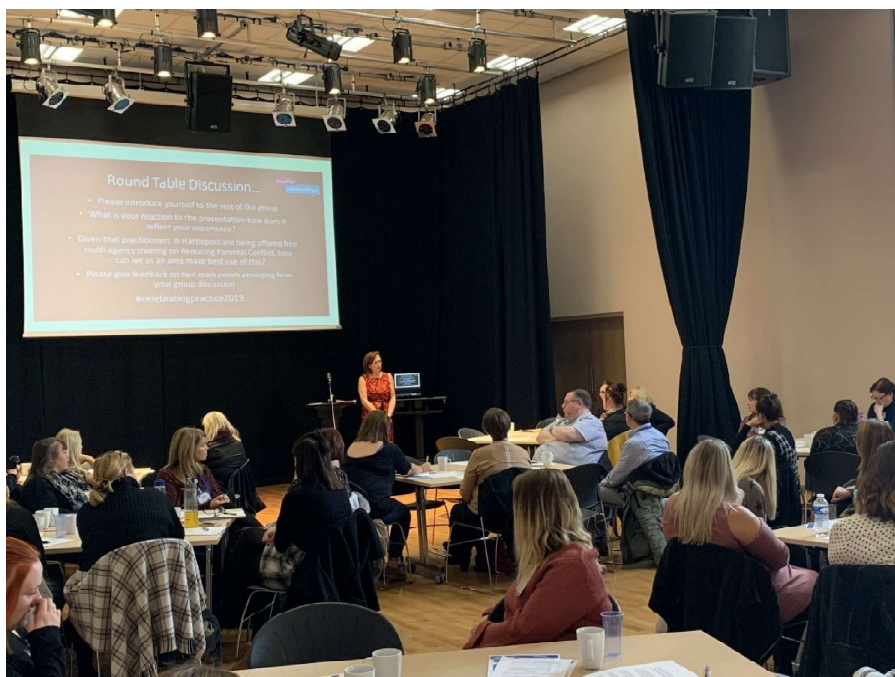
ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Parents with children with a disability – as a result of this feedback we created the #InItTogether campaign on social media. Lasting a week, the campaign shared stories from parents about their experiences, tips for strengthening relationships, as well as promotion on local radio in May 2019 <http://hrphartlepool.co.uk/inittogether-campaign/>
- New parents – as a result of this feedback we worked closely with Health Visitors to create content for a week long campaign, #NowWeAreParents, which included the launch of Me, You & Baby Too information cards, to be given out to all new parents by their Health Visitor starting in October 2019 <http://hrphartlepool.co.uk/campaign/new-parents-campaign/>

● Celebrating the achievements of our local stakeholders

Over the five years of the Healthy Relationships Partnership there have been significant achievements locally. In the final year of the five-year cycle we celebrated our local stakeholders hard work and commitment to making Hartlepool better able to support healthy parental relationships. Our stakeholders will sustain this work through their daily practice in service management and direct work with children and families.

In October 2019 we held our Practice Celebration Event.



Practitioners from the local authority, health visiting, schools and the voluntary sector gathered to celebrate examples of outstanding practice to support parental relationships.

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**CHANGING FUTURES NORTH EAST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**



On the same day 10 of 14 practitioners were presented with their certificates to mark their completion of the Level 4 qualification in Working with Individuals, Children & Families. The qualification contained reducing parental conflict as a key component



Finally, in March 2020, the final Healthy Relationships Partnership board meeting took place. We were delighted to see many friends of the project, old and new, who joined us in celebrating success and reliving some memories.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Completing Evaluation and Learning Activities



In the final year of our system change project it was important to complete cycles of learning and evaluation. A large amount of our activity focused on the evaluation, reporting and dissemination of key pieces of work. The largest piece of evaluation work was "Creating Light Bulb Moments: Evaluation of the impact of Reducing Parental Conflict training," which we published online in December 2019. This evaluation focused on the experiences of 12 practitioners completing the Level 4 qualification in working with individuals, children and

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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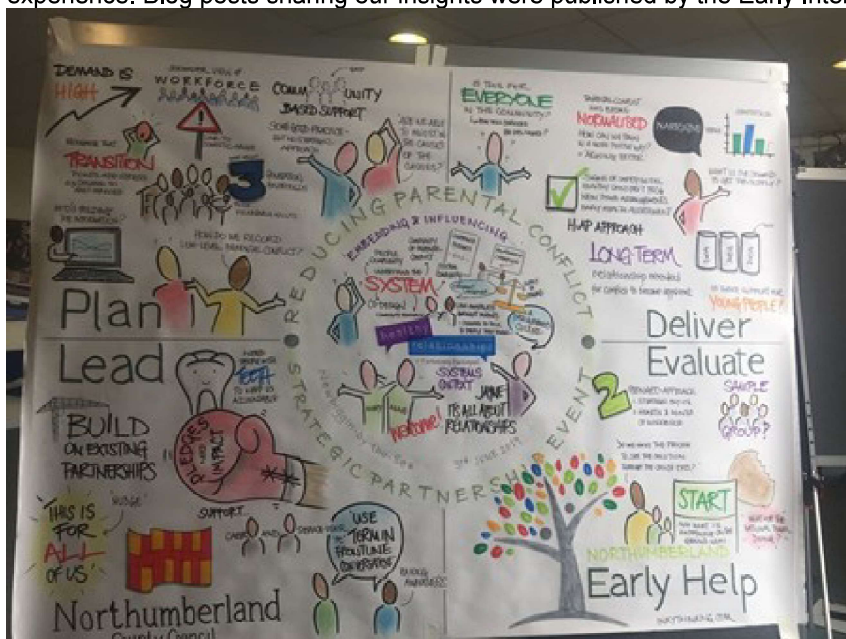
**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

families and how they felt this kind of workforce development had impacted upon their practice. A full report is available on our website. <https://www.changingfuturesne.co.uk/what-we-do/our-learning/>

The end of the final group of Parents as Partners, an evidence-based parental relationship intervention, led to completion of a systemic evaluation of practitioner and manager experiences. The learning from this research highlights that practitioners do a significant amount of work to support families to engage in interventions. We also finished our report on a pilot project with High Tunstall school. The project had a number of layers, testing out a variety of methods of improving outcomes for children in the hopes that learning from the project could allow these methods to be scaled up to larger cohorts of children and also other schools. Education psychologists and volunteers supported children and their families, work was done to ensure a positive transition from primary to secondary school for a small cohort of children and the Relationship and Sex Education curriculum was revised. The evaluation was completed and shared with those working on the project.

**Sharing our learning with local, regional and national audiences**

A vital part of our system change learning journey has been to share our learning with others. In June 2019, Project Lead Jayne visited Northumberland Council to talk about our system change work. This is in addition to our project teams ongoing sharing of learning with a number of other Local Authorities, keen to learn from our experience. Blog posts sharing our insights were published by the Early Intervention Foundation.



[https://www.eif.org.uk/resource/hartlepool-opening-a-can-of-worms-building-capacity-among-practitioners-acrosstheearlyhelpsystem?fbclid=IwAR1vR\\_hNwXmjMSKSa7DEq5EYKBo8\\_OkO5EzTutKvojZcjK4fXLWZrJRJ](https://www.eif.org.uk/resource/hartlepool-opening-a-can-of-worms-building-capacity-among-practitioners-acrosstheearlyhelpsystem?fbclid=IwAR1vR_hNwXmjMSKSa7DEq5EYKBo8_OkO5EzTutKvojZcjK4fXLWZrJRJ) and

The MJ <https://www.themj.co.uk/Health-check/216804>.

Our local Agency Network Meeting was also highlighted as an example of good practice in re-shaping social care in a report by NLGN.



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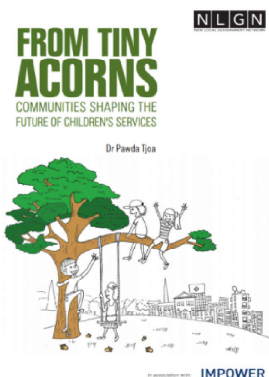
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**



Following the publication of “Creating Light Bulb Moments: Evaluation of the impact of Reducing Parental Conflict training”, we shared learning from the evaluation with stakeholders locally at our Practice Celebration Event. We also shared the evaluation, and wider learning from the project, at the Regional Event for the DWP Reducing Parental Conflict programme in January 2020. The event was attended by professionals working on the reducing parental conflict agenda in local authorities across the North East. Finally, in April 2020, our learning from community-based volunteer peer support for parental relationships was published in an academic journal, Voluntary Sector Review.

**Implementing legacy activities to enable further work beyond 2020 and influence service design and strategy outside of Hartlepool**

Despite the initial five years of the project coming to an end, work of the project will continue to be sustained by those whose practice has been changed. In addition, there were a number of legacy items identified that needed multi-agency support to be sustained. Key pieces of work overseen by the Relationships Matter in Hartlepool board, an evolution of the previous Healthy Relationships Partnership Board, include:

- Parent Led Work: Our work with local parents involved in the Empowering Parents, Empowering Communities (EPEC) programme has led to our increased involvement with parent led work. In partnership with parents we produced videos <https://www.youtube.com/playlist?list=PL5zVzV8XsBkYTqDjTJZChhbSvFf71aBcO> and held a community event, attended by 40 parents, in September 2019 to gather ideas of how parental relationships could be supported within the community. <http://hrphartlepool.co.uk/parentledsupport/> This work has developed further and is currently funding three parents to be Community Connectors and complete an apprenticeship. The project aims to secure further funding to support enablement and expansion of parent-led work.
- Work with schools: We began work with schools in the latter stages of the last five years and recognised amazing potential in schools to carry on with system change work. This has resulted in an additional 2 years funding from the Early Action Neighbourhood Fund for a continuation of our system change work. ‘Relationships Matter to Schools’ focuses on enabling positive relationships between parents and schools to enable children and their families to be well supported and to thrive.

**Business Objectives**

- o Pursue and secure loan finance for fostering
- o Identify how services might build around a fostering offer
- o Generate new core funding from trusts and foundations for the next 3yrs
- o Evaluate once again the organisations effectiveness in supporting improvements in key relationships within families, and the impact on children

Loan finance has been secured, some exploration of development of services for children in care has taken

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**CHANGING FUTURES NORTH EAST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

place and new funding has been secured for core costs, notably from Tudor Trust and Ballenger. We have reviewed performance as outlined under service delivery objectives.

• **Analysis of performance against strategies and key objectives for 2019/20**

Included in the theories of change that run through most of our services is that healthy relationships enable wider change for the people we help, and for that reason we have placed particular emphasis on this as an outcome. We know from evidence and some of our own evaluation that healthy relations between couples can improve parenting, that stable trusted adults in children's lives can help children heal and build resilience and aspiration, that less conflict is good for people. All of the Charities services help in one or more of these areas. Consequently we believe this report evidences that the Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Commission.

While this report focuses on performance of strategies and key objectives in 2019/20, it is being authored in the midst of a global pandemic that has had a significant impact on people in communities and the Charity (as it has on many businesses and voluntary agencies across the country). Writing as we are in October 2020, we are pleased to be able to report that despite some very real challenges we have maintained most of our service delivery, managed risks well and not suffered much in terms of in year financial detriment. Funders of all stripes have been absolutely brilliant, and so so supportive, and this has really helped steady the ship. The Board are however conscious that the impact on people in the community has been profound, will continue to mount, and that some of those who were already experiencing challenges and hardship will be worst hit. Trust and foundation endowments and the impact of the pandemic on the wider UK economy will create new challenges. If the pandemic was an explosion, many of us in the sector are yet to feel the worst of the shockwaves, but as conscious that they are coming. A swift move to digital delivery and an enhanced focus on sales has opened up new ways to reach people in the community as well as new business opportunities, and we look forward to reporting on how we have adapted and are adapting in the next annual report.

This annual report has extensively demonstrated the activity that has taken place to embed the work of the Healthy Relationships Partnership. Job descriptions in other agencies have been evolved, staff trained, and systems adapted to record relationship quality... with tools developed and made available to help practitioners to help couples. A huge volume of material has been made available on the Changing Futures North East website, both in terms of self-help resources for parents and toolkits and resources for practitioners. Additionally learning from the project has been disseminated widely through reports such as "creating lightbulb moments".

We have worked in close partnership with the Parenting Coordinator at Hartlepool Borough Council and the partnership has funded three apprentice community connector posts. As parents who have had their own parenting challenges, they are excellently placed to support other parents in the community, and we have committed to fund these posts for another 12 months + as one of the partnerships legacy activities.

With the help of Comic Relief, we are delighted to be able to pursue an additional element of "systems change" work for another two years. Across the lifetime of the project, numerous schools worked with us and developed a great focus on supporting parental relationships. We now have opportunity to work with partners in schools, the councils education team and voluntary sector providers to support good parent-school relationships and enable a good focus on improving parental relationships too.

A major focus for Changing Futures is supporting healthier parental relationships, and we're thrilled that we've had opportunity to dramatically increase the number of families we help with this in Teesside through expansion of our mediation work and through the Reducing Parental Conflict programme as a subcontractor of RELATE. With Reducing Parental Conflict being a payment by results contract we entered into the work with enthusiasm and optimism, but also a clear headedness about risk. Thankfully we have exceeded our best case forecasts and are both delivering a lot of help to families and generating a healthy surplus. It's a shame that we can't share more data about performance yet, but as it's part of a national programme that is being researched we

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

will have to hold off publicly sharing outputs and outcomes until permission has been granted. Mediation does continue to expand and we are planning for organic growth of 5 – 10% a year for this service.

Good performance in growing the mediation and independent visitors services stands to help with ability to support children, young people and families and sustainability, but again these are contracts with challenges – tending to be low value spot purchase or sales or payment by results models. This continues to be very much the direction of travel but we seem to be managing risks well and increasing sales, in part through a better utilisation of technology for communications to drive sales which we expect to build on in 2020/21.

As we consider good performance this year, are also mindful of forthcoming risks. The DWP work is short-term (to mid 2021) and the extreme financial pressures facing local authorities means that contracts such as mentoring seem at high risk. We continue to believe that the demise of some local authorities in the North East is possible. An extension to our systems change work has been a real highlight, but we do need to continue to build new service areas and revenue streams to remain able to help people in the community, and sustainable as a business.

This year, we started to deliver under the Improving Access to Psychological Therapies scheme for children, by way of employing five staff as trainees in low intensity Cognitive Behavioural Therapy (CBT), moderate to high intensity CBT, systemic work and parenting. As trainees they have worked towards postgraduate qualifications and worked with a small caseload. We hope to build on this emotional wellbeing provision in 2020/21 and beyond after reviewing how it fits and can fit with our broader organisational objectives and our relational approach. IAPT has a good evidence base for helping some children and we are conscious of its very real and significant potential to help children, young people and families cope with challenging life events, as well as the real need for emotional wellbeing help for people living in our communities.

The Board continue to focus on supporting looked after children as one of our new strategic priorities. A very exciting development has been our work to develop a therapeutic fostering agency that builds on the Charities expertise in supporting relationships, helping people heal from trauma and neglect and using mentalisation based practice to provide excellent support to foster families. We know that by helping foster parents to be therapeutic parents, and by applying our relational approach to design and delivery of the agency, foster parents will be excellently placed to parent fostered children well. In the last annual report we documented the strategic and financial rationale for pursuing this work. These things were important factors in pursuing this initiative, however the main driver for establishing Changing Futures Fostering was and is a desire to help fostered children thrive and achieve all the things they might want to in their lives.

To enable the fostering agency to become established the Charity has secured loan investment and has matched this with an allocation from its free reserves. Our solicitors have helped us evolve an efficient structure that is fully compliant with the legal obligations. The investment is being channelled into Changing Futures Fostering Limited, a wholly owned subsidiary, by way of a grant agreement. Any surplus generated by Changing Futures Fostering Limited will be transferred to the Charity to spend on providing help to prevent children being taken into care and to help children already taken care of within the care system. The Charity Board and the new Board of Changing Futures Fostering Limited believe that risks can be well managed and they have extensively business planned this venture.

The Independent Visitors service has expanded and can add stability to children placed in foster placements through our service. The Housing Heroes Partnership we support potentially provides a bridge for young people who leave foster care to live relatively independently. There seem to be numerous other ways that the work of the Charity can support young people in care, including those looked after by foster parents who foster with Changing Futures Fostering. The Charity is exploring how its support for children who are cared for by foster parents, kinship carers and residential centres can be developed over the next few years.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Financial review**

• **Year end position**

Overall there has been an increase in income from £535,141 in the prior year to £757,494 in the current year. This is mainly due to an increase from new projects including Moving on (Relate) and student placements. Expenditure increased, again related to these new projects, from £514,571 to £682,347.

Overall there was an increase in funds of £75,147. Total funds at the year end were £846,709 of which £452,673 was restricted.

• **Reserves policy**

Existing reserves and performance against targets. The Board determined in its 2015 —2021 Strategy that free reserves of circa £225,000 should be targeted, of which the current level is £332,075. The Board set a target of achieving an average of growth in reserves equating to 4% of income between 2015/16 to 2020/21.

	Annual change	Income in year	Growth as % of income	Average to date
15/16 to 16/17	£60,428	£731,349	8.3%	8.3%
16/17 to 17/18	£(3,014)	£649,706	(0.5%)	3.9%
17/18 to 18/19	£(14,314)	£577,982	(2.5%)	2.2%
18/19 to 19/20	£34,231	£535,141	6.4%	3.1%
19/20 to 20/2	£89,530	£757,494	11.8%	5.1%

**Reserves policy rationale**

The Trustees consider that the performance of the Charity over the period is satisfactory. However, in their annual risk review the trustees commented again on current and future economic conditions and uncertainty in the funding environment:

- A growing trend towards payment by results contracts, where investment is needed in work and only recouped if targets (for instance, outputs and outcomes) are achieved
- Pressure on local government and central government finances, with early help services at substantial risk as local authorities focus on acute need and meeting statutory obligations
- High competition for contracts and grant
- Reliance on sales generally to draw in revenue

The Board have considered how best the organisations strategic aims and objectives can be achieved in the context of the current and predicted environment and the organisations strengths and weaknesses. Their view is that sufficient reserves should be held to:

- Safeguard a limited number of services to vulnerable service users in the short term, until either replacement funding can be secured, other services can be brought in to offer support, or needs can be met by the Charity
- Providing working capital to ensure restricted funding remains restricted, and enable the Charity to operate in a PBR environment
- To cover liabilities in the unlikely event that the Charity is wound up
- To enable investment in development of new services, subject to a strong business case and likelihood of sustainable income and good outcomes from such services

Reserves should be managed in a way that, where it is necessary to hold them, they generate the best possible return for the Charity (including both financial and social return).

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**CHANGING FUTURES NORTH EAST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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In respect of investment in development of new services, the Board are investing a substantial portion of reserves into the development of a fostering service because:

- The Board believe that this provision would meet an under-met need in an area with increasing market demand in North East England in particular
- It builds from the organisations core competencies in supporting family functioning and addressing neglect and trauma
- It links to one of the priority areas of spending for Local Authorities – there is and will remain a statutory obligation to safeguard vulnerable children

Investment is being paired with a loan that has now been secured.

Within the next two financial years the board plan to expend more than 50% of free reserves to support the development of a therapeutic fostering service. In doing so the Board plans to retain a minimum of £50,000 to cover cashflow and any outstanding liabilities and winding up costs. With strong performance in the trading subsidiary the free reserves balance would remain substantially higher.

In the current year a grant of £72,700 was made to the subsidiary. This funded expenditure of £33,961 with unspent grant owed back to the Charity.

● **Material investments policy**

Under the Memorandum and Articles of Association the Charity has the power to make any investments which the Trustees see fit.

The charity currently only invests its funds in deposit accounts. The interest received is considered to be acceptable in the current economic environment.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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• **Principal risks and uncertainties**

The Trustees actively review the major risks which the Charity faces as follows:

- A thorough annual audit of all risks
- Identification of risks that require monthly, quarterly and annual reports to be made to the Board
- Establishment of control measures to reduce risks, continued monitoring of risks through contract management groups and policy sub committees.

The key risks the Charity is exposed to are broadly the same as those reported on last year:

- Seemingly relentless pressures on government funding in the fields the Charity currently operates in and linked contracts, with risks to the proper functioning of Children's Services departments and financial viability of some Local Authorities. Covid seems likely to exacerbate these risks.
- Higher competition for charitable funding as a result
- Shift on spending across current and prospective funders from earlier help services to those addressing specific marginalised or complex needs groups, or those that governmental agencies have a statutory obligation to help
- High dependence on 'sales' to generate revenue to enable the Charity to fulfil its objects, including;
  - o Spot purchase and client self-funding for Mediation and Independent Visitors services
  - o Payment by results model for the major Reducing Parental Conflict service
  - o Subject to securing loan investment, spot purchase model for Fostering service
  - o Requirement to recruit a high volume of volunteers to underpin delivery of Independent Visitors service
- Cashflow management given planned investment from reserves in Fostering, servicing of loan debt and the payment by results contract that has a window of 4 to 10 months from first working with a client to maximum fee return
- Generally sparse funding for direct delivery services supporting parental relationships which will become an issue after the DWP reducing parental conflict programme concludes
- Decreasing contract availability and money for back office functions (and direct management) threatening capacity for business development and ensuring quality provision
- The unknown implications of the pandemic on the community and funding
- The impact on staff wellbeing from sustained home working and challenges in developing a sense of team in particular with newly recruited staff. Potentially this may hinder effectiveness.
- Potential challenges in engaging with and supporting some children, young people and parents who may not be able to build meaningful relationships with staff digitally, hindering our ability to help and contract performance.

Measures have been put in place to control these risks, which are reviewed monthly to quarterly by the Board.

This includes:

- Targeting dedicated grant funding for key development staff
- Prioritising development of existing and new services that there is a statutory obligation to supply – with us focusing in particular on Fostering and complimentary services like Independent Visitors
- Detailed multi-year cashflow modelling
- Regular check in's with staff, budding systems for new staff with experienced staff, regular whole team digital meetings and development sessions
- Liaison with commissioners / funders of contracts where digital delivery may hinder performance in advance .

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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• **Quality assurance and complaints**

Changing Futures North East is committed to standardising processes to ensure quality in multiple areas of business operations. Consequently the Charity pursues securing and maintaining relevant quality marks.

The Charity operates under a modified complaints procedure for the DWP Reducing Parental Conflict programme, where there is right of appeal to the DWP and an independent arbitration scheme (ICE) that potentially carries a financial penalty of £4,000 per upheld complaint.

2 complaints were informally received this financial year, as posed to 0 in the previous financial year. Neither complainant wanted to invoke the formal complains procedure. One complaint was upheld, and a process strengthened accordingly. One complaint was not upheld. Neither related to the DWP Reducing Parental Conflict programme.

• **Going concern**

Despite the unexpected disruption of Covid the Charity has adapted well. Grant funders have paid for many of the adjustments necessary to deliver digitally and to deliver face to face work safely, enabling the organisation to continue to meet contractual obligations. The main area where financial impact has been significant has been on the ability to generate profit from the DWP contract; the move to a grants based model was welcome to provide stability earlier in the year, but in hindsight the performance of the children and families system in switching to digital delivery has meant that after an initial drop referrals have been very strong and a substantial profit would have been generated under the old financial model.

Whilst there is some uncertainty about the impact of Covid costs on public sector social programmes and on trust and foundation income over coming years, the Charity has a good reserves base and has expanded its portfolio of services in 2020. The move to digital has presented opportunities to generate revenue by selling mediation nationally.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements.

**Structure, governance and management**

• **Constitution**

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 June 2000 and updated on 24 January 2002, 7 April 2008 and 10th of July 2019.

• **Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Structure, governance and management (CONTINUED)**

• **Organisational structure and decision-making policies**

A board of Trustees of up to 12 members, who meet at least quarterly, administer the Charity. New Trustees receive a full induction from the chair and the CEO. There are subcommittees covering safeguarding, finance, health and safety and human resources. Contract management groups meet as appropriate (depending on the size and scope of contracts and risks involved in delivery).

The board specifically reviews its performance and composition annually through a dedicated meeting. Day to day decision making is delegated to the CEO, Graham Alton, and in his absence the Deputy CEO, Martin Todd. Responsibility for particular work areas is delegated by the CEO to project or work area coordinators or managers.

• **Pay policy for key management personnel**

The pay of senior staff is reviewed annually by a pay and conditions sub group comprised of at least two Directors including the Chair.

Positions are mainly benchmarked against comparably sized charities operating in North East England, usually focusing on those operating within the child health and social care industry. Salaries paid for positions with similar duties and requisite skills in the public sector are taken into account. Guides on salaries from relevant bodies are also taken into account. Proposals of the committee are considered by the full Board who make the final decision

• **Related party relationships**

The Charity, Changing Futures North East (CFNE) has established a wholly owned subsidiary Company, Changing Futures Fostering Limited (CFF). The constitution of CFF allows the Board of CFNE to appoint three Directors to CFF; at this time they are one Trustee of CFNE, the CEO of CFNE and the Deputy CEO of CFNE. The Board of CFF can add three Directors (and has to date made one appointment). CFNE has granted funds to CFF to deliver a therapeutic fostering agency to help CFNE fulfil its Charitable objects. Any surplus generated by CFF will be returned to CFNE.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Plans for future periods**

Our key objectives for the next year include:

Enabling systems change through partnerships and in educational settings

- Be actively involved in partnerships leading to regeneration, greater collaboration between agencies and improved outcomes for children's and families
- Support parents and schools to work collaboratively as is possible given the pandemic and other pressures

Service delivery

- Build an emotional wellbeing offer that increases access for children and families to psychological services
- Enable young people to secure jobs, ideally sustainable jobs
- Ensure delivery of a therapeutic fostering offer
- Expand our national mediation offer
- Retain couple relationship work as a core part of the organisations delivery portfolio

Business objectives

- Build employment support for care experienced young people
- Explore the viability of children's residential provision to compliment the fostering offer
- Evaluate the organisations effectiveness in enabling people to make changes in their own lives

Covid has resulted in new and enhanced risks which have been covered in the risk management section of this report. We note that Covid has also created new opportunities, namely:

- the switch to digital delivery expanding our potential market
- a move locally towards greater collaboration between agencies
- an enhanced focus on the value of community based support, seemingly reflected in retargeting of funding.

Some of our key objectives for the year reflect how we intend to seize and explore these opportunities.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**G Walker**  
(Chair of Trustees)

Date: Jan 22, 2021

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**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Independent Examiner's Report to the Trustees of Changing Futures North East ('the Charity')**

I report to the charity Trustees on my examination of the financial statements of the Charity for the year ended 31 March 2020.

**Responsibilities and Basis of Report**

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent Examiner's Statement**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed: 

Dated: 25 January 2021

Heather O'Driscoll FCA

Waltons Clark Whitehill Limited  
Chartered Accountants



**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME FROM:</b>					
Donations	3	575	-	575	5,594
Charitable activities	4	455,479	282,119	737,598	518,335
Other trading activities	5	17,570	-	17,570	7,499
Investments	6	1,751	-	1,751	3,713
<b>TOTAL INCOME</b>		<b>475,375</b>	<b>282,119</b>	<b>757,494</b>	<b>535,141</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	7	345,913	336,434	682,347	514,571
<b>TOTAL EXPENDITURE</b>		<b>345,913</b>	<b>336,434</b>	<b>682,347</b>	<b>514,571</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>129,462</b>	<b>(54,315)</b>	<b>75,147</b>	<b>20,570</b>
Transfers between funds	18	11,065	(11,065)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>140,527</b>	<b>(65,380)</b>	<b>75,147</b>	<b>20,570</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		253,509	518,053	771,562	750,992
Net movement in funds		140,527	(65,380)	75,147	20,570
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>394,036</b>	<b>452,673</b>	<b>846,709</b>	<b>771,562</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 50 form part of these financial statements.

**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 04009541**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>FIXED ASSETS</b>			
Intangible assets	12	<b>583</b>	1,083
Tangible assets	13	<b>383,780</b>	396,101
Investments	14	<b>10</b>	-
		<b>384,373</b>	397,184
<b>CURRENT ASSETS</b>			
Debtors	15	<b>125,030</b>	50,881
Investments	16	<b>79,388</b>	78,017
Cash at bank and in hand		<b>279,025</b>	263,933
		<b>483,443</b>	392,831
Creditors: amounts falling due within one year	17	<b>(21,107)</b>	(18,453)
<b>NET CURRENT ASSETS</b>		<b>462,336</b>	374,378
<b>TOTAL NET ASSETS</b>		<b>846,709</b>	771,562
<b>CHARITY FUNDS</b>			
Restricted funds	18	<b>452,673</b>	518,053
Unrestricted funds	18	<b>394,036</b>	253,509
<b>TOTAL FUNDS</b>		<b>846,709</b>	771,562

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 04009541**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

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The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**G Walker**  
(Chair of Trustees)

Date: Jan 22, 2021

The notes on pages 31 to 50 form part of these financial statements.

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**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	16,462	1,206
<b>Cash flows from investing activities</b>		
Bank interest	1,751	2,773
Proceeds from the sale of tangible fixed assets	(1,740)	-
Purchase of investment in subsidiary	(10)	-
Net movement on deposit (over 3 months)	(1,371)	37,691
<b>Net cash provided by investing activities</b>	(1,370)	40,464
<b>Change in cash and cash equivalents in the year</b>	15,092	41,670
Cash and cash equivalents at the beginning of the year	263,933	222,263
<b>Cash and cash equivalents at the end of the year</b>	279,025	263,933

The notes on pages 31 to 50 form part of these financial statements

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**1. GENERAL INFORMATION**

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The registered office address is:

3 Abbey Street  
Hartlepool  
TS24 0JR

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Changing Futures North East meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

**2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 Intangible assets and amortisation**

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Software database	-	4 years straight line
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**2.5 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Fixtures and fittings	- 20% - 25% straight line
Office equipment	- 20% - 25% straight line

**2.6 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**2.7 Financial instruments**

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.8 Pensions**

The Charity contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.9 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**3. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Donations	<b>575</b>	<b>575</b>	5,594
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	5,594	5,594	
	<hr/>	<hr/>	

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Systems change work	-	239,769	239,769	303,185
Couple and family relationships	364,511	12,350	376,861	162,882
Working with children and young people	90,968	-	90,968	22,268
Core support	-	30,000	30,000	30,000
	<u>455,479</u>	<u>282,119</u>	<u>737,598</u>	<u>518,335</u>
<i>Total 2019</i>	<u>52,237</u>	<u>466,098</u>	<u>518,335</u>	

**5. FUNDRAISING INCOME**

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Room hire	1,300	1,300	2,725
Other income	16,270	16,270	4,774
	<u>17,570</u>	<u>17,570</u>	<u>7,499</u>
<i>Total 2019</i>	<u>7,499</u>	<u>7,499</u>	



**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**6. INVESTMENT INCOME**

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank interest	1,751	1,751	3,713
	<u>1,751</u>	<u>1,751</u>	
<i>Total 2019</i>	<u>3,713</u>	<u>3,713</u>	

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

**Summary by fund type**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Systems change work	33,180	265,020	298,200	329,632
Couple and family relationships	242,861	60,472	303,333	157,285
Working with children and young people	69,872	10,942	80,814	27,654
	<u>345,913</u>	<u>336,434</u>	<u>682,347</u>	<u>514,571</u>
<i>Total 2019</i>	<u>86,469</u>	<u>428,102</u>	<u>514,571</u>	

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Systems change work	238,763	59,437	298,200	329,632
Couple and family relationships	210,680	92,653	303,333	157,285
Working with children and young people	58,086	22,728	80,814	27,654
	<b>507,529</b>	<b>174,818</b>	<b>682,347</b>	<b>514,571</b>
<i>Total 2019</i>	<i>415,719</i>	<i>98,852</i>	<i>514,571</i>	

**Analysis of direct costs**

	Systems change work 2020 £	Couple and family relationships 2020 £	Working with children and young people 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	151,889	175,745	33,598	361,232	282,190
Project activities	66,748	2,600	7,843	77,191	68,770
Premises costs	5,246	3,911	15	9,172	4,045
Printing postage and stationery	2,793	2,210	1,366	6,369	4,661
Phone	192	1,132	224	1,548	1,466
Travelling	2,340	8,606	5,730	16,676	16,368
Other	2,776	727	252	3,755	3,655
Legal and Professional	4,317	3,528	7,818	15,663	2,250
Training	2,462	12,221	1,240	15,923	32,314
	<b>238,763</b>	<b>210,680</b>	<b>58,086</b>	<b>507,529</b>	<b>415,719</b>
<i>Total 2019</i>	<i>268,345</i>	<i>124,665</i>	<i>22,709</i>	<i>415,719</i>	

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	Systems change work 2020 £	Couple and family relationships 2020 £	Working with children and young people 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	16,443	25,632	6,287	48,362	45,685
Depreciation	4,951	7,717	1,893	14,561	15,821
Project activities	11,768	18,345	4,500	34,613	49
Premises costs	3,744	5,836	1,432	11,012	9,924
Printing postage and stationery	1,498	2,335	573	4,406	3,258
Phone	664	1,035	254	1,953	2,287
Repairs and renewals	2,684	4,184	1,026	7,894	5,571
Insurance	1,576	2,458	603	4,637	4,700
Travelling	726	1,132	278	2,136	1,159
Equipment hire	-	-	-	-	382
Other staff costs	133	208	51	392	953
Other	359	559	137	1,055	855
Legal and Professional	9,178	14,306	3,509	26,993	3,650
Training	2,290	3,570	876	6,736	1,104
Website development	1,938	3,021	741	5,700	-
Governance costs (note 9)	1,485	2,315	568	4,368	3,454
	<u>59,437</u>	<u>92,653</u>	<u>22,728</u>	<u>174,818</u>	<u>98,852</u>
<i>Total 2019</i>	<u>61,287</u>	<u>32,620</u>	<u>4,945</u>	<u>98,852</u>	

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**9. GOVERNANCE COSTS**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<i>Total funds 2019 £</i>
Independent Examination	2,916	2,916	2,920
Professional fees	1,452	1,452	534
	<u>4,368</u>	<u>4,368</u>	<u>3,454</u>
<i>Total 2019</i>	<u>3,454</u>	<u>3,454</u>	

**10. STAFF COSTS**

	<b>2020 £</b>	<i>2019 £</i>
Wages and salaries	377,497	303,658
Social security costs	24,638	20,574
Contribution to defined contribution pension schemes	7,459	3,642
	<u>409,594</u>	<u>327,874</u>

The average number of persons employed by the Charity during the year was as follows:

	<b>2020 No.</b>	<i>2019 No.</i>
Charitable activities	14	10
Management and Administration	5	5
	<u>19</u>	<u>15</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total remuneration (including employers NI) paid to key management personnel was £106,509 (2019: £96,487).

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, expenses totalling £NIL were reimbursed or paid directly to Trustees (2019 - £88 to 1 Trustee).

**12. INTANGIBLE ASSETS**

	<b>Software database £</b>
<b>Cost</b>	
At 1 April 2019	2,000
At 31 March 2020	<u>2,000</u>
<b>Amortisation</b>	
At 1 April 2019	917
Charge for the year	500
At 31 March 2020	<u>1,417</u>
<b>Net book value</b>	
At 31 March 2020	<u><u>583</u></u>
At 31 March 2019	<u><u>1,083</u></u>

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2019	571,080	9,615	107,462	688,157
Additions	-	-	1,740	1,740
At 31 March 2020	571,080	9,615	109,202	689,897
<b>Depreciation</b>				
At 1 April 2019	178,844	8,850	104,362	292,056
Charge for the year	11,422	481	2,158	14,061
At 31 March 2020	190,266	9,331	106,520	306,117
<b>Net book value</b>				
At 31 March 2020	380,814	284	2,682	383,780
At 31 March 2019	392,236	765	3,100	396,101

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**14. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
Additions	10
	<hr/>
<b>At 31 March 2020</b>	<b>10</b>
	<hr/> <hr/>
<b>Net book value</b>	
	<hr/>
<b>At 31 March 2020</b>	<b>10</b>
	<hr/> <hr/>

**PRINCIPAL SUBSIDIARIES**

The following was a subsidiary undertaking of the Charity:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Holding</b>
Changing Futures Fostering Limited	11976708	3 Abbey Street, Hartlepool, TS24 0JR	100%

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Net assets £</b>
Changing Futures Fostering Limited	33,961	33,961	10

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**CHANGING FUTURES NORTH EAST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**15. DEBTORS**

	2020 £	2019 £
Trade debtors	83,104	47,892
Amounts owed by group undertakings	38,729	-
Other debtors	113	-
Prepayments and accrued income	3,084	2,989
	<u>125,030</u>	<u>50,881</u>

**16. CURRENT ASSET INVESTMENTS**

	2020 £	2019 £
Bank deposit accounts	<u>79,388</u>	<u>78,017</u>

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

	2020 £	2019 £
Trade creditors	4,277	3,332
Other taxation and social security	13,800	12,199
Accruals and deferred income	3,030	2,922
	<u>21,107</u>	<u>18,453</u>



**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**18. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
<b>Designated funds</b>					
Revaluation Reserve	6,017	-	(175)	-	5,842
Moving on	-	-	(250)	250	-
Moving on Relate	6,907	260,168	(122,638)	(144,437)	-
Independent Visitor	-	22,129	(19,519)	(1,051)	1,559
Independent Visitor Expenses	-	9,915	(9,903)	(12)	-
Independent Visitor Spot Purchase	-	1,100	-	-	1,100
Independent Visitor Teesside	-	7,395	(3,114)	(2,425)	1,856
IAPT	-	50,129	(25,527)	(4,350)	20,252
Mentoring	-	60,569	(46,351)	13,556	27,774
	<u>12,924</u>	<u>411,405</u>	<u>(227,477)</u>	<u>(138,469)</u>	<u>58,383</u>
<b>General funds</b>					
General Fund	<u>240,585</u>	<u>63,970</u>	<u>(118,436)</u>	<u>149,534</u>	<u>335,653</u>
<b>Total unrestricted funds</b>	<u>253,509</u>	<u>475,375</u>	<u>(345,913)</u>	<u>11,065</u>	<u>394,036</u>

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**18. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - CURRENT YEAR (continued)**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
<b>Restricted funds</b>					
Abbey Project	386,219	-	(11,427)	-	374,792
Mentoring	9,040	-	-	(9,040)	-
Independent Visitor	1,623	-	-	(1,623)	-
Healthy Relationships, Better Childhood Early Action	92,268	239,769	(238,763)	(46,416)	46,858
Tudor Trust	5,000	-	(5,000)	-	-
Tees Valley Community Foundation	19	-	-	(19)	-
The Henry Smith Charity	8,988	12,350	(6,032)	-	15,306
The Rayne Foundation	14,896	-	(14,179)	-	717
Ballinger Charitable Trust	-	15,000	-	-	15,000
Fostering	-	15,000	(61,033)	46,033	-
	<u>518,053</u>	<u>282,119</u>	<u>(336,434)</u>	<u>(11,065)</u>	<u>452,673</u>
<b>Total funds</b>	<u><u>771,562</u></u>	<u><u>757,494</u></u>	<u><u>(682,347)</u></u>	<u><u>-</u></u>	<u><u>846,709</u></u>

**CHANGING FUTURES NORTH EAST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**18. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2019 £</i>
<b>Designated funds</b>					
Revaluation Reserve	6,192	-	(175)	-	6,017
Moving on	-	2,500	(3,666)	1,166	-
Fostering	-	-	(1,413)	1,413	-
Moving on Relate	-	23,540	(11,973)	(4,660)	6,907
	<u>6,192</u>	<u>26,040</u>	<u>(17,227)</u>	<u>(2,081)</u>	<u>12,924</u>
<b>General funds</b>					
General Fund	<u>217,661</u>	<u>43,003</u>	<u>(69,242)</u>	<u>49,163</u>	<u>240,585</u>
<b>Total unrestricted funds</b>	<u>223,853</u>	<u>69,043</u>	<u>(86,469)</u>	<u>47,082</u>	<u>253,509</u>

**CHANGING FUTURES NORTH EAST**  
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**18. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)**

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£
<b>Restricted funds</b>					
Abbey Project	397,466	-	(11,247)	-	386,219
Youth Club	162	-	(162)	-	-
Mentoring	7,765	62,000	(53,273)	(7,452)	9,040
Independent Visitor	588	12,880	(10,755)	(1,090)	1,623
Healthy Relationships, Better Childhood Early Action	93,842	303,185	(268,345)	(36,414)	92,268
Tudor Trust	5,000	30,000	(30,000)	-	5,000
Family Group Conferencing	539	-	(250)	(289)	-
Tees Valley Community Foundation	19	-	-	-	19
Awards 4 All	3,045	-	(3,045)	-	-
The Henry Smith Charity	2,137	24,450	(17,599)	-	8,988
The Rayne Foundation	14,702	25,000	(24,806)	-	14,896
EDF	850	-	-	(850)	-
Hospital of God	1,000	-	-	(1,000)	-
Independent Visitor Expenses	24	8,583	(8,620)	13	-
	<u>527,139</u>	<u>466,098</u>	<u>(428,102)</u>	<u>(47,082)</u>	<u>518,053</u>
<b>Total funds</b>	<u>750,992</u>	<u>535,141</u>	<u>(514,571)</u>	<u>-</u>	<u>771,562</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**DESIGNATED FUNDS**

**Moving on**

The Charity has a contract to deliver a "Reducing Parental Conflict" project which it does under its Moving On programme. Money secured to deliver the project has been designated to spend for that purpose. Transfers to core represent budgeted core cost contributions and any surplus made on delivery of the programme.

**Mentoring**

A Local Authority contract to provide a Mentoring Service to Children and Young People. This was previously shown as restricted but has been transferred to designated this year to better reflect that any surplus can be transferred to core. Money secured to deliver the project has been designated to spend for that purpose. A transfer was made from core to help fund this project with an amount designated for expenditure on this project in the next financial year.

**Independent visitor and Independent Visitor expenses**

Local Authority contract to provide volunteer Independent Visitors to Children and Young People in Care. This was previously shown as restricted but has been transferred to designated this year to better reflect that any surplus can be transferred to core. Money secured to deliver the project has been designated to spend for that purpose and carried forward at the year end after any transfers to cover core costs.

**IAPT (Improving Access to Psychological Therapies)**

Income to expand availability of psychological therapies for children and parents by way of funding for five students. Money secured to deliver the project has been designated to spend for that purpose. Transfers to core represent budgeted core cost contributions and any surplus made on delivery of the programme.

**PURPOSES OF RESTRICTED FUNDS**

**Abbey Project**

The Abbey Street Project represents funds raised to refurbish a building to be used by the Charity to provide facilities for the advancement of education and leisure time opportunities for children and young people. The main fund provider to the project was the community fund who kindly provided funding of £540,609 in circa 2001.

**Healthy relationships, better childhood - early action**

This fund represents investment to develop proposals for system change in Hartlepool to enable a shift in spending from acute to preventative and early intervention (Early Help) services. This funding came from Comic Relief. An underspend has been agreed with the funder and was used to employ 3 apprentices starting on the 1 April 2020.

**The Tudor Trust**

A grant from The Tudor Trust to contribute to the CEO salary. This grant is recurrent for 3 years ending in April 2023.

**Family group conferencing**

This contract was to run a service offering families a voluntary decision making meeting to help them find their own solutions to problems.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Tees Valley Community Foundation**

Income received for work with children and Young People. An underspend on this project has been transferred to core.

**The Henry Smith Charity**

Funding towards the salary of a family support worker.

**The Rayne Foundation**

This funding was also towards the salary of a family support worker. The funding received in the prior year was for two years.

**Ballinger Charitable Trust**

Income received towards the core costs of the Charity.

**Fostering**

The charity has invested in a new trading subsidiary this year which will run a fostering agency. The Board have identified that given local need, and potential for future revenue generation, the Charity's objects and financial performance will best be enabled through investment in the development and delivery of a fostering service.

Reach Funding was granted "To support the organisation to become investment ready". In practical terms this was business development consultancy and related costs. The Charity has expended reserves on a grant to this company and on the costs of the initial set up and development.

Transfers are made between funds in order to reflect the element of funding received which is spent on core activities.

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

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	8,808	374,972	383,780
Intangible fixed assets	583	-	583
Fixed asset investments	10	-	10
Current assets	405,742	77,701	483,443
Creditors due within one year	(21,107)	-	(21,107)
<b>TOTAL</b>	<b>394,036</b>	<b>452,673</b>	<b>846,709</b>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD**

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	9,882	386,219	396,101
Intangible fixed assets	1,083	-	1,083
Current assets	260,998	131,834	392,832
Creditors due within one year	(18,453)	-	(18,453)
<b>TOTAL</b>	<b>253,510</b>	<b>518,053</b>	<b>771,563</b>

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2020 £</b>	<b>2019 £</b>
Net income for the period (as per Statement of Financial Activities)	<b>75,147</b>	20,570
<b>Adjustments for:</b>		
Depreciation charges	<b>14,561</b>	15,821
Dividends, interests and rents from investments	<b>(1,751)</b>	(2,773)
Increase in debtors	<b>(74,149)</b>	(36,191)
Increase in creditors	<b>2,654</b>	3,779
<b>Net cash provided by operating activities</b>	<b>16,462</b>	1,206

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2020 £</b>	<b>2019 £</b>
Cash in hand	<b>41,897</b>	202,184
Notice deposits (less than 3 months)	<b>237,128</b>	61,749
<b>Total cash and cash equivalents</b>	<b>279,025</b>	263,933

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**CHANGING FUTURES NORTH EAST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	263,933	15,092	279,025
Liquid investments	78,017	1,371	79,388
	<u>341,950</u>	<u>16,463</u>	<u>358,413</u>

**23. RELATED PARTY TRANSACTIONS**

During the year the Charity paid £72,700 to Changing Futures Fostering Limited, a wholly owned subsidiary. This payment was a grant and any unspent funds are due back to the Charity. At the year end a balance of £38,729 was owed from this company to the Charity.



# Approval accounts 2020 Changing futures

Final Audit Report

2021-01-22

Created:	2021-01-22
By:	Changing Futures (admin@changingfuturesne.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAeryLfXpcpt9WafM4VOMmjtUrtYw7lebn

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