

Registered number: 04009541
Charity number: 1089347

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

Trustees

G Walker, Chair
G G Hall
J Henderson
A N Jackson
A M Croymans
D M Jeffery
S Statter
J M Townshend (appointed 26 April 2017)

Company registered number

04009541

Charity registered number

1089347

Registered office

3 Abbey Street, Hartlepool, TS24 0JR

Company secretary

R Fowler

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

CHANGING FUTURES NORTH EAST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their annual report together with the financial statements of Changing Futures North East for the year 1 April 2016 to 31 March 2017. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charities' 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Chairs Report

This year has been a year of solid hard work for individuals and for the Charity as a whole. A great deal of effort has gone into areas such as diversification of funding streams so that we are no longer so heavily dependent on one source and this has shown a good success. Our changed funding now shows only just over 30% of our funding is from local government sources now, compared to over 75% a couple of years ago, with the rest coming from either government centred project funding, or trusts, foundations and donations. In individual terms, those people with a responsibility for raising funds have developed their skills over the year, and in other instances, developed a leading role in new local networks which are both raising our profile and increasing our reach, with some attendant support for funding. This year has also seen us increase our community fundraising profile, although it is not yet where we would like it to be. This gives us a positive and more secure base for our future developments.

Our substantial partnership project with Hartlepool Borough Council, funded by the Early Action Neighbourhood Fund has had a solid first year, building foundations for taking relational working forward in the next 4 years of the fund. With the addition of new staff both at strategic and operational level, developments in working relationships, building partnerships, developing a relationship hub, and delivering parenting courses – to name but a few – have all progressed, and we are looking forward to increasing awareness amongst local people this year with our new “Help Seeking Behaviour campaign” currently under development. As this project develops we are beginning to see both its opportunities and its limitations and have become aware that if we are to successfully develop relational working locally, we need to secure funding to do this not just in the early intervention services, but also across the Children in Need sector. Families do not sit in just one area of service but move both up and down across both sectors.

Our work with this project and others has strengthened our partnerships with several consultancy organisations who have been helping to develop our leadership abilities, improve our management of change, understand what is happening within our organisation and the wider world, and to raise our profile and develop successful marketing. The support of the Local Sustainability Fund has been invaluable in this development.

Meanwhile, we are restructuring our work with young people to reflect our focus on relationships and to help them to build resilience in their family, peer and external community relationships. Our staff have worked hard to develop this way of working, and to extend their thinking beyond a delivery model to really achieve positive outcomes for our families and young people however they come to the service. We believe that everyone who comes through the service door should be offered the same standard of service, the same range of services available, and the opportunity and support to choose their own method of addressing their individual needs so as to achieve the very best outcome for themselves and their family. We feel much more secure in this model of working this year than a year ago.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Changing Futures North East has always strived for excellence; its leadership team constantly reassesses where we are and where we would like to be, always looking to develop our skills, services and organisation. So it is good to report recognition for our efforts. On the organisation side, we were again lucky enough to be shortlisted for the Community Award at the Hartlepool Business Awards, an achievement in itself even though we did not win this year! On the delivery side, volunteers have also won awards for their work with children - Hannah, Sophie and Lottie won a Group Volunteering award for work with Independent Visitors, and Hannah was also awarded the silver award for 96 hours of volunteering. Well done to those working in volunteering with CFNE. Your work is really important to supporting young people as well as the work and objectives of CFNE, and public recognition goes to everyone, not just the few.

Board members are also volunteers with a very different focus, in supporting the aims, objectives and mission of Changing Futures North East, and we also continually review our ways of working and strive for improvements, in common with the whole organisation. This year we applied for a national Good Governance award, a programme of the Clothworkers Guild. Our category was in Embracing Opportunity and Harnessing Risk, relating to our successful DWP Moving On contract. We were thrilled to be one of only 3 charities shortlisted for the award, and feel that it really recognises the effort we put into our governance activities. The Clothworkers Guild have a keen interest in developing and recognising governance skills across the sector, and such is the prestige of their awards that they actively want us to publicise our achievement, even though we did not actually win this year.

As I close this report for the year of 2016 - 2017, I reflect on our hard work and successes of the year, and record that everyone in Changing Futures North East has played a very valuable part in our success, and in achieving our objectives supporting families. Thank you all – from the board and the Chief Executive, right to the volunteers and delivery staff, and not forgetting the administration team - for your skills, dedication and above all, your commitment to CFNE and its values. We could not be where we are today without your help.

Gillian Walker
Chair

Objectives and Activities

- **Aims and objectives**

The objects of the Charity set out in the memorandum are:

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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

● **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, peoples internal worlds and peoples 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 organisations social ambitions.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

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 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 accessing 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.

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

Across the year 18 staff and 67 volunteers helped children and families, in addition to 7 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Achievements and performance

• **Progress against aims and objectives for 2016/17**

- Enabling wider systems change in Hartlepool:
 - o Implementation and rollout of Early Help
 - o Support of Integrated Locality Early Help Offer
 - o Support of Belle Vue Centre
 - o Development of relational intervention toolkit
- Enabling improved outcomes for children and families
- Increasing capacity to work with more children; expanding mentoring reach and 5 to 19's reach

The Charity supported 358 people in 2017, and mentoring saw an extra 8 children supported (compared to 15/16)

The Charity uses a variety of methods to evaluate the degree to which it improves outcomes for children, and outcomes for parents (which indicate the right conditions for children's outcomes to improve). These include using evidence based tools (pre, mid way and post measures), customer feedback surveys, qualitative interviews.

The vast majority of children, young people and parents accessing any service reported an improvement in one or more outcomes which include:

- Improved parenting alliance
- Reduced inter-parental conflict
- Improved self esteem and self confidence
- Reduced vulnerabilities and anxiety
- Improved attendance, attainment and behaviour of children in school
- Improved wider wellbeing (financial, social, more friendships, etc)
- Enabling improved data collection & analysis through improved software and hardware

A new bespoke database was commissioned which is being refined and is leading to improved connectivity between case records which aims monitoring, evaluation and safeguarding.

- Properly realising a needs led approach and evidencing it's effectiveness

Data is being monitored monthly and is feeding into service reviews with refinements made to the delivery model.

- Improve sustainability through diversifying funding streams

The organisation has continued to increase revenue from community fundraising, sales, and trusts and foundations, reducing reliance on government funding.

	14/15	15/16	16/17
Income	657,345	731,349	649,706
Government funding %	83%	49%	34%
Non governmental %	17%	51%	66%
Other funding (noted above)	1.63%	3.92%	7%

Other noteworthy events or activities

- Re-secured the contractors health & safety quality mark
- Began ISO quality standard development process

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

- Attracted a Strategic Development Manager and Consultant Psychotherapist to the team, to substantially enhance the ability to support systems change across Hartlepool Children's Workforce and develop innovative new ways to improve parental relationships
- Secured the Help & Support for Separated Families Quality Mark
- Trialled a mentalisation based therapy for couples where there is violence within their relationship, partnering with colleagues in community safety, social care, and the voluntary sector. This will continue into 2017/18.

Analysis of performance and strategies and activities for 2017/18

There is extensive anecdotal evidence of improvements in emotional and physical health arising from work with children and with parents, as well as strong quantitative evidence that children improve their attendance, attainment, behaviour, social and other outcomes, when they access our services.

Work with parents focuses on improvements in parental alliance and reductions in conflict. There is now a substantial evidence base that parental relationship quality results in improved child outcomes and consequently improvements in the parental relationship provide a good indicator that change for children will occur.

The agencies work with the wider children's workforce is focused on improving relationships within agencies, between workers and families, and within families (in particular focusing on the parental relationship). There is a strong theory of change linking these areas to improved children's for children.

Consequently 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.

This year's focus on developing some of the IT infrastructure to enable better information to support improved service quality stands to enable a strong review of performance in 2017/18 and should help free up staff time to focus on business development through reducing the need to trawl through basic systems to generate reports.

Whilst work on diversifying revenue streams has been undertaken and with good effect, more needs to be done to support the core work of the Charity given the continuing challenging economic conditions and funding pressures. Hartlepool Borough Council is a major contractor of local services yet continued to see heavy pressures on its children's services budget.

Given conditions continue to get worse from a funding perspective, and in terms of the lives of many people in the community (some indicators of this being material poverty, rising service demand, worsening health outcomes), a major strategy review should be conducted.

● **Some of the ways we help**

This year, we have continued to support parents in conflict after separation, and to support children and their families through a mentoring model. We provide direct support to looked after children through a volunteer focused project, and provide consultancy and workforce development activity to enable changes in practice across the children's workforce. We trialled new parental relationship projects to reduce couple conflict and violence through the Healthy Relationships project

Full details of the specific projects we have operated are found elsewhere in this report.

● **Investment policy and performance**

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

● **Key objectives for 2017/18**

- Enabling wider systems change in Hartlepool:
 - o Development of a workforce development strategy & plan
 - o Continue to support development of early help locality teams
 - o Develop a help seeking behaviour campaign & building community capacity
- Continue to provide similar levels of service for children, young people and families
- Further increase proportion of revenue coming from community events and activities, corporate donations and sponsorship, gifts, and small trusts and foundations
- Review the organisations effectiveness in supporting improvements in key relationships within families, and the impact on children
- Review the effectiveness of specific mentalisation based couples therapy for couples with at times violent relationships
- Revise the strategic plan in light of the ever changing business environment, and the results of internal reviews
- Secure the ISO quality mark
- Re-secure existing quality marks

Financial review

● **Year end position**

Overall there has been a decrease in income from £731,349 in the prior year to £649,706 in the current year. This is mainly due to a decrease in the money for couple and family relationships. Expenditure also reduced from £720,118 to £680,855.

Overall there was a reduction in funds of £31,149.
Total funds at the year end were £770,752 of which £553,612 was restricted

● **Reserves policy**

Existing reserves and performance against targets.
The Board determined that free reserves of circa £225,000 should be targeted, of which the current level is £222,628.
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 growth	Income in year	Growth as % of income	Average to date
2015/16 to 2016/17	£60,428	£731,349	8.3%	8.3%
2016/17 to 2017/18	£(3,014)	£649,706	(0.5%)	4.2%

Targeted investment has been made in activities of importance to the development of the Charity in this current financial year.

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 uncertainly in the funding environment, and highlighted some particular financial risks:

- A growing trend towards payment by results contracts, where investment is needed in work and only

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FOR THE YEAR ENDED 31 MARCH 2017

- recouped if targets (for instance, outputs and outcomes) are achieved
- Pressure on local government and central government finances, with early help services potentially at risk as local authorities focus on acute need and meeting statutory obligations

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 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.

Reserves should be managed in a way that, where it is necessary to hold them, they generate the best possible return for the Charity (and as a minimum seek to maintain their relative value given the impact of inflation).

The Board remain committed to an overall increase over the period of the strategic plan, however plan to review this in light of a revision of the strategy in 2017/18.

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 and 7 April 2008.

• **Method 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 Articles of Association.

• **Pay policy for senior staff**

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

● **Organisational structure and decision making**

A board of Trustees of up to 10 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 between monthly and every six months (depending on size and scope of contracts).

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.

● **Risk management**

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

- A thorough annual audit of all risks, and 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 charity has identified key risks in areas including:

- Pressures on government funding and linked contracts
- Inherent risk and cashflow requirements for PBR contracts, and their growing usage
- Securing and retaining appropriately experienced staff in certain areas
- Decreasing contract availability and money for back office functions (and direct management) threatening capacity for business development and ensuring quality provision

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, and investment in developing a middle leadership tier to ensure we continue to provide a strong operational management function.

● **Quality Assurance & 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.

Changing Futures North East received no complaints from people who use our services in 2016/17.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Trustees' responsibilities statement

The Trustees (who are also directors of Changing Futures North East 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 25/10/17 and signed on their behalf by:



G Walker, Chair
Trustee

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Independent Examiner's Report to the Trustees of Changing Futures North East

I report on the financial statements of the Charity for the year ended 31 March 2017 which are set out on pages 14 to 30.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the Charity is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed: 

Dated: 20 November 2017

Heather O'Driscoll FCA

Waltons Clark Whitehill Limited

Chartered Accountants

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated</i> Total funds 2016 £
INCOME FROM:					
Donations and legacies	2	5,283	2,700	7,983	5,325
Charitable activities	3	18,484	613,677	632,161	716,942
Other trading activities	4	5,463	77	5,540	8,778
Investments	5	4,022	-	4,022	304
TOTAL INCOME		33,252	616,454	649,706	731,349
EXPENDITURE ON:					
Raising funds		324	-	324	-
Charitable activities	9	147,566	532,965	680,531	720,118
TOTAL EXPENDITURE		147,890	532,965	680,855	720,118
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	16	(114,638) 63,863	83,489 (63,863)	(31,149) -	11,231 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(50,775)	19,626	(31,149)	11,231
NET MOVEMENT IN FUNDS		(50,775)	19,626	(31,149)	11,231
RECONCILIATION OF FUNDS:					
Total funds brought forward		288,915	512,986	801,901	790,670
TOTAL FUNDS CARRIED FORWARD		238,140	532,612	770,752	801,901

The notes on pages 17 to 30 form part of these financial statements.

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REGISTERED NUMBER: 04009541

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		424,225		438,871
CURRENT ASSETS					
Debtors	13	23,178		39,671	
Investments	14	115,708		-	
Cash at bank and in hand		239,096		374,462	
		<u>377,982</u>		<u>414,133</u>	
CREDITORS: amounts falling due within one year	15	<u>(31,455)</u>		<u>(51,103)</u>	
NET CURRENT ASSETS			<u>346,527</u>		<u>363,030</u>
NET ASSETS			<u>770,752</u>		<u>801,901</u>
CHARITY FUNDS					
Restricted funds	16		532,612		512,986
Unrestricted funds	16		238,140		288,915
TOTAL FUNDS			<u>770,752</u>		<u>801,901</u>

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

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 25/10/17 and signed on their behalf, by:


G Walker, Chair

The notes on pages 17 to 30 form part of these financial statements.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(17,618)</u>	<u>56,766</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,040)	(5,897)
Cash placed on deposit (over 3 months)		<u>(115,708)</u>	<u>-</u>
Net cash used in investing activities		<u>(117,748)</u>	<u>(5,897)</u>
Cash flows from financing activities:			
Repayments of borrowings		-	(35,740)
Net cash used in financing activities		<u>-</u>	<u>(35,740)</u>
Change in cash and cash equivalents in the year		(135,366)	15,129
Cash and cash equivalents brought forward		<u>374,462</u>	<u>359,333</u>
Cash and cash equivalents carried forward	19	<u><u>239,096</u></u>	<u><u>374,462</u></u>

The notes on pages 17 to 30 form part of these financial statements.

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

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.

1.4 Going concern

No material uncertainties that may cast significant doubt about the ability of the charity to continue as a going concern have been identified by the Trustees.

1.5 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.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.6 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.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.8 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.

1.9 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.

1.10 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.

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.

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated</i> Total funds 2016 £
Donations	5,283	2,700	7,983	5,325
<i>Total 2016</i>	2,750	2,575	5,325	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated</i> Total funds 2016 £
Systems change work	-	316,595	316,595	343,673
Couple and family relationships	12,449	115,138	127,587	292,268
Working with children and young people	6,035	76,919	82,954	81,001
Core support	-	105,025	105,025	-
	18,484	613,677	632,161	716,942
<i>Total 2016</i>	-	716,942	716,942	

4. FUNDRAISING INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>As restated</i> Total funds 2016 £
Room hire	1,295	-	1,295	3,220
ASP subs and tuck shop	3,408	-	3,408	3,472
Other income	760	77	837	2,086
	5,463	77	5,540	8,778
<i>Total 2016</i>	8,778	-	8,778	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Investment income	4,022	4,022	304
<i>Total 2016</i>	<i>304</i>	<i>304</i>	

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Systems change work £	Couple and family relationships £	Working with children and young people £	2017 £	<i>As restated 2016 £</i>
Direct costs	251,207	142,339	62,421	455,967	467,234
Support costs	132,807	53,123	35,414	221,344	250,184
Governance costs	1,934	779	507	3,220	2,700
Total	<u>385,948</u>	<u>196,241</u>	<u>98,342</u>	<u>680,531</u>	<u>720,118</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. DIRECT COSTS

	Systems change work £	Couple and family relationship £	Working with children and young people £	Total 2017 £	<i>As restated Total 2016 £</i>
Project activities	116,359	34,468	6,656	157,483	136,619
Premises costs	-	877	-	877	8,588
Printing postage and stationery	1,867	259	484	2,610	7,876
Phone	263	118	294	675	-
Repairs and renewals	-	-	1,549	1,549	5,070
Travelling	6,600	14,309	3,556	24,465	27,009
Other staff costs	2,530	54	-	2,584	252
Other	-	5	-	5	-
Training costs	10,920	3,490	-	14,410	21,257
Advertising	-	-	-	-	16,621
Wages and salaries	102,215	81,920	46,908	231,043	226,273
National insurance	10,455	6,816	2,973	20,244	17,669
Pension cost	-	22	-	22	-
	<u>251,209</u>	<u>142,338</u>	<u>62,420</u>	<u>455,967</u>	<u>467,234</u>
<i>At 31 March 2016</i>	<u>154,011</u>	<u>258,037</u>	<u>55,186</u>	<u>467,234</u>	

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. SUPPORT COSTS

	Systems change work £	Couple and family relationship £	Working with children £	Total 2017 £	<i>As restated</i> <i>Total</i> <i>2016</i> £
Project activities	857	342	228	1,427	3,381
Premises costs	7,046	2,819	1,879	11,744	20,453
Printing postage and stationery	2,532	1,013	675	4,220	10,102
Phone	2,062	825	550	3,437	5,891
Repairs and renewals	4,646	1,858	1,239	7,743	16,448
Insurance	2,841	1,136	758	4,735	4,791
Travelling	594	238	158	990	1,132
Equipment hire	677	271	180	1,128	-
Other staff costs	1,152	461	307	1,920	-
Other	576	230	153	959	1,610
Legal and Professional	10,365	4,146	2,764	17,275	8,843
Training costs	621	-	-	621	1,589
Wages and salaries	84,518	33,807	22,538	140,863	147,665
National insurance	4,558	1,823	1,215	7,596	11,531
Depreciation	10,011	4,005	2,670	16,686	16,748
	<u>133,056</u>	<u>52,974</u>	<u>35,314</u>	<u>221,344</u>	<u>250,184</u>
<i>At 31 March 2016</i>	<u>83,395</u>	<u>83,395</u>	<u>83,394</u>	<u>250,184</u>	

9. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total</i> <i>funds</i> <i>2016</i> £
Independant Examination	3,220	-	3,220	2,700
	<u>3,220</u>	<u>-</u>	<u>3,220</u>	<u>2,700</u>

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets: - owned by the charity	16,686	16,748

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

3 Trustees received reimbursement of expenses amounting to £360 in the current year, (2016 - 0 Trustees - £NIL).

11. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	371,906	373,938
Social security costs	27,841	29,200
Other pension costs	22	-
	399,769	403,138

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

	2017	2016
	No.	No.
Charitable activities	21	14
Management and Administration	7	7
	28	21

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Charitable activities	12	13
Management and Administration	7	5
	19	18

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 £81,652 (2016: £78,840).

CHANGING FUTURES NORTH EAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2016	571,080	9,615	102,903	683,598
Additions	-	-	2,040	2,040
At 31 March 2017	<u>571,080</u>	<u>9,615</u>	<u>104,943</u>	<u>685,638</u>
Depreciation				
At 1 April 2016	144,578	7,407	92,742	244,727
Charge for the year	11,422	481	4,783	16,686
At 31 March 2017	<u>156,000</u>	<u>7,888</u>	<u>97,525</u>	<u>261,413</u>
Net book value				
At 31 March 2017	<u>415,080</u>	<u>1,727</u>	<u>7,418</u>	<u>424,225</u>
At 31 March 2016	<u>426,502</u>	<u>2,208</u>	<u>10,161</u>	<u>438,871</u>

13. DEBTORS

	2017 £	2016 £
Trade debtors	11,664	37,005
Prepayments and accrued income	11,514	2,666
	<u>23,178</u>	<u>39,671</u>

14. CURRENT ASSET INVESTMENTS

	2017 £	2016 £
Bank deposit accounts	<u>115,708</u>	<u>-</u>

CHANGING FUTURES NORTH EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	8,801	40,976
Other taxation and social security	19,953	7,827
Accruals and deferred income	2,701	2,300
	31,455	51,103

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2015 As restated £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
Unrestricted funds					
General Fund	282,361	33,252	(147,703)	63,863	231,773
Revaluation Reserve	6,554	-	(187)	-	6,367
	288,915	33,252	(147,890)	63,863	238,140
Restricted funds					
Abbey Project	399,980	-	(11,235)	19,968	408,713
Youth Club	2,721	-	(2,180)	792	1,333
Teesside Philanthropic	3,000	-	(3,000)	-	-
Parenting	(811)	-	-	811	-
Local Food	667	-	-	(667)	-
WVP 5-19	8,138	55,996	(41,411)	(15,208)	7,515
Mentoring	1,734	62,000	(60,588)	(2,990)	156
Separation services	8,354	52,489	(67,242)	6,399	-
Independent Visitor	1,046	20,923	(17,795)	(2,473)	1,701
Healthy Relationships, Better Childhood					
- Early Action	85,647	316,669	(248,209)	(69,993)	84,114
Family & Young People Activity	2,510	-	-	(450)	2,060
Gus Robinson Foundation	-	2,700	(2,700)	-	-
Apprentice Grant	-	5,000	-	-	5,000
Local Sustainability Fund	-	70,024	(52,972)	(52)	17,000
Filling the Gap	-	653	(633)	-	20
Tudor Trust	-	30,000	(25,000)	-	5,000
	512,986	616,454	(532,965)	(63,863)	532,612
Total of funds	801,901	649,706	(680,855)	-	770,752

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2015 As restated £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2016 £</i>
Unrestricted funds					
General Fund	212,621	11,832	(241,447)	299,355	282,361
Revaluation reserve	6,741	-	(187)	-	6,554
	<u>219,362</u>	<u>11,832</u>	<u>(241,634)</u>	<u>299,355</u>	<u>288,915</u>
Restricted funds					
Abbey Project	411,402	-	(11,422)	-	399,980
Youth Club	-	3,575	(854)	-	2,721
Teesside Philanthropic	-	3,000	-	-	3,000
Parenting	(811)	-	-	-	(811)
Team Around Primary Schools	(3,288)	-	-	3,288	-
Local Food	667	-	-	-	667
Primary Care Trust	(22)	-	-	22	-
DWP - Moving on	61,672	127,071	(78,399)	(110,344)	-
WVP 5-19	7,061	55,726	(39,245)	(15,404)	8,138
Mentoring	11,438	62,000	(55,040)	(16,664)	1,734
Separation Services	64,005	100,354	(119,613)	(36,392)	8,354
Education Support	12,021	5,106	(3,220)	(13,907)	-
Independent Visitor	64	19,169	(11,867)	(6,320)	1,046
Early Action Neighbourhood Fund	(89)	340,673	(154,011)	(100,926)	85,647
Mediation Legally Aided	(135)	2,843	-	(2,708)	-
Family and Young People Activity	7,510	-	(5,000)	-	2,510
	<u>571,495</u>	<u>719,517</u>	<u>(478,671)</u>	<u>(299,355)</u>	<u>512,986</u>
Total of funds	<u>790,857</u>	<u>731,349</u>	<u>(720,305)</u>	<u>-</u>	<u>801,901</u>

Purposes of restricted funds

ABBHEY 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.

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. STATEMENT OF FUNDS (continued)

The main fund provider to the project was the community fund who kindly provided funding of £540,609 in circa 2001.

A transfer in has been made in order to align the balance with the net book value of the property (less the revaluation reserve) held at 31 March 2017.

YOUTH CLUB

This includes donations received from Hereema and the Brathay Challenge Apprentices towards the activities of the youth club.

TEESSIDE PHILANTHROPIC

A grant from the Middlesbrough and Teesside Philanthropic Society to furnish the Family Relationship Room at Belle Vue Centre. This has now been spent.

PARENTING

A negative balance brought forward has been corrected in the current year.

LOCAL FOOD

These funds were brought forward from the prior year and have now been released.

WVP 5-19

Local Authority contract to provide a Targeted and Universal Youth Service.

MENTORING

Local authority contract to provide a Mentoring Service to Children and Young People.

SEPARATION SERVICES

Communities Together for Separated Families. A Project funded with a grant from the Big Lottery which has the goal of enabling parents to manage conflict more effectively and become more allied as parents, as well as better understanding and meeting the needs of children.

INDEPENDENT VISITOR

Local authority contract to provide Volunteer Independent Visitors to Children and Young People in Care.

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.

FAMILY AND YOUNG PEOPLE ACTIVITY

These funds were brought forward from the prior year and a balance remains unspent.

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. STATEMENT OF FUNDS (continued)

GUS ROBINSON FOUNDATION

A grant to support the Mentoring Project by sponsoring 2 children for a year in the intensive weekly group work programme.

APPRENTICE GRANT

A contribution from Tees towards the salaries of 2 apprentices. This funding was spent in April 2017.

LOCAL SUSTAINABILITY GRANT

A grant funded by the Big Lottery to support charities to become more sustainable and less reliant on local and government support.

FILLING THE GAP

A grant funded by Local Authority to provide food during the school holidays to children and families taking part in our activities.

TUDOR TRUST

A grant from Tudor Trust to contribute to the CEO salary. This grant is recurrent for 3 years.

Transfers are made between funds in order to reflect the element of funding received which is spent on core activities. In the case of the Lottery Separation project a transfer has been made from the core funds to ensure the year end balance is not in deficit.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	15,512	408,713	424,225
Current assets	254,082	123,899	377,981
Creditors due within one year	(31,454)	-	(31,454)
	<u>238,140</u>	<u>532,612</u>	<u>770,752</u>

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	38,891	399,980	438,871
Current assets	265,756	148,377	414,133
Creditors due within one year	(15,732)	(35,371)	(51,103)
	<u>288,915</u>	<u>512,986</u>	<u>801,901</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(31,149)	11,231
Adjustment for:		
Depreciation charges	16,686	16,748
Decrease in debtors	16,494	14,177
(Decrease)/increase in creditors	(19,649)	14,610
Net cash (used in)/provided by operating activities	<u>(17,618)</u>	<u>56,766</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	177,911	313,583
Notice deposits (less than 3 months)	61,185	60,879
Total	<u>239,096</u>	<u>374,462</u>

CHANGING FUTURES NORTH EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

20. RESTATEMENT OF PRIOR YEAR

Following a review of the financial statements the Trustees have decided to show expenditure by activity rather than by individual fund and this has led to the reclassification of certain items of income and expenditure in the prior year.

Income reclassification

	Total income £	Income from donations and legacies £	Income from charitable activities £	Fundraising income £	Investment income £
As originally stated per 2016 financial statements	731,349	2,750	705,279	23,016	304
Hereema donation	-	2,575	(2,575)	-	-
Mediation fees	-	-	1,383	(1,383)	-
Legal aid revenue	-	-	1,460	(1,460)	-
Education support	-	-	5,106	(5,106)	-
Independant visitor expenses	-	-	6,289	(6,289)	-
Total	731,349	5,325	716,942	8,778	304

Expenditure was not shown by activity in the prior year and a split between direct and support costs has been created in the current year. The total expenditure is unaffected.

There has also been an amendment to the revaluation reserve to reflect the annual reduction due to depreciation since 2001.