

THE JUNCTION 42 FOUNDATION

England & Wales · Charity number 1149813

Details

Other names	REFLEX
Status	Registered
Legal form	Charitable company
Company number	08139367
Registered	2012-11-19
Register	View on the Charity Commission register

Contact

Address	Brunswick Church Brunswick Place Newcastle upon Tyne NE1 7BJ
Phone	01912612684
Email	info@junction42.org
Website	www.junction42.org

Activities

Objects: 1.TO RELIEVE THE CHARITABLE NEEDS OF THOSE IN NEED BY REASON OF CURRENT AND PREVIOUS CRIMINAL CONVICTIONS OR THOSE CONSIDERED AT RISK OF OFFENDING AGAINST THE LAW IN PARTICULAR BUT NOT EXCLUSIVELY BY THE CREATION OF EMPLOYMENT, HOUSING, EDUCATION, TRAINING AND COMMUNITY PROJECTS TO ASSIST WITH THEIR REHABILITATION AND TO DO THIS WITHIN A CHRISTIAN ETHOS2.THE PREVENTION OR ALLEVIATION OF POVERTY AND SICKNESS THROUGH THE PROVISION OF GRANTS OR SERVICES TO INDIVIDUALS IN NEED BY REASON OF CURRENT AND PREVIOUS CRIMINAL CONVICTIONS OR THOSE CONSIDERED AT RISK OF OFFENDING AGAINST THE LAW AND/OR CHARITIES, OR OTHER ORGANISATIONS WORKING TO PREVENT OR RELIEVE POVERTY, HOMELESSNESS AND SICKNESS.

Activities: Junction 42 exists to see the lives of offenders and their communities visibly transformed through:Employability and entrepreneurial trainingCreative education and engagementThrough the gate mentoring and faith support

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Religious Activities, Economic/community Development/employment
- **Who:** Children/young People, Other Defined Groups, The General Public/mankind

Geography

- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£920,685	£754,430	£596,402	21
2024-03-31	£711,256	£698,698	£430,147	21
2023-03-31	£685,982	£874,352	£417,589	31
2022-03-31	£963,063	£912,787	£605,959	33
2021-03-31	£883,097	£732,387	£555,683	23

Trustees

Name	Role	Appointed
Elizabeth Ruth Miller		2023-12-06
Jennifer Siu Chung Chan		2023-12-06
Mark Nicholas Simpson		2023-12-06
Paul Cassidy		2016-06-30
Ryan Michael Longmuir		2023-12-06
STUART MAIN		2025-04-30

THE JUNCTION 42 FOUNDATION

England & Wales - Charity number 1149813

Accounts

Company registration number: 8139367
Charity registration number: 1149813
SCO47781

The Junction 42 Foundation

(A company limited by guarantee)

Trustees' Annual Report and Accounts

Year Ended 31st March 2025

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The Junction 42 Foundation

Year Ended 31st March 2025

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The Junction 42 Foundation

Year Ended 31st March 2025

Legal and Administrative Information

Reference

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

Registered Charity Numbers	1149813 SCO47781	England and Wales Scotland
Registered Company Number	8139367	
Registered Office	Brunswick Methodist Church Brunswick Place Newcastle upon Tyne NE1 7BJ	
Website	www.junction42.org	
Trustees	Bishop Francis White Dr Paul Cassidy Mrs Alison Edwards Mr Mark Simpson Mrs Elizabeth Miller Mr Ryan Longmuir Mr Stuart Mains Mrs Jennifer Chan	<i>Resigned January 2025</i> <i>Resigned May 2024</i> <i>Appointed April 2025</i>
Chief Executive Officer	Joanne O'Connor	
Primary Bankers	HSBC Bank plc Bamburgh House Forum Way Cramlington NE23 6QE	
Independent Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne NE2 1TJ	

The Junction 42 Foundation

Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

The trustees present their report and the financial statements for the year ended 31 March 2025. These are prepared in accordance with the governing document, the recommendations of the 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 (FRS102) and the small companies' regime of the Companies Act 2006.

Reference and administrative details

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the Memorandum and Articles of Association.

New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction for new trustees will depend on experience.

The trustees are responsible for setting general policy, but the day to day running of the charitable company is delegated to an employed management team headed by the Chief executive officer.

The company maintains a transparent and equitable approach to setting the pay and remuneration of key management personnel. Guided by a scale and points system reflecting responsibilities and experience, an annual appraisal process ensures that adjustments align with individual performance. Trustees actively engage in setting strategic aims for the Chief Executive Officer (CEO). Oversight of this process is entrusted to the trustee HR and risk subgroup and is overseen annually.

Objectives and principal activities

The charitable objectives of the company are:

1. To relieve the charitable needs of those in need by reason of current and previous criminal convictions or those considered at risk of offending against the law in particular but not exclusively by creation of employment, housing, education, training and community projects to assist with their rehabilitation and to do this with a Christian ethic.
2. The prevention or alleviation of poverty and sickness through the provision of grants or services to individuals in need by reason of current and previous criminal convictions or those considered at risk of offending against the law and/or charities, or other organisations working to prevent or relieve poverty, homelessness and sickness.

Risks

The trustees confirm that the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, have been identified and reviewed; and that systems are in place to mitigate those risks.

Strategic developments in risk management this year include:

- 9 policy documents either reviewed or written.
- Strategic pivot towards financial stabilisation by increasing multiyear grant funding to reduce the volatile effect of short term contract delivery

The Junction 42 Foundation

Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

Public benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year set out below.

Achievements and performance

Junction 42 exists to see the lives of offenders and their communities visibly transformed through:

- Creative education and engagement;
- Faith support
- Through the gate mentoring and employability

Our values are:

- Journeying with
- Inspirational
- Relational
- Missional
- Creating opportunities

This is Junction 42's 13th year of operation

Introduction

We are proud to say that despite challenges and volatility in contracting arrangements, Junction 42 has been able to remain a front-line service, offering help and support to those with convictions. Our work has continued in custody and in the community, with our in-prison work seeing growth and development.

Creative Education and Engagement

Junction 42 continued to deliver specialist creative engagement services in HMP Northumberland and HMP Low Newton. These services include using creativity and lived experience inspiration to encourage engagement with regime on induction and community support on release. This work includes engaging with the prisoners not in work or education using an in-cell creative curriculum and resources designed by Junction 42 to increase engagement in regime.

Junction 42 have rolled these in cell resources out in 4 other prisons, where it doesn't have directly employed staff. Prison staff are given mobilisation training and the in-cell resources needed.

Koestler Awards 2024

Men and women on our Creative arts courses in HMP Northumberland and HMP Low Newton won 37 awards at the 2024 Koestler Awards for Arts in Criminal Justice. We were delighted to see their talents acknowledged and for them to receive such positive feedback with 2 platinum awards for Low Newton.

The Koestler Arts North East exhibition showcased work facilitated by Junction 42.

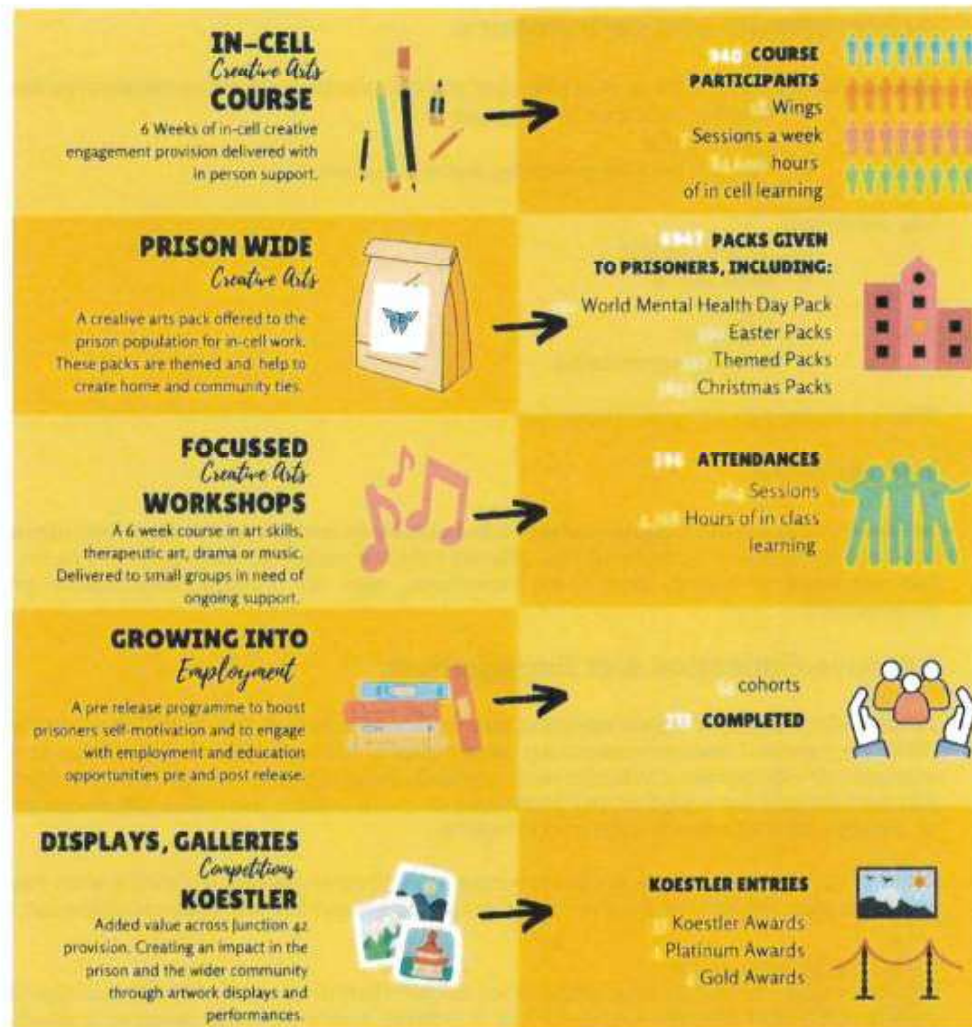
"Attending the private view of Almost Home, the Koestler Arts exhibition at Baltic, was a profoundly moving experience. Surrounded by the creative expressions of those in secure settings—poetry, illustration, sculpture—I found myself immersed in a world where art becomes both an act of defiance and an offering of hope. As I left, I carried with me not only admiration for the artists but also a renewed belief in the role of art as a force for change and human connection." **Exhibition Attendee**

The Junction 42 Foundation

Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

I've learnt new skills and techniques like watercolours and using a grid system to enlarge images. I enjoyed doing the pen and ink drawings of the Angel for the Energy Board I have been asked to do which I was able to continue working on in my cell. My mental health and confidence have improved massively since doing art along with my technical skills." **Prisoner**



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Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

Faith

National resources

Stories of Hope packs -

Our Stories of Hope packs provide chaplains with highly engaging resources which utilise tactile, kinaesthetic, and visual learning to support prisoners explore faith in their prison cell. This year, we worked with chaplaincy teams in 131 prisons (92% of all prisons in the UK) to distribute a pack to 23% of the prison population each quarter. In 2024-25, Junction 42 created, packed and distributed over 90000 Stories of Hope.

"I am hugely grateful to the work of Junction 42 and the packs they provide to prisoners throughout England and Wales. Wherever I travel I hear how grateful both prisoners and chaplains are for the packs and all that they contain. As a chaplain it is tremendously helpful to have things to hand to give to prisoners. When you're going to see a prisoner who is struggling or isolated, to take a pack with you can make a huge difference. Often the prisoners we visited spend a lot of time on their own. These items – things to do, things to read, things which assure them that somebody cares can be a rare source of light in the darkness of imprisonment." **James Ridge, National Prison Chaplaincy HQ**

"While in prison in May this year, I was in a desperate place and wrote a suicide note. I noticed a J42 pack in my cell and read the testimony. I got on my knees and cried out to God for forgiveness.... I went on Alpha and started going to chapel in the prison. My life has changed 100%. I'm currently living in a bail hostel and am volunteering for a Christian organisation that works with homeless people. I love Jesus and want to do His work." **Prisoner**

We are grateful to those who have partnered with us 2024-2025 on this programme. Partners included UCB, Prison Fellowship England, Prison Chaplaincy HQ, Word for Word Bible Comic, Prisons Week, Prisoners Week Scotland, Hope, Josh Abrahams, Philo Trust, Revelation Daze and The4Points.

Training/ Connect Network

Junction 42 oversees the Connect Network. The Connect Network trains and supports the local church to provide a space where those from the margins can flourish in their faith. Connect communities continuing this year were in Newcastle, Stockton, Edinburgh, Middlesborough, Gateshead and Carlisle with Workington due to start in May 25.

"Over the past few weeks, we've seen remarkable progress with employment—approximately five people have secured jobs and are actively working. What's particularly encouraging is that two of these individuals had been unemployed long-term. Recently, they've been expressing genuine desire to find work and contribute, and witnessing their transformation has been incredible. Beyond the spiritual renewal in their lives, we're seeing tangible changes—shifts in their physical circumstances and, perhaps most significantly, in their mindset. They're beginning to believe they're capable of more. It's been genuinely encouraging to watch these lives transform". **Lisa, Connect Leader**

We partnered with The Message Trust to run the Rebuild Conference for all our faith communities to come together with over 190 attending.

The Junction 42 Foundation

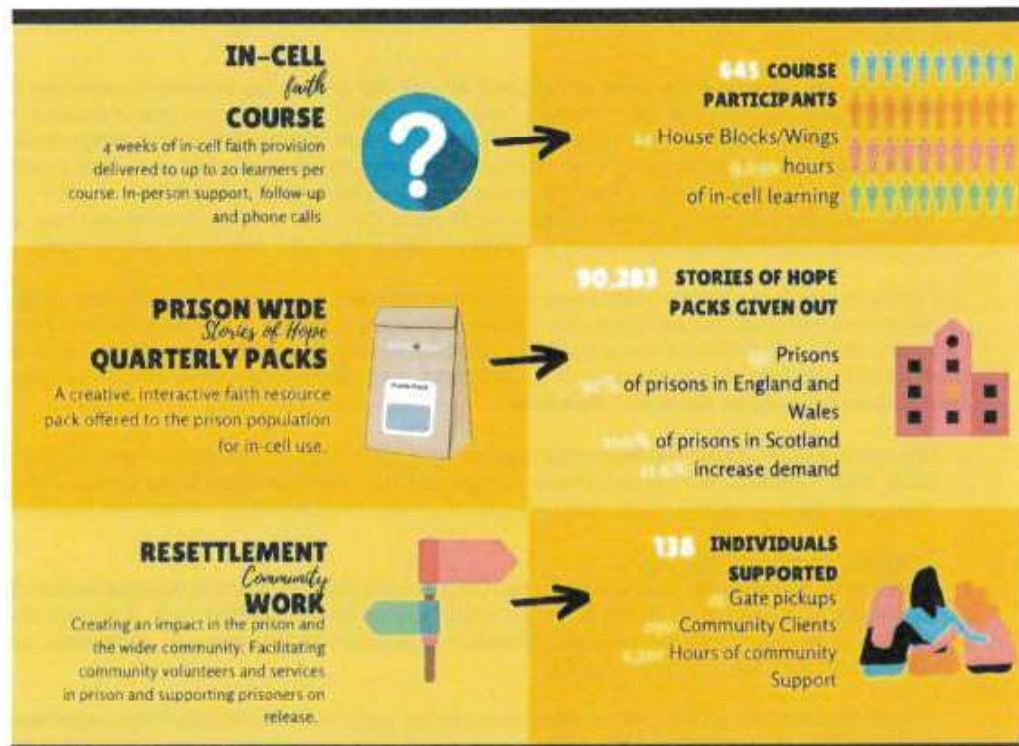
Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

In-person faith delivery

Faith support

Our support continued in delivering alongside the prison chaplaincy teams in HMP Northumberland, HMP Holme House, HMP Low Newton and HMP Edinburgh. Delivering whole prison initiatives and weekly group work, supporting prisoners to grow in their faith and connecting them in with a local church/ connect communities upon release. We launched our Connect Sunday Services bringing members of our Connect Communities to deliver Sunday Services in HMP Northumberland.



Seasonal Responses

With the Christmas period being a time of reduced regimes and isolation we provided 5,897 Christmas themed packs to all prisoners in the Northeast of England and HMP Edinburgh and HMP Shotts.

The Junction 42 Foundation

Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

Through the gate and Employability



Work-out helps to stabilise in 10 ways (see diagram above) to reduce the likelihood of reoffending and into employment. Clients on the Work Out programme receive 1:2:1 mentoring support and groupwork opportunities to improve their social and life skills, wellbeing, employability, and engagement with statutory services.

This year we participated in a partnership project with the Recruitment junction. In the community, we supported 138 individuals with a criminal conviction, in their journey into employment, training and purposeful activity.

We also launched a peer mentoring programme, providing the opportunity for previous clients to work alongside outreach workers, providing valuable lived experience. As part of the programme we partnered with

Ingeus, who delivered the training. Over 60% of the peer mentors moved into employment, after completion of the training.

In total we helped a total of 38 individuals get a photo ID, 70 individuals get birth certificates, 20 individuals to open a bank , 20 individuals access debt support and delivered 170 Christmas Gifts.



S worked with Junction 42 in prison, and we supported him through the gate. On the day of release we provided immediate support with food and hygiene supplies and access to a SIM card. One of our partners the Oswin Project, gave him 3 days a week's work and we helped him get his ID documents and stabilise his accommodation when he was at risk of being made homeless. (Newcastle Workout Client)

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Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

Financial review

The charity's total income for the financial year was £920,685 (2024 - £711,256), and the total expenditure was £754,430 (2024 - £698,698), giving a surplus of £166,255 (2024 - £12,558) and retained funds carried forward of £596,402 (2024 - £430,147).

The funds of the charity are £44,080 in restricted funds and £552,322 in unrestricted funds carried forward. Unrestricted funds include £16,591 of fixed assets and £40,217 of designated funds, leaving £495,514 as free reserves. The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees proposed a policy that the charity should hold a level of free reserves which is equivalent to no less than 32-weeks operating costs. It has become common practice across the sector for contracts to be short term and with uncertainty and gaps between renewals, for Junction 42 this has meant periods of unfunded provision. This reserves policy was put in place to mitigate this risk to our financial stability.

The charity's projected total expenditure for the year ending 31 March 2026 is **£835,807**. In line with our reserves policy, we assess our free reserves against a target range of **12 to 32 weeks** of operating costs.

Based on this expenditure level:

- 32 weeks of operating costs equates to **£514,343**
- 12 weeks equates to **£192,879**

As of 31 March 2025, unrestricted free reserves were **£495,514**, calculated as total unrestricted funds less fixed assets and designed funds. This represents approximately **31 weeks** of operating expenditure.

The current level is very close to what the trustees consider a healthy and appropriate reserve level and provides helpful flexibility to support future sustainability, project development, and financial resilience.

Plans for future periods

Junction 42 plans to continue investing in developing its work in prisons and the community. In particular we will look to:

- Develop a 3 year model for Stories of Hope with associated media
- Support and train local churches to launch Connect Communities in Leith and Darlington
- Development of digital assets for Chaplains and use in HMPPS and SPS.
- Long overview laptop refresh over 12 months and improvements to IT infrastructure in Head Office
- Creating additional space for client facing services

In 2024-2025, we successfully secured both grants and contracted services in prisons and the community. However, contracted services remain volatile due to gaps and short contracted periods. The multi-year grants have helped stabilize the organisation and somewhat reduce these impacts. By diversifying our income across grants and contracts, we've been able to lessen the volatility.

While continuing to operate in a volatile sector, we recognize the challenges posed by short-term contracts, gaps, and the specialised nature of the work, which requires staff with specific clearance and

The Junction 42 Foundation

Year Ended 31st March 2025

Trustees' Annual Report (Incorporating the Directors' Report)

expertise. We acknowledge the flexible nature of our work and in 25-26, we continue to diversify our funding model and grow individual and partner donations.

Alongside this, we are investing in infrastructure to support growth and resilience—this includes a phased refresh of staff IT equipment over a 12-month period and improvements to the head office IT systems. We are also working to create additional space for client-facing services, allowing us to better meet the needs of the individuals we support.

Trustees' responsibilities statement

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining 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 the trustees 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.

Disclosure of information to auditors

The trustees who held office at the date of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

This report was approved by the trustees on

and is signed on its behalf by:

Paul Cassidy

Trustee



The Junction 42 Foundation

Year Ended 31st March 2025

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinion

We have audited the financial statements of The Junction 42 Foundation (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Junction 42 Foundation

Year Ended 31st March 2025

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-

The Junction 42 Foundation

Year Ended 31st March 2025

Independent Auditor's Report to the Members of The Junction 42 Foundation

compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)

For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ
England

Date: 18-12-2025

The Junction 42 Foundation

Year Ended 31st March 2025

Statement of Financial Activities

		Unrestricted Funds	2025 Restricted Funds	Total Funds	2024 Total Funds
	Note	£	£	£	£
Income					
Donations and legacies		169,640	371,749	541,389	517,775
Charitable activities		373,801	-	373,801	186,835
Other trading activities		-	-	-	-
Other income		5,495	-	5,495	6,646
Total Income	2	<u>548,936</u>	<u>371,749</u>	<u>920,685</u>	<u>711,256</u>
Expenditure					
Raising funds	3	1,424	-	1,424	3,630
Charitable activities	4, 5	359,145	393,861	753,006	695,068
Total Expenditure		<u>360,569</u>	<u>393,861</u>	<u>754,430</u>	<u>698,698</u>
Net Income / (Expenditure)		<u>188,367</u>	<u>(22,112)</u>	<u>166,255</u>	<u>12,558</u>
Net Income and Net Movement in Funds					
Total funds brought forward	15	363,955	66,192	430,147	417,589
Transfers	15	-	-	-	-
Total Funds Carried Forward	15	<u>552,322</u>	<u>44,080</u>	<u>596,402</u>	<u>430,147</u>

All income and expenditure derive from continuing activities.

The statement is a combined Statement of Financial Activities and Income and Expenditure Account for the purposes of meeting both Companies Act and Charity SORP reporting requirements.

The notes on pages 16 to 32 form part of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2025

Statement of Financial Position

	Note	2025 £	2024 £
Fixed Assets			
Tangible fixed assets	10	16,590	5,841
Investments	11	1	1
		<u>16,591</u>	<u>5,842</u>
Current Assets			
Stock		5,723	20,000
Debtors	12	83,712	52,258
Cash at bank and in hand		527,371	392,630
		<u>616,806</u>	<u>464,888</u>
Creditors: Amounts Falling Due Within One Year	13	<u>36,995</u>	<u>40,583</u>
Net Current Assets		<u>579,811</u>	<u>424,305</u>
Total Assets less Current Liabilities		<u>596,402</u>	<u>430,147</u>
Net Assets	16	<u>596,402</u>	<u>430,147</u>
Funds of the Charity			
Restricted funds	15	44,080	66,192
Unrestricted funds	15		
Unrestricted funds		512,105	361,079
Designated funds		40,217	2,876
		<u>552,322</u>	<u>363,955</u>
Total Charity Funds		<u>596,402</u>	<u>430,147</u>

These financial statements for The Junction 42 Foundation (**England and Wales Company number: 8139367**) have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of the Companies Act 2006.

The notes on pages 16 to 32 form part of the financial statements.

These financial statements were approved by the board of trustees and authorised for issue :

Name of Trustee:

Paul Cassidy

Signed on behalf of the Trustees:

[Signature]

Date of Approval:

17-12-2025

The Junction 42 Foundation

Year Ended 31st March 2025

Statement of Cash Flows

	2025 £	2024 £
Cash Flows from Operating Activities		
Net cash provided by (used in) operating activities	152,493	3,649
	<u>152,493</u>	<u>3,649</u>
Cash Flows from Investing Activities		
Dividends and interest	2,247	2,012
Purchase of tangible fixed assets	(19,999)	(1,333)
Net cash provided by (used in) investing activities	<u>(17,752)</u>	<u>679</u>
Change in cash and cash equivalents in the reporting period	134,741	4,328
Cash and cash equivalents at the beginning of the reporting period	<u>392,630</u>	<u>388,302</u>
Cash and Cash Equivalents at the end of the Reporting Period	<u>527,371</u>	<u>392,630</u>

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2025 £	2024 £
Net movement in funds for the reporting period (as per the statement of financial activities)	166,255	12,558
Adjustments for:		
Depreciation charges	9,249	4,441
Dividends and interest from investments	(2,247)	(2,012)
(Increase) / decrease in stock	14,277	(20,000)
(Increase) / decrease in debtors	(31,453)	14,426
Increase / (decrease) in creditors	(3,588)	(5,764)
Net cash provided by (used in) operating activities	<u>152,493</u>	<u>3,649</u>

Analysis of Cash and Cash Equivalents

	2025 £	2024 £
Cash at bank	527,371	392,630
Total cash and cash equivalents	<u>527,371</u>	<u>392,630</u>

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of Preparation

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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), the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

The charitable company has taken the option under section 398 of the Companies Act 2006 and the Charities Act 2011 (Group Accounts) Regulations 2015 not to prepare consolidated financial statements.

The financial accounts are prepared in Sterling (£) which is the functional currency of the charitable company.

The Junction 42 Foundation meets the definition of a public benefit entity under FRS 102.

1.2 Assessment of Going Concern

The Directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Fund Accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the term of specific appeal.

Further explanation of the nature and purpose of each fund is included in Note 15 of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

1.4 Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income is recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Income from fees for education, training and mentoring are accounted for when invoices are drawn up and the service has been provided (as the point of entitlement).
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.
- Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.
- Investment income is included in the accounts when receivable.

1.5 Resources Expended

Charitable activities – The costs of charitable activities represent the cost of undertaking the charity's objectives and include direct costs incurred in delivering those services together with support costs. All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

Costs of raising funds include expenditure on promotion and advertising plus any fundraising trading costs.

1.6 Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

1.7 Liabilities Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

1.8 Stocks

Stocks of goods purchased for re-sale are stated at the lower of cost and net realisable value.

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

1.9 Tangible Fixed Assets

All assets costing more than £1,000 are capitalised and at historic cost. Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on fixed assets which is written off on a straight-line basis over time and estimated useful life of the asset.

Fixtures and fittings	20% Straight line
Motor vehicles	25% Reducing balance

Fixtures, fittings and vehicles are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

1.10 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.11 Operating Leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

1.12 Taxation

The charity is exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively for charitable purposes. The charity is not exempt from Value Added Tax.

1.13 Volunteer Assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

1.14 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

There are no critical judgements, significant assumptions concerning the future and key sources of estimation of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Donations and Legacies			
Donations and grants	147,190	325,753	472,943
Donations in respect of salaries	-	45,996	45,996
Gift aid tax reclaims	22,450	-	22,450
	169,640	371,749	541,389
Charitable Activities			
Prison and community outreach services	299,627	-	299,627
In-cell creative education	74,174	-	74,174
In-cell Stories of Hope	-	-	-
	373,801	-	373,801
Other Trading Activities			
Fundraising events and sales	-	-	-
	-	-	-
Other Income			
Reimbursed expenses	3,248	-	3,248
Bank interest	2,247	-	2,247
	5,495	-	5,495
Total Income	548,936	371,749	920,685

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

2 Analysis of Income (Continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations and Legacies			
Donations and grants	181,772	271,770	453,542
Donations in respect of salaries	46,081	-	46,081
Gift aid tax reclaims	18,152	-	18,152
	<u>246,005</u>	<u>271,770</u>	<u>517,775</u>
Charitable Activities			
Prison and community outreach services	166,530	-	166,530
In-cell creative education	-	-	-
In-cell Stories of Hope	20,305	-	20,305
	<u>186,835</u>	<u>-</u>	<u>186,835</u>
Other Trading Activities			
Fundraising events and sales	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other Income			
Reimbursed expenses	4,099	535	4,634
Bank interest	2,012	-	2,012
	<u>6,111</u>	<u>535</u>	<u>6,646</u>
Total Income	<u>438,951</u>	<u>272,305</u>	<u>711,256</u>

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

3 Cost of Fundraising

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Expenditure on raising funds:	1,424	-	1,424
	<u>1,424</u>	<u>-</u>	<u>1,424</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Expenditure on raising funds:	3,630	-	3,630
	<u>3,630</u>	<u>-</u>	<u>3,630</u>

4 Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Prison and community outreach services	189,951	180,411	370,362
In-cell Stories of Hope	18,780	116,981	135,761
	<u>210,964</u>	<u>325,314</u>	<u>536,278</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Prison and community outreach services	159,018	138,700	297,718
In-cell Stories of Hope	75,340	106,182	181,522
	<u>234,358</u>	<u>244,882</u>	<u>479,240</u>

Charitable activities are analysed by internal department, with each department aligned to a specific area of the charity's work. Staff costs and direct costs are allocated based on the actual time spent and services delivered by each team.

Support and overhead costs are apportioned proportionally across departments, using time allocation and usage to reflect the resources required to deliver each activity.

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

5 Expenditure on Charitable Activities Support Costs

	Unrestricted Funds	Restricted Funds	Total Funds 2025
	£	£	£
Donations and contractual giving	600	-	600
Admin management staff costs	74,516	62,662	137,178
Office rent and rates	6,148	5,885	12,033
Insurance	9,678	-	9,678
Staff travel costs and subsistence	2,998	-	2,998
Office costs - telephone, printing, computers	14,994	-	14,994
Motor and travel costs	2,474	-	2,474
Depreciation	9,249	-	9,249
Staff training	9,609	-	9,609
Consultancy – media and publicity	467	-	467
Subscriptions and volunteer costs	208	-	208
Accountancy charges	5,064	-	5,064
Audit fees	8,000	-	8,000
Cleaning and Covid PPE	635	-	635
Other costs – legal and consultancy	3,541	-	3,541
	<u>148,181</u>	<u>68,547</u>	<u>216,728</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Donations and contractual giving	320	-	320
Admin management staff costs	94,991	40,861	135,852
Office rent and rates	10,147	1,307	11,454
Insurance	8,977	-	8,977
Staff travel costs and subsistence	5,237	-	5,237
Office costs - telephone, printing, computers	13,624	-	13,624
Motor and travel costs	2,533	-	2,533
Depreciation	4,441	-	4,441
Staff training	12,680	-	12,680
Consultancy – media and publicity	900	-	900
Subscriptions and volunteer costs	656	-	656
Accountancy charges	9,536	-	9,536
Audit fees	3,040	-	3,040
Cleaning and Covid PPE	161	-	161
Other costs – legal and consultancy	6,417	-	6,417
	<u>173,660</u>	<u>42,168</u>	<u>215,828</u>

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

6 Grant-making Activities

During the year, the charity acted as a lead partner in a Lottery and North of Tyne funded project and received funding for the delivery of services under these grant programmes. As part of this arrangement the charity was responsible for the overall coordination and delivery of the project and engaged The Recruitment Junction as a second specialist delivery partner.

A grant totalling £122,062 was made to The Recruitment Junction, a partner organisation, to deliver their agreed share of services under this partnership. The expenditure has been included within the Charitable Activities expenditure heading, under Prison and Community education and employability services, in the Statement of Financial Activities.

The grant was made in accordance with the terms of the funding agreement and subject to appropriate oversight and monitoring procedures. The charity retains responsibility for the full delivery and reporting of the funded project to the original grant provider.

7 Statutory Auditor Fees

Fees payable to the statutory auditor for:

	2025	2024
	£	£
Statutory audit fee	8,000	2,820

8 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	426,571	393,011
Social security costs	29,046	24,279
Employer contributions to pension plans	14,759	13,027
	<u>470,376</u>	<u>430,317</u>

The average head count of employees during the year was as follows:

	2025	2024
Average headcount		
Direct charitable activities	18	17
Management and administration	3	4
	<u>21</u>	<u>21</u>

The number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2025	2024
More than £60,000	1	-

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

Key Management Personnel

The trustees, CEO and head of operations are considered to be key management personnel for the purposes of FRS102. The remuneration of the key management personnel for the year including employers' national insurance and employers' pension contributions was £82,918 (2024: £69,979). The increase in remuneration is due in part to vacancies in the prior year in the head of operations position.

9 Trustee Remuneration, Expenses and Donations

The trustees received no remuneration in the year (2024: £Nil).

During the year ended 31 March 2025, the charity received donations totalling £11,745 from individuals related to trustees (2024: £4,500).

10 Tangible Fixed Assets

	Fixtures and Fittings	Motor Vehicles	Total
	£	£	£
Cost as at 1st April 2024	34,175	16,994	51,169
Additions	-	19,999	19,999
Disposal	-	(9,494)	(9,494)
Cost as at 31st March 2025	<u>34,175</u>	<u>27,499</u>	<u>61,674</u>
Depreciation as at 1st April 2024	29,924	15,404	45,328
Depreciation charge	3,451	5,798	9,249
Disposal	-	(9,493)	(9,493)
Depreciation as at 31st March 2025	<u>33,375</u>	<u>11,709</u>	<u>45,084</u>
Net book value as at 31st March 2025	<u>800</u>	<u>15,790</u>	<u>16,590</u>
Net book value as at 31st March 2024	<u>4,251</u>	<u>1,590</u>	<u>5,841</u>

All fixed assets are used for purposes of the charitable company.

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

11 Investments

	Unlisted investments £
Cost	
31 March 2025 and 31 March 2024	1
	<u>1</u>

Unlisted investments represents an investment of 100% of the issued share capital of Junction 42 Social Enterprises Limited, an unlisted dormant company registered in England.

12 Debtors

	2025 £	2024 £
Trade debtors	54,365	49,743
Prepayments	29,347	2,515
	<u>83,712</u>	<u>52,258</u>

13 Creditors: Amounts Falling Due Within One Year

	2025 £	2024 £
Trade creditors	3,611	25,123
Amounts due to subsidiary undertaking	1	1
Accruals and deferred income	14,868	6,066
Other taxes and social security	18,515	9,393
	<u>36,995</u>	<u>40,583</u>

14 Deferred Income

	2025 £	2024 £
Balance at the beginning of the reporting period	-	10,000
Amount released to income	-	-
Amount deferred in year	-	(10,000)
Balance at the end of the reporting period	<u>-</u>	<u>-</u>

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

15 Analysis of Charitable Funds

	1 Apr 2024 £	Income £	Expenditure £	Transfers £	31 Mar 2025 £
Unrestricted Funds					
Unrestricted					
General funds	361,079	548,936	(360,569)	(37,341)	512,105
	<u>361,079</u>	<u>548,936</u>	<u>(360,569)</u>	<u>(37,341)</u>	<u>512,105</u>
Designated					
Giving fund	2,876	-	-	711	3,587
Building and IT Development	-	-	-	36,630	36,630
	<u>2,876</u>	<u>-</u>	<u>-</u>	<u>37,341</u>	<u>40,217</u>
Total Unrestricted	<u>363,955</u>	<u>548,936</u>	<u>(360,569)</u>	<u>-</u>	<u>552,322</u>
Restricted Funds					
Acts 435	-	947	(947)	-	-
Seedfield Trust	-	5,000	(5,000)	-	-
Sir James Knott Trust	5,000	-	(5,000)	-	-
The Benefact Trust	17,499	30,000	(47,499)	-	-
Vardy Foundation	-	30,000	(30,000)	-	-
Fyrish	6,715	30,000	(30,000)	-	6,715
William Charitable Trust	3,333	-	(3,333)	-	-
Tees Valley Foundation	708	-	(708)	-	-
Lottery	-	96,250	(96,250)	-	-
The Big Give	14,137	18,878	(14,137)	-	18,878
Pentonville & Drake Hall	18,800	-	(18,800)	-	-
Bishop Radford	-	5,000	(5,000)	-	-
North of Tyne Combined Authority	-	47,441	(47,441)	-	-
Monument	-	1,500	(1,500)	-	-
Community Foundation	-	1,000	(1,000)	-	-
Pattinsons	-	-	-	-	-
Just Sow	-	10,000	(8,333)	-	1,667
Micah	-	5,400	(5,200)	-	200
Lloyds Bank	-	8,333	(8,333)	-	-
Salary support fund	-	45,996	(45,996)	-	-
Regis Banqueting	-	6,545	(6,545)	-	-
Stenhouse Baptist Church	-	2,000	(2,000)	-	-

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

Restricted Funds (Continued)

	1 Apr 2024	Income	Expenditure	Transfers 31 Mar 2025	
	£	£	£	£	£
Davidson's Mains Parish Church	-	1,750	(1,750)	-	-
Walk to Freedom Fundraiser	-	5,765	(5,765)	-	-
National Lottery Awards For all	-	19,944	(3,324)	-	16,620
Total Restricted	66,192	371,749	(393,861)	-	44,080
Total Funds	430,147	920,685	(754,430)	-	596,402

Fund Transfers

During the year, the trustees designated funds of £36,630 towards building and IT future development and £711 to the Giving fund.

Prior Year Analysis of Charitable Funds

	1 Apr 2023	Income	Expenditure	Transfers 31 Mar 2024	
	£	£	£	£	£
Unrestricted Funds					
Unrestricted					
General funds	334,181	438,951	(409,823)	(2,230)	361,079
	334,181	438,951	(409,823)	(2,230)	361,079
Designated					
Giving fund	2,833	-	(1,825)	1,868	2,876
	2,833	-	(1,825)	1,868	2,876
Total Unrestricted	337,014	438,951	(411,648)	(362)	363,955

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

	1 Apr 2023	Income	Expenditure	Transfers	31 Mar 2024
	£	£	£	£	£
Restricted Funds					
Acts 435	89	1,925	(2,376)	362	-
Agnes Hunter Trusts	7,500	-	(7,500)	-	-
Childs Charitable Trust	2,917	-	(2,917)	-	-
Community Foundation Pattinsons	3,000	-	(3,000)	-	-
Fiftyfour Two Foundation	15,000	-	(15,000)	-	-
JustSow	1,757	-	(1,757)	-	-
Methodist Church	7,500	-	(7,500)	-	-
National Lottery Awards for All	-	9,999	(9,999)	-	-
Nepacs	914	50	(964)	-	-
Rank Foundation	14,622	-	(14,622)	-	-
Salary Support fund	-	-	-	-	-
Seedfield Trust	4,000	-	(4,000)	-	-
Sir James Knott Trust	5,000	10,000	(10,000)	-	5,000
Sport England	777	-	(777)	-	-
The Benefact Trust	17,499	30,000	(30,000)	-	17,499
Vardy Foundation	-	30,000	(30,000)	-	-
Fyrish	-	30,000	(23,285)	-	6,715
Willan Charitable	-	10,000	(6,667)	-	3,333
Tees Valley Foundation	-	2,500	(1,792)	-	708
Graham Belford	-	2,500	(2,500)	-	-
TBFT Trust	-	2,500	(2,500)	-	-
Community Foundation	-	1,000	(1,000)	-	-
North of Tyne Combined Authority	-	6,757	(6,757)	-	-
Lottery	-	94,994	(94,994)	-	-
The Big Give	-	21,280	(7,143)	-	14,137
Pentonville & Drake Hall	-	18,800	-	-	18,800
Total Restricted	80,575	272,305	(287,050)	362	66,192
Total Funds	417,589	711,256	(698,698)	-	430,147

Fund Transfers

During the prior year, the trustees undesignated three designated funds and transferred the balances back to the general fund.

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

Fund Descriptions

Designated Funds

Building and IT Development	Money designated for the future IT and building development.
Giving fund	Money designated to give to other related charities.

Restricted Funds

Acts 435	Acts 435 provide micro-grants for us to purchase items for our clients who are in financial hardship.
Agnes Hunter Trusts	This grant is for the coffee employability project run in Edinburgh.
Childs Charitable Trust	The grant is for the National Stories of Hope resource packs and media sent into prisons.
Fiftyfour Two Foundation – Employability	The Fiftyfour Two Foundation grant was received to support of Stories of Hope National Prison Initiative.
JustSow	To support the growth of the Connect Network.
Methodist Church	The Methodist Church grant funded our employability support in Newcastle upon Tyne.
Nepacs	Nepacs provide micro-grants for us to purchase items for our clients who are in financial hardship.
Rank Foundation	To produce Stories of Hope media and podcasts.
Salary Support fund	The Salary Support Fund is for funding received from various sources towards the salary costs of our staff.
Vardy Foundation	The Vardy foundation grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving for 3 years.
The Benefact Trust	The Benefact grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving for 3 years.
Sir James Knott Trust	This is a grant to support the core costs and operational development. It is awarded annually for 2 years.
National Lottery Awards for All	During 2023/24 funding to support the networking and partnership working in Edinburgh. During 2024/25 funding to develop the in-cell creative curriculum
Fyrish	To support the stories of hope program in Scotland and faith resettlement work in HMP Edinburgh
Willian Charitable Trust	Resettlement of women across the North East
Tees Valley Foundation	To support the employability work in Teesside
Graham Belford	Resettlement of prisoners across the North East
TBFT Trust	To support the in cell Stories of Hope program across the UK
Community Foundation Pattinsons	To support the employability work in Newcastle

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

Fund Descriptions (Continued)

North of Tyne Combined Authority	To support the employability work for residents North of Tyne
Lottery	To support the employability and resettlement work across the North east
The Big Give	To support the in cell Stories of Hope program across the UK in 2024 and funds to support the growth of the Connect Network in
Pentonville & Drake Hall	For delivery of in cell creative curriculum
Bishop Radford	To support the Connect network and in cell Stories of Hope program across the UK
Monument	To support the employability work in Newcastle
Micah	To enable development of the Stories of Hope specific to Scotland
Lloyds Bank	To support the employability work in Newcastle. Grant provided through lead funding partner The Recruitment Junction.
Regis Banqueting	Funds given towards Stories of Hope Christmas gifts.
Stenhouse Baptist Church	Funds received to support the work carried out in Edinburgh
Davidson's Mains Parish Church	Funds received to support the work carried out in Edinburgh
Walk to Freedom Fundraiser	Funds received to support the work carried out in Edinburgh
Seedfield Trust	To support the in cell Stories of Hope program across the UK

16 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Fixed assets	16,591	-	16,591
Current assets	572,726	44,080	616,806
Creditors less than 1 year	(36,995)	-	(36,995)
	<u>552,322</u>	<u>44,080</u>	<u>596,402</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Fixed assets	5,842	-	5,842
Current assets	398,696	66,192	464,888
Creditors less than 1 year	(40,583)	-	(40,583)
	<u>363,955</u>	<u>66,192</u>	<u>430,147</u>

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

17 Related Party Transactions

In the prior year ending 31st March 2024 the Vardy Foundation (England and Wales charity no. 328415; Scotland SC051152) was a related party with trustee Richard Vardy who resigned in July 2023 and was a mutual trustee of both organisations. The total donations during the 2024 financial year was £42,000.

During the year, The Junction 42 Foundation provided partnership funding of £122,062 (2024: £72,205) to The Recruitment Junction as part of a two grant-funded project where The Junction 42 Foundation acted as the lead organisation. The funding was originally received from external grant providers and allocated to The Recruitment Junction in line with project delivery responsibilities. The Junction 42 Foundation received funding through The Recruitment Junction as a lead provider providing partnership funding totalling £8,333 (2024: nil) from a Lloyds Bank Foundation grant.

The Recruitment Junction is considered a related party due to the fact that Mark Simpson serves as a trustee of both The Junction 42 Foundation and The Recruitment Junction during the year.

There are no other related party transactions to disclose.

18 Operating Lease Commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2025	2024
	£	£
Within one year	828	-
Between two and five years	1,725	-
	<u>2,553</u>	<u>-</u>

The Junction 42 Foundation

Year Ended 31st March 2025

Notes to the Financial Statements

19 Prior Year Statement of Financial Activities

	Unrestricted Funds	2024 Restricted Funds	Total Funds
	£	£	£
Income			
Donations and legacies	246,005	271,770	517,775
Charitable activities	186,835	-	186,835
Other income	6,111	535	6,646
Total Income	<u>438,951</u>	<u>272,305</u>	<u>711,256</u>
Expenditure			
Raising funds	3,630	-	3,630
Charitable activities	408,018	287,050	695,068
Total Expenditure	<u>411,648</u>	<u>287,050</u>	<u>698,698</u>
Net Income / (Expenditure)	<u>27,303</u>	<u>(14,745)</u>	<u>12,558</u>
Net Income and Net Movement in Funds			
Total funds brought forward	337,014	80,575	417,589
Transfers	(362)	362	-
Total Funds Carried Forward	<u>363,955</u>	<u>66,192</u>	<u>430,147</u>

THE JUNCTION 42 FOUNDATION

England & Wales - Charity number 1149813

Accounts

Company registration number: 8139367
Charity registration number: 1149813
SCO47781

The Junction 42 Foundation

(A company limited by guarantee)

Trustees' Annual Report and Accounts

Year Ended 31st March 2024

JUNCTION⁴²

The Junction 42 Foundation

Year Ended 31st March 2024

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The Junction 42 Foundation

Year Ended 31st March 2024

Legal and Administrative Information

Reference

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

Registered Charity Numbers	1149813 SCO47781	England and Wales Scotland
Registered Company Number	8139367	
Registered Office	Brunswick Methodist Church Brunswick Place Newcastle upon Tyne NE1 7BJ	
Website	www.junction42.org	
Trustees	Bishop Francis White Dr Paul Cassidy Mrs Alison Edwards Mrs Sarah Wade Mr Mark Simpson Mrs Elizabeth Miller Mr Ryan Longmuir Mrs Jennifer Chan Mr Richard Vardy	<i>Resigned Aug 2024</i> <i>Resigned Dec 2023</i> <i>Appointed Dec 2023</i> <i>Appointed Dec 2023</i> <i>Appointed Dec 2023</i> <i>Appointed Dec 2023</i> <i>Resigned Jul 2023</i>
Chief Executive Officer	Joanne O'Connor	
Primary Bankers	HSBC Bank plc Bamburgh House Forum Way Cramlington NE23 6QE	
Independent Auditor	Stephenson Coates Audit Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD	

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

The trustees present their report and the financial statements for the year ended 31 March 2024. These are prepared in accordance with the governing document, the recommendations of the 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 (FRS102) and the small companies' regime of the Companies Act 2006.

Reference and administrative details

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the Memorandum and Articles of Association.

New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction for new trustees will depend on experience.

The trustees are responsible for setting general policy, but the day to day running of the charitable company is delegated to an employed management team headed by the Chief executive officer.

The company maintains a transparent and equitable approach to setting the pay and remuneration of key management personnel. Guided by a scale and points system reflecting responsibilities and experience, an annual appraisal process ensures that adjustments align with individual performance. Trustees actively engage in setting targets for the Chief Executive Officer (CEO), which is tied to the remuneration policy for senior roles. Oversight of this process is entrusted to the trustee HR and risk subgroup and is overseen annually.

Objectives and principal activities

The charitable objectives of the company are:

1. To relieve the charitable needs of those in need by reason of current and previous criminal convictions or those considered at risk of offending against the law in particular but not exclusively by creation of employment, housing, education, training and community projects to assist with their rehabilitation and to do this with a Christian ethic.
2. The prevention or alleviation of poverty and sickness through the provision of grants or services to individuals in need by reason of current and previous criminal convictions or those considered at risk of offending against the law and/or charities, or other organisations working to prevent or relieve poverty, homelessness and sickness.

Risks

The trustees confirm that the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, have been identified and reviewed; and that systems are in place to mitigate those risks.

Strategic developments in risk management this year include:

- 9 policy documents either reviewed or written.
- Strategic pivot towards financial stabilisation by increasing multiyear grant funding to reduce the volatile effect of short term contract delivery

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

Public benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year set out below.

Achievements and performance

Junction 42 exists to see the lives of offenders and their communities visibly transformed through:

- Creative education and engagement;
- Faith support
- Through the gate mentoring and employability

Our values are:

- Journeying with
- Inspirational
- Relational
- Missional
- Creating opportunities

This is Junction 42's 12th year of operation

Introduction

We are proud to say that despite challenges and volatility in contracting arrangements, Junction 42 has been able to remain a front-line service, offering help and support to those with convictions. Our work has continued in custody and in the community, with our in-prison work seeing growth and development.

Creative Education and Engagement

Junction 42 delivered specialist creative engagement services in HMP Northumberland and HMP Low Newton. These services include using in cell creative packs, creative workshops and deliver other creative projects.

In this year, in addition to our continued work in HMP Northumberland and HMP Low Newton, we have agreements in place to start a pilot in HMP Addiewell on the next financial year. This area includes a train the trainer model with services delivered outside of Junction 42, utilising the national resources we have created.

During the gap for Creative contracted services in HMP Northumberland, PLP was delivered via a Ministry of Justice trial and was considered part of an engagement services enabling individuals with lived experience of the Criminal Justice service to work alongside ourselves and those still in custody.

"C was referred to the Creative engagement provision when she arrived in the prison. She had never had a custodial sentence before and struggled with her health and mental wellbeing. She found the creative packs and work in her cell really helpful for managing her anxiety. We encouraged C to attend a workshop in our education classroom. She became a regular workshop attender and enjoyed working collaboratively with others. She then progressed into English and IT. She had a dip in her mental health and asked to reattend creative arts. She stayed back on the course for a few weeks and helped us on the CSU project, until she felt ready to try something new again. We encouraged her to apply for hospitality. She was very nervous about joining the group but thrived on the course and now is working in kitchens which she never felt confident to do before." - **Prisoner Feedback**

The Junction 42 Foundation

Year Ended 31st March 2024

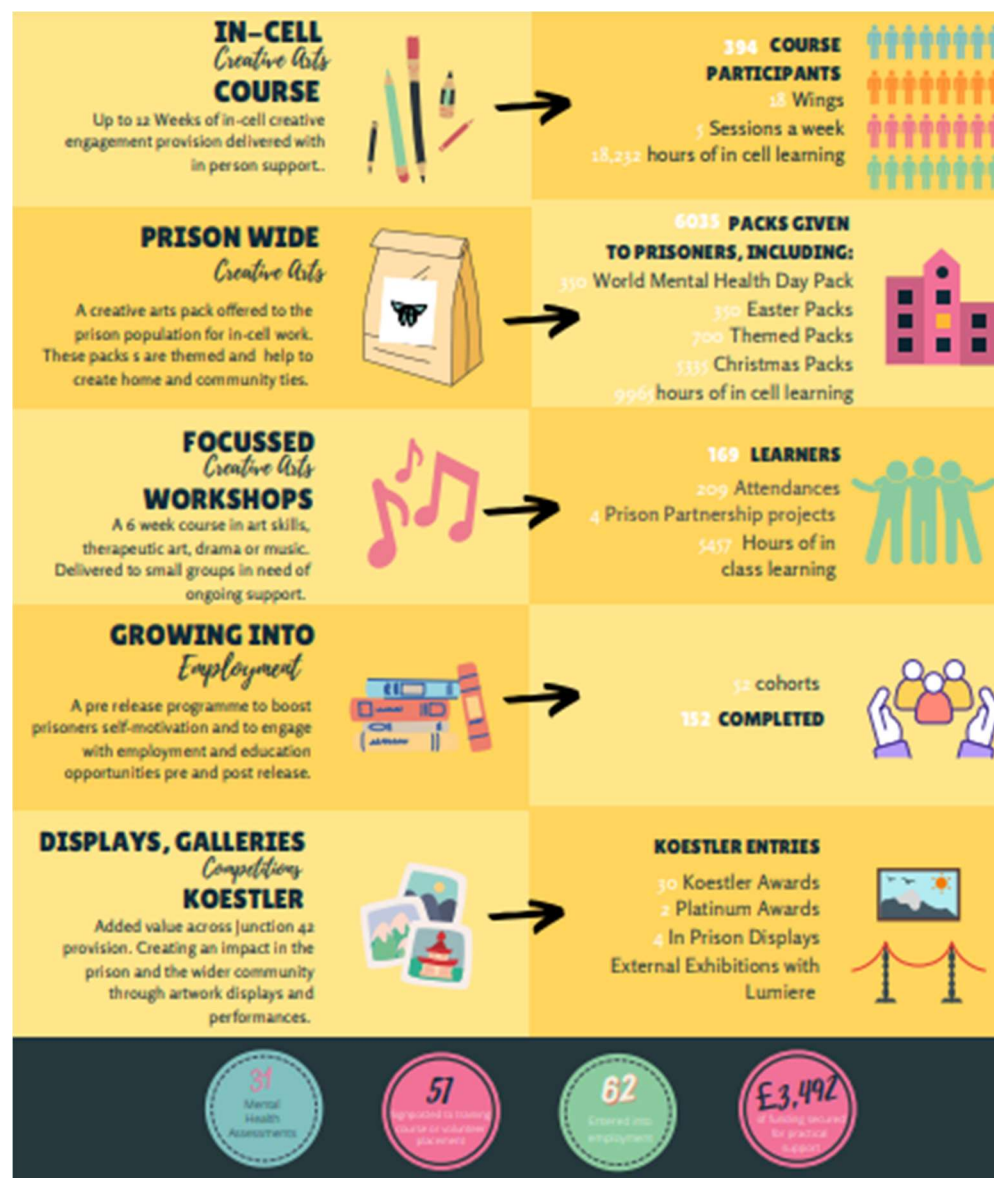
Trustees' Annual Report (Incorporating the Directors' Report)

"Learners are so proud of their artwork - they display it in their rooms & send out to family and friends. They've developed new skills & grown in confidence. It's been very easy to facilitate and is a huge success in our prison, they're always asking for more!"

- HMPPS staff member

"Working in partnership with the brilliant staff at junction 42 was successful due to their care, Compassion and always going the extra mile to help anyone who engaged with them. The essential help and support provided for ex-offenders and offenders pre-release is so necessary to enhance their lives and give them the skills to live a better life, find employment, housing and access pastoral support"

- Prison feedback



The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

Koestler Awards 2023

Men and women on our Creative arts courses in HMP Northumberland and HMP Low Newton won 30 awards at the 2023 Koestler Awards for Arts in Criminal Justice. We were delighted to see their talents acknowledged and for them to receive such positive feedback with 2 platinum awards for Low Newton.

Faith

National resources

Stories of Hope packs

Our Stories of Hope packs provide chaplains with highly engaging resources which utilise tactile, kinaesthetic, and visual learning to provide prisoners with a means to explore faith in their prison cell. This year, we worked with chaplaincy teams in 128 prisons (91% of all prisons in the UK) to distribute a pack to 21% of the prison population each quarter. In 2023-24, Junction 42 created, packed and distributed 80,870 Stories of Hope.

"Junction 42 have become an important partner to prison chaplaincy teams across the country. The Stories of Hope packs are now distributed to prison chaplaincy teams across England and Wales. When I visit a prisoner, I will often see a completed activity on display, or hear a worship CD being played. Junction 42 don't stand still. They are always thinking how else they can serve. Junction 42 understand the needs of prisoners and their energy and enterprise mean they are a highly valued partner of the prison chaplaincy teams of England and Wales." **Phil Chadder National Prison Chaplaincy HQ National Partner**

"Thank you for the packs for our HMP. The men love them! Thank you again for this resource. These packs are a huge benefit to our chaplaincy work and we appreciate them so much."
Prison Chaplain

"I have watched Songs of Praise on BBC today and was delighted to see your work featured in the programme...During my time in prison I was lucky to receive the Story of Hope packs from Junction 42. Not only have I experienced the personal benefit from this but as part of my role within Chaplaincy I have been able to witness positive impact this has on the men around me. I find this inspirational and God anointed to have received these gifts".

- Prisoner

We are grateful to those who have partnered with us 2023-24 on this programme. Partners included UCB, Prison Fellowship, Prison Chaplaincy HQ, Yellow Ribbon, Word for Word Bible Comic, Prisons Week, Alpha, Bible Project, I Am With You, Planetshakers, Try Praying, Scotand Prisoners Week and Proclaim Trust.

Training/ Connect Network

Junction 42 oversees the Connect Network. The Connect Network trains and supports the local church to provide a safe and welcoming space for those from the margins to grow in their faith. Connect communities continuing this year were in Newcastle, Stockton, Edinburgh, Middlesbrough and Gateshead with Carlisle due to start in April 2024.

"Launching Carlisle Connect in April with the support of Junction42 and the wider Connect communities gave the community the best start. Encouraging us with support from members of Newcastle, Stockton and Gateshead Connects has helped the team have the confidence to really grab the Carlisle opportunity. Ten weeks in, we can testify to Gods faithfulness in this new missional community in Carlisle."

- Donald, Connect leader

The Junction 42 Foundation

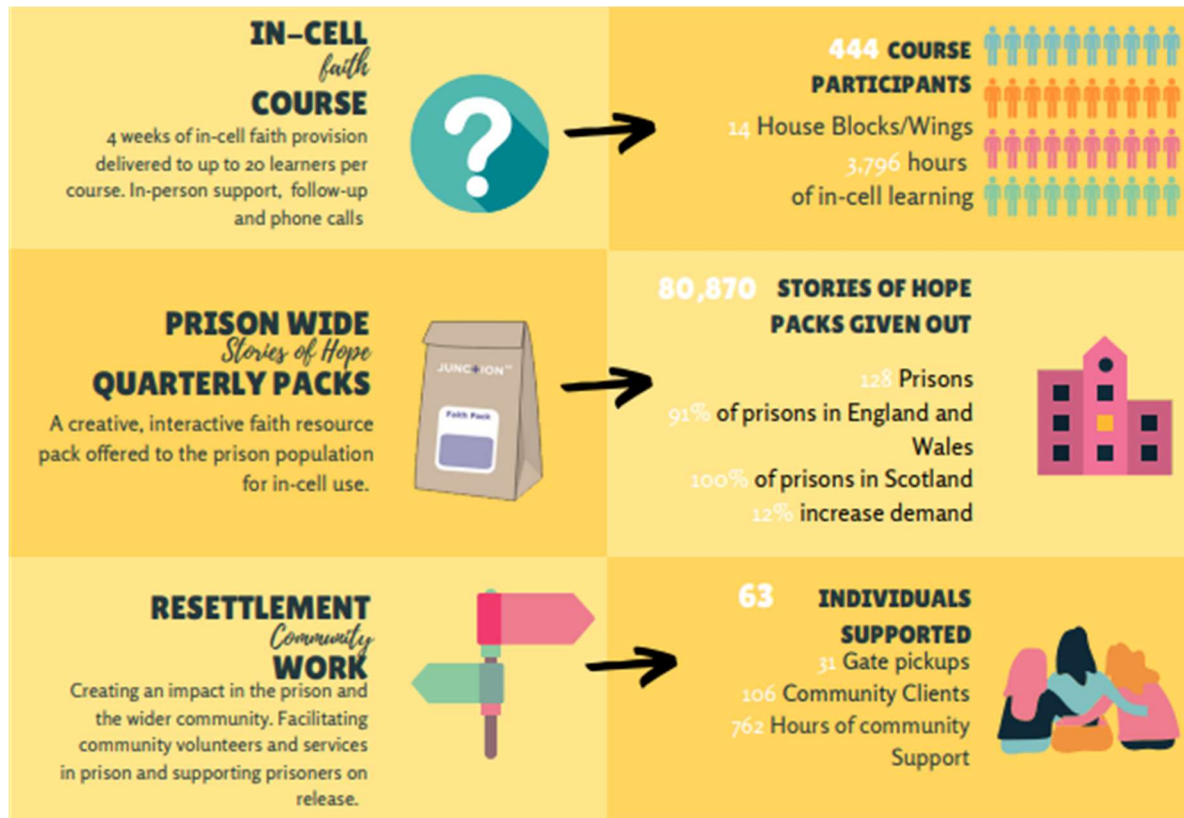
Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

In-person faith delivery

Faith support

Our support continued in delivering alongside the prison chaplaincy teams in HMP Northumberland, HMP Holme House, HMP Low Newton and HMP Edinburgh. Delivering whole prison initiatives and weekly group work, Sunday services, supporting prisoners grow in their faith and connecting them in with a local church/ connect communities upon release.



Seasonal Responses

We also provided 5,335 Christmas gift packs to all prisoners in the North East and HMP Edinburgh. The packs contained a Christmas craft, chocolate and Christmas reading.



The Junction 42 Foundation

Year Ended 31st March 2024

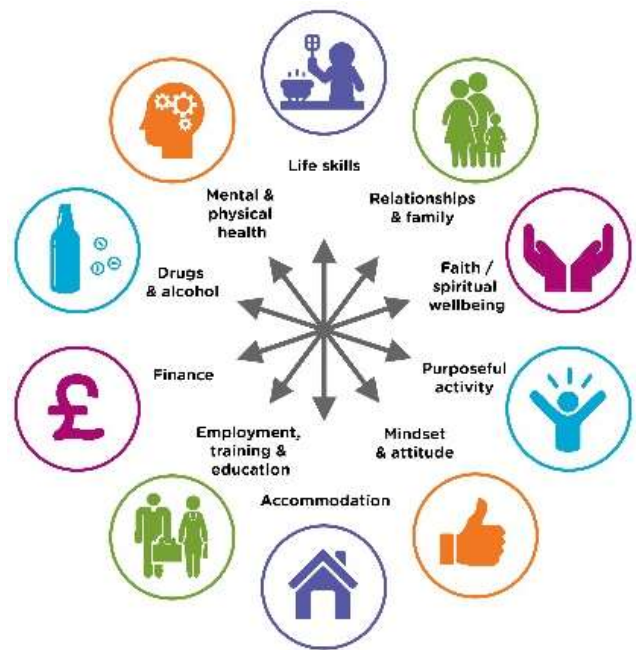
Trustees' Annual Report (Incorporating the Directors' Report)

Through the gate and Employability

Work-out helps to stabilise in 10 ways (diagram to the right) to reduce the likelihood of reoffending and into employment.

Working independently and in partnership with The Recruitment Junction, we provided support to 363 individuals with our 'Work Out' programme in 2023-24 across Tyne and Wear, Durham/Tees Valley and Edinburgh. Clients on the Work Out programme receive 1:2:1 mentoring support and groupwork opportunities to improve their social and life skills, wellbeing, employability, and engagement with statutory services.

In total we helped a total of 18 individuals get a photo ID, 35 individuals get birth certificates, 30 individuals to open a bank, 23 individuals access debt support and delivered 53 Christmas Gift Bags



"Jacob was from a background of serious abuse in both his natural and foster family. When we first met him, he was guarded, reluctant to make eye contact and clearly anxious to be in public. He was on a 2 year waiting list for mental health support, however, as we began to form a relationship of trust, we discovered he had debt issues and his accommodation was squalid - the proximity of rowdy neighbours affected his already fragile mental health. We were able to support him to find better accommodation. Upon moving to his new flat Jacob reported that it was the first time he has slept through the night for many years. We have been able to help him to access debt counselling and obtain a debt relief order bringing him enormous relief. We have also managed to support Jacob access employment training and find agency work".

- Jacob, Workout Client (Teesside)

Dave, 52, was a prolific offender from a criminal family that is well known in Newcastle, he had spent most of his life in and out of prison and had no thoughts of employment. He was offered a job working alongside another 8 ex-offenders in the Junction 42 production hub as part of the government's New Start Programme. During this time he received 1:2:1 navigation support and development opportunities. Through the experience, Dave realised the benefits of work were more than financial and asked us to support him into employment at the end of the programme. We referred Dave to The Recruitment Junction who revamped his CV, disclosure letter and conducted mock interviews. Dave was supported to apply for 13 jobs, he was offered 2 and accepted one with Greene King.

- Junction 42 and The Recruitment Junction in partnership

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

"Junction 42 provide a safe and workable environment where they can assist with aspects of housing support, a mentor service and employability. This has incorporated staff going that extra mile and way beyond the duty of care for which their funding has covered. Covering assisting to support with housing applications and benefit claims to writing CVs and the very important disclosure letters to job clubs and IT support and training. Junction 42 have an amazing relationship with our claimants and are extremely well thought of in the area of ex-offenders and prison leavers by both other providers and the claimants themselves." - Kath Hindmarsh, DWP SPOC/Ambassador for Ex-Offenders

Financial review

The charity's total income for the financial year was £711,256 (2023 - £685,982), and the total expenditure was £698,698 (2023 - £874,352), giving a surplus of £12,558 (2023 – deficit £188,370) and retained funds carried forward of £430,147 (2023 - £417,589).

The funds of the charity (inc £470,730 asset value), are £363,955 in unrestricted funds and £66,192 in restricted funds carried forward. The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees proposed a policy that the charity should hold a level of reserves, namely those not held for a specific purpose, which is equivalent to no less than 32-weeks operating costs. It has become common practice for Junction 42 to have long periods of unfunded provision due to the change in procurement processes within government, meaning contracts have become more short term in nature with uncertainty and gaps between renewals. This reserves policy was put in place to mitigate this risk our financial stability.

Since January 2022 we have been out of contract with the DWP and have used these reserves to ensure continuation of provision to our service users. This has taken us below 32 weeks' reserves, and we anticipate being below 32 weeks in the coming year, but no lower than 12 weeks. We aim to restore our reserves level in the future by securing a wider portfolio of contractual opportunities.

The projected total expenditure for the organization for the year ending on 31st March 2025 is £773,908, out of which £98,568 is non-operational and is allocated for the purchase of prison resources, specifically funded. Based on the anticipated operational expenditure, 32 weeks of operating costs would amount to £415,594, and 12 weeks would amount to £155,847. The unrestricted reserves as of the year ending on 31st March 2024 were £337,014, equivalent to 26 weeks of operating costs.

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

Plans for future periods

Junction 42 plans to continue investing in developing its work in prisons and the community. In particular we will look to:

- Increase our digital assets including expanding the Stories of Hope media stream, telling the stories of those with experience of the criminal justice system.
- Support and train local churches to establish a Connect Community in Leith and Sunderland
- National expansion of the creative in-cell resource by the development of the curriculum, staff training and media.
- Development of Centre of Learning Hubs in Newcastle, Teesside and Edinburgh to facilitate a model of working together with local churches
- National audit across all prisons in Scotland to continue to grow and develop the use of our Stories of Hope resources to support chaplaincy teams in their work.

In 2023-2024, we successfully secured both grants and contracted services in prisons and the community. However, contracted services remain volatile due to gaps and short contracted periods. The multi-year grants have helped stabilize the organisation and somewhat reduce these impacts. By diversifying our income across grants and contracts, we've been able to lessen the volatility.

While continuing to operate in a volatile sector, we recognize the challenges posed by short-term contracts, gaps, and the specialised nature of the work, which requires staff with specific clearance and expertise. We acknowledge the flexible nature of our work and in 24-25, we continue to diversify our funding model and grow individual and partner donations.

Trustees' responsibilities statement

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining 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 the trustees 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.

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

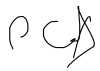
Disclosure of information to auditors

The trustees who held office at the date of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

This report was approved by the trustees on ^{20/12/24}

and is signed on its behalf by:



Paul Cassidy

Trustee

The Junction 42 Foundation

Year Ended 31st March 2024

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinion

We have audited the financial statements of The Junction 42 Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

The Junction 42 Foundation

Year Ended 31st March 2024

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The Junction 42 Foundation

Year Ended 31st March 2024

Independent Auditor's Report to the Members of The Junction 42 Foundation

Auditor's responsibilities for the audit of the financial statements (*continued*)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include Safeguarding, financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



John Oswald BA FCA
Senior Statutory Auditor

For and on behalf of
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne, NE4 7YD

Date: 20/12/2024

The Junction 42 Foundation

Year Ended 31st March 2024

Statement of Financial Activities

		Unrestricted Funds	2024 Restricted Funds	Total Funds	2023 Total Funds
	Note	£	£	£	£
Income					
Donations and legacies		246,005	271,770	517,775	395,487
Charitable activities		186,835	-	186,835	282,008
Other trading activities		-	-	-	6,885
Other income		6,111	535	6,646	1,602
Total Income	2	<u>438,951</u>	<u>272,305</u>	<u>711,256</u>	<u>685,982</u>
Expenditure					
Raising funds	3	3,630	-	3,630	430
Charitable activities	4, 5	<u>408,018</u>	<u>287,050</u>	<u>695,068</u>	<u>873,922</u>
Total Expenditure		<u>411,648</u>	<u>287,050</u>	<u>698,698</u>	<u>874,352</u>
Net Income / (Expenditure)		<u>27,303</u>	<u>(14,745)</u>	<u>12,558</u>	<u>(188,370)</u>
Net Income and Net Movement In Funds					
Total funds brought forward	13	337,014	80,575	417,589	605,959
Transfers	13	<u>(362)</u>	<u>362</u>	<u>-</u>	<u>-</u>
Total Funds Carried Forward	13	<u>363,955</u>	<u>66,192</u>	<u>430,147</u>	<u>417,589</u>

All income and expenditure derive from continuing activities.

The statement is a combined Statement of Financial Activities and Income and Expenditure Account for the purposes of meeting both Companies Act and Charity SORP reporting requirements.

The notes on pages 17 to 32 form part of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2024

Statement of Financial Position

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	9	5,841	8,949
Investments	10	1	1
		<u>5,842</u>	<u>8,950</u>
Current Assets			
Stock		20,000	-
Debtors	11	52,258	66,684
Cash at bank and in hand		392,630	388,302
		<u>464,888</u>	<u>454,986</u>
Creditors: Amounts Falling Due Within One Year	12	<u>40,583</u>	<u>46,347</u>
Net Current Assets		<u>424,305</u>	<u>408,639</u>
Total Assets less Current Liabilities		<u>430,147</u>	<u>417,589</u>
Net Assets	14	<u>430,147</u>	<u>417,589</u>
Funds of the Charity			
Restricted funds	13	66,192	80,575
Unrestricted funds	13		
Unrestricted funds		361,079	334,181
Designated funds		2,876	2,833
		<u>363,955</u>	<u>337,014</u>
Total Charity Funds		<u>430,147</u>	<u>417,589</u>

These financial statements for The Junction 42 Foundation (Company number: 8139367) have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of the Companies Act 2006.

The notes on pages 17 to 32 form part of the financial statements.

Directors Responsibilities

These financial statements were approved by the board of trustees and authorised for issue :

Name of Trustee:

Dr Paul Cassidy

Signed on behalf of the Trustees:



Date of Approval:

20/12/2024

The Junction 42 Foundation

Year Ended 31st March 2024

Statement of Cash Flows

	2024 £	2023 £
Cash Flows from Operating Activities		
Net cash provided by (used in) operating activities	3,649	(173,300)
	<u>3,649</u>	<u>(173,300)</u>
Cash Flows from Investing Activities		
Dividends and interest	2,012	480
Purchase of tangible fixed assets	(1,333)	-
Net cash provided by (used in) investing activities	<u>679</u>	<u>480</u>
Change in cash and cash equivalents in the reporting period	4,328	(172,820)
Cash and cash equivalents at the beginning of the reporting period	388,302	561,122
Cash and Cash Equivalents at the end of the Reporting Period	<u>392,630</u>	<u>388,302</u>

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2024 £	2023 £
Net movement in funds for the reporting period (as per the statement of financial activities)	12,558	(188,370)
Adjustments for:		
Depreciation charges	4,441	4,351
Dividends and interest from investments	(2,012)	(480)
(Increase) / decrease in stock	(20,000)	-
(Increase) / decrease in debtors	14,426	(7,586)
Increase / (decrease) in creditors	(5,764)	18,785
Net cash provided by (used in) operating activities	<u>3,649</u>	<u>(173,300)</u>

Analysis of Cash and Cash Equivalents

	2024 £	2023 £
Cash at bank	392,630	388,302
Total cash and cash equivalents	<u>392,630</u>	<u>388,302</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of Preparation

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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), the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

The charitable company has taken the option under section 398 of the Companies Act 2006 and the Charities Act 2011 (Group Accounts) Regulations 2015 not to prepare consolidated financial statements.

The financial accounts are prepared in Sterling (£) which is the functional currency of the charitable company.

The Junction 42 Foundation meets the definition of a public benefit entity under FRS 102.

1.2 Assessment of Going Concern

The Directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Fund Accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the term of specific appeal.

Further explanation of the nature and purpose of each fund is included in Note 13 of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

1.4 Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income is recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Income from fees for education, training and mentoring are accounted for when invoices are drawn up and the service has been provided (as the point of entitlement).
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.
- Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.
- Investment income is included in the accounts when receivable.

1.5 Resources Expended

Charitable activities – The costs of charitable activities represent the cost of undertaking the charity's objectives and include direct costs incurred in delivering those services together with support costs. All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

Costs of raising funds include expenditure on promotion and advertising plus any fundraising trading costs.

1.6 Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

1.7 Liabilities Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

1.8 Stocks

Stocks of goods purchased for re-sale are stated at the lower of cost and net realisable value. Stocks of donated items held for distribution to beneficiaries are measured at fair value; stocks of goods donated for the charity's own use are valued at an estimate of their value to the charity.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

2.8 Tangible Fixed Assets

All assets costing more than £1,000 are capitalised and at historic cost. Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on fixed assets which is written off on a straight-line basis over time and estimated useful life of the asset.

Fixtures, fittings and furniture	20% Straight line
Motor vehicles	25% Reducing balance

Fixtures, fittings and vehicles are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

2.9 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.10 Operating Leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

1.11 Taxation

The charity is exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively for charitable purposes. The charity is not exempt from Value Added Tax.

1.12 Volunteer Assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

1.13 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

There are no critical judgements, significant assumptions concerning the future and key sources of estimation of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations and Legacies			
Donations and grants	181,772	271,770	453,542
Donations in respect of salaries	46,081	-	46,081
Gift aid tax reclaims	18,152	-	18,152
	<u>246,005</u>	<u>271,770</u>	<u>517,775</u>
Charitable Activities			
Prison education services	166,530	-	166,530
Employability education	-	-	-
Incell learning production hub	20,305	-	20,305
	<u>186,835</u>	<u>-</u>	<u>186,835</u>
Other Trading Activities			
Fundraising events and sales	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other Income			
Reimbursed expenses	4,099	535	4,634
Bank interest	2,012	-	2,012
	<u>6,111</u>	<u>535</u>	<u>6,646</u>
Total Income	<u>438,951</u>	<u>272,305</u>	<u>711,256</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

2 Analysis of Income (Continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and Legacies			
Donations and grants	165,689	165,025	330,714
Donations in respect of salaries	56,905	-	56,905
Gift aid tax reclaims	7,868	-	7,868
	<u>230,462</u>	<u>165,025</u>	<u>395,487</u>
Charitable Activities			
Prison education services	202,153	-	202,153
Employability education	-	-	-
Incell learning production hub	79,855	-	79,855
	<u>282,008</u>	<u>-</u>	<u>282,008</u>
Other Trading Activities			
Fundraising events and sales	6,885	-	6,885
	<u>6,885</u>	<u>-</u>	<u>6,885</u>
Other Income			
Reimbursed expenses	587	535	1,122
Bank interest	480	-	480
	<u>1,067</u>	<u>535</u>	<u>1,602</u>
Total Income	<u>520,422</u>	<u>165,560</u>	<u>685,982</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

3 Cost of Fundraising

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Expenditure on raising funds	3,630	-	3,630
	<u>3,630</u>	<u>-</u>	<u>3,630</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Expenditure on raising funds	430	-	430
	<u>430</u>	<u>-</u>	<u>430</u>

4 Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Prison education services	132,634	7,879	140,513
Employability education	7,526	129,064	136,590
Faith in the community	18,858	1,757	20,615
Incell learning production hub	75,340	106,182	181,522
	<u>234,358</u>	<u>244,882</u>	<u>479,240</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Prison education services	154,708	16,488	171,196
Employability education	169,566	22,291	191,857
Faith in the community	16,131	9,076	25,207
Incell learning production hub	187,219	49,690	236,908
	<u>527,624</u>	<u>97,544</u>	<u>625,168</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

5 Expenditure on Charitable Activities Support Costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations and contractual giving	320	-	320
Admin management staff costs	94,991	40,861	135,852
Office rent and rates	10,147	1,307	11,454
Insurance	8,977	-	8,977
Staff travel costs and subsistence	5,237	-	5,237
Office costs - telephone, printing, computers	13,624	-	13,624
Motor and travel costs	2,533	-	2,533
Depreciation	4,441	-	4,441
Staff training	12,680	-	12,680
Consultancy – media and publicity	900	-	900
Subscriptions and volunteer costs	656	-	656
Accountancy charges	9,536	-	9,536
Audit fees	3,040	-	3,040
Cleaning and Covid PPE	161	-	161
Other costs – legal and consultancy	6,417	-	6,417
	<u>173,660</u>	<u>42,168</u>	<u>215,828</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and contractual giving	14,452	-	14,452
Admin management staff costs	141,021	9,755	150,776
Office rent and rates	10,875	-	10,875
Insurance	7,751	-	7,751
Staff travel costs and subsistence	5,646	38	5,684
Office costs - telephone, printing, computers	16,037	23	16,060
Motor and travel costs	1,749	-	1,749
Depreciation	4,351	-	4,351
Staff training	6,417	-	6,417
Consultancy – media and publicity	11,276	-	11,276
Subscriptions and volunteer costs	1,534	377	1,911
Accountancy charges	9,357	-	9,357
Audit fees	2,700	-	2,700
Cleaning and Covid PPE	991	-	991
Other costs – legal and consultancy	4,404	-	4,404
	<u>238,561</u>	<u>10,193</u>	<u>248,754</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

6 Statutory Auditor Fees

Fees payable to the statutory auditor for:

	2024	2023
	£	£
Statutory audit fee	2,820	2,700

7 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	393,011	542,851
Social security costs	24,279	35,569
Employer contributions to pension plans	13,027	17,608
	<u>430,317</u>	<u>596,028</u>

The average head count of employees during the year was as follows:

	2024	2023
Average headcount		
Direct charitable activities	17	24
Management and administration	4	7
	<u>21</u>	<u>31</u>

The number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2024	2023
More than £60,000	-	-

Key Management Personnel

The trustees, CEO, head of operations and head of projects are considered to be key management personnel for the purposes of FRS102. The remuneration of the key management personnel for the year including employers' national insurance and employers' pension contributions was £69,979 (2023: £127,483). The decrease in remuneration is due in part to vacancies during the year in the head of operations position and Head of Projects.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

8 Trustee Remuneration, Expenses and Donations

The trustees received no remuneration in the year (2023: £Nil).

During the year the total aggregated donations made to the charity by the trustees was £4,500 (2023: £4,500).

9 Tangible Fixed Assets

	Fixtures and Fittings	Motor Vehicles	Total
		£	£
Cost as at 1st April 2023	32,842	16,994	49,836
Additions	1,333	-	1,333
Cost as at 31st March 2024	34,175	16,994	51,169
Depreciation as at 1st April 2023	26,013	14,874	40,887
Depreciation charge	3,911	530	4,441
Depreciation as at 31st March 2024	29,924	15,404	45,328
Net book value as at 31st March 2024	4,251	1,590	5,841
Net book value as at 31st March 2023	6,829	2,120	8,949

All fixed assets are used for purposes of the charitable company.

10 Investments

	Unlisted investments
	£
Cost	
31 March 2024 and 31 March 2023	1
	1

Unlisted investments represents an investment of 100% of the issued share capital of Junction 42 Social Enterprises Limited, an unlisted dormant company registered in England.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

11 Debtors

	2024	2023
	£	£
Trade debtors	49,743	64,898
Prepayments	2,515	1,786
	<u>52,258</u>	<u>66,684</u>

12 Creditors: Amounts Falling Due Within One Year

	2024	2023
	£	£
Trade creditors	25,123	14,602
Amounts due to subsidiary undertaking	1	1
Accruals and deferred income	6,066	22,326
Other taxes and social security	9,393	9,418
	<u>40,583</u>	<u>46,347</u>

13 Deferred Income

	2024	2023
	£	£
Balance at the beginning of the reporting period	10,000	-
Amount released to income	-	-
Amount deferred in year	(10,000)	10,000
Balance at the end of the reporting period	<u>-</u>	<u>10,000</u>

During the year a prior year grant of £10,000 that did not meet the Charities SORP income recognition criteria has been recognised as income

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

13 Analysis of Charitable Funds

	1 Apr 2023 £	Income £	Expenditure £	Transfers £	31 Mar 2024 £
Unrestricted Funds					
Unrestricted					
General funds	334,181	438,951	(409,823)	(2,230)	361,079
	334,181	438,951	(409,823)	(2,230)	361,079
Designated					
Building fund	-	-	-	-	-
Giving fund	2,833	-	(1,825)	1,868	2,876
Operations fund	-	-	-	-	-
Scotland fund	-	-	-	-	-
	2,833	-	(1,825)	1,868	2,876
Total Unrestricted	337,014	438,951	(411,648)	(362)	363,955
Restricted Funds					
Acts 435	89	1,925	(2,376)	362	-
Agnes Hunter Trusts	7,500	-	(7,500)	-	-
Childs Charitable Trust	2,917	-	(2,917)	-	-
Community Foundation	3,000	-	(3,000)	-	-
Fiftyfour Two	15,000	-	(15,000)	-	-
JustSow	1,757	-	(1,757)	-	-
Methodist Church	7,500	-	(7,500)	-	-
National Lottery Awards for All	-	9,999	(9,999)	-	-
Nepacs	914	50	(964)	-	-
Rank Foundation	14,622	-	(14,622)	-	-
Seedfield Trust	4,000	-	(4,000)	-	-
Sir James Knott Trust	5,000	10,000	(10,000)	-	5,000
Sport England	777	-	(777)	-	-
The Anchor Foundation	-	-	-	-	-
The Benefact Trust	17,499	30,000	(30,000)	-	17,499
The Deo Gloria Trust	-	-	-	-	-
Vardy Foundation	-	30,000	(30,000)	-	-
Fyrish	-	30,000	(23,285)	-	6,715
Willian Charitable	-	10,000	(6,667)	-	3,333
Tees Valley Foundation	-	2,500	(1,792)	-	708
Graham Belford	-	2,500	(2,500)	-	-
TBFT Trust	-	2,500	(2,500)	-	-

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

Restricted Funds (*Continued*)

	1 Apr 2023	Income	Expenditure	Transfers	31 Mar 2024
	£	£	£	£	£
Community	-	1,000	(1,000)	-	-
North of Tyne	-	6,757	(6,757)	-	-
Lottery	-	94,994	(94,994)	-	-
The Big Give	-	21,280	(7,143)	-	14,137
Pentonville & Drake Hall	-	18,800	-	-	18,800
Total Restricted	80,575	272,305	(287,050)	362	66,192
Total Funds	417,589	711,256	(698,698)	-	430,147

Fund Transfers

During the prior year, the trustees undesignated three designated funds and transferred the balances back to the general fund.

Prior Year Analysis of Charitable Funds

	1 Apr 2022	Income	Expenditure	Transfers	31 Mar 2023
	£	£	£	£	£
Unrestricted Funds					
Unrestricted					
General funds	446,024	520,422	(752,260)	119,995	334,181
	446,024	520,422	(752,260)	119,995	334,181
Designated					
Building fund	43,938	-	-	(43,938)	-
Giving fund	14,245	-	(14,232)	2,820	2,833
Operations fund	29,000	-	-	(29,000)	-
Scotland fund	50,000	-	(123)	(49,877)	-
	137,183	-	(14,355)	(119,995)	2,833
Total Unrestricted	583,207	520,422	(766,615)	-	337,014

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

	1 Apr 2022	Income	Expenditure	Transfers	31 Mar 2023
	£	£	£	£	£
Restricted Funds					
Acts 435	-	2,560	(2,471)	-	89
Agnes Hunter Trusts	-	10,000	(2,500)	-	7,500
Childs Charitable Trust	-	5,000	(2,083)	-	2,917
Community Foundation	-	4,000	(1,000)	-	3,000
Fiftyfour Two	11,250	15,000	(11,250)	-	15,000
JustSow	833	10,000	(9,076)	-	1,757
Methodist Church	7,500	15,000	(15,000)	-	7,500
Nepacs	1,552	-	(638)	-	914
Rank Foundation	-	20,000	(5,378)	-	14,622
Seedfield Trust	-	4,000	-	-	4,000
Sir James Knott Trust	-	10,000	(5,000)	-	5,000
Sport England	1,617	-	(840)	-	777
The Anchor Foundation	-	5,000	(5,000)	-	-
The Benefact Trust	-	30,000	(12,501)	-	17,499
The Deo Gloria Trust	-	5,000	(5,000)	-	-
Vardy Foundation	-	30,000	(30,000)	-	-
Total Restricted	22,752	165,560	(107,737)	-	80,575
Total Funds	605,959	685,982	(874,352)	-	417,589

Fund Descriptions

Designated Funds

Building fund

Money designated for the future purchase of a building.

Giving fund

Money designated to give away as per our policy of giving away a percentage of our contractual income and unexpected gifts.

Operations fund

The trustees decided to designate some of the money received from Vertu Motors to invest in our operations function in the next year.

Scotland fund

The trustees decided to designate some reserves towards developing our work in Scotland.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

Restricted Funds

Acts 435	Acts 435 provide micro-grants for us to purchase items for our clients who are in financial hardship.
Agnes Hunter Trusts	This grant is for the coffee employability project run in Edinburgh.
Childs Charitable Trust	The grant is for the National Sstories of Hope resource packs and media sent into prisons.
Community Foundation	Distributed by the Community Foundation programme on behalf of Newcastle Building Society and Pattinsons Estate Agency to support the employability work in Newcastle.
Fiftyfour Two Foundation – Employability	The Fiftyfour Two Foundation grant was received to support of Stories of Hope National Prison Initiative.
JustSow	To support the growth of the Connect Network.
Methodist Church	The Methodist Church grant funded our employability support in Newcastle upon Tyne.
Nepacs	Nepacs provide micro-grants for us to purchase items for our clients who are in financial hardship.
Rank Foundation	To produce Stories of Hope media and podcasts.
Salary Support fund	The Salary Support Fund is for funding received from various sources towards the salary costs of our staff.
Vardy Foundation	The Vardy foundation grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving for 3 years.
The Deo Gloria Trust	The grant was awarded to support the postage costs of the national stories of Hope resource packs.
The Benefact Trust	The Benefact grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving
Sir James Knott Trust	This is a grant to support the core costs and operational development. It is awarded annual for 2 years.
The Anchor Foundation	The grant is for the national stories of Hope resource packs and media sent into prisons.
Fyrish	To support the stories of hope program in Scotland and faith resettlement work in HMP Edinburgh
Willian Charitable Trust	Resettlement of women across the North East
Tees Valley Foundation	To support the employability work in Teeside
Graham Belford	Resettlement of prisoners across the North East
TBFT Trust	To support the in cell Stories of Hope program across the UK
Community Foundation Pattinsons	To support the employability work in Newcastle
North of Tyne Combined Authority	To support the employability work for residents North of Tyne

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

Fund Descriptions (*Continued*)

Lottery	To support the employability and resettlement work across the North east
The Big Give	To support the in cell Stories of Hope program across the UK
Pentonville & Drake Hall	For delivery of in cell creative curriculum

14 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Fixed assets	5,842	-	5,842
Current assets	398,696	66,192	464,888
Creditors less than 1 year	(40,583)	-	(40,583)
	<u>363,955</u>	<u>66,192</u>	<u>430,147</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fixed assets	8,950	-	8,950
Current assets	374,411	80,575	454,986
Creditors less than 1 year	(46,347)	-	(46,347)
	<u>337,014</u>	<u>80,575</u>	<u>417,589</u>

15 Related Party Transactions

During the year, the charitable company received total donations of £42,000 (2023: £42,000) from The Vardy Foundation (England and Wales charity no. 328415; Scotland SC051152). The Vardy Foundation is a related party of trustee Richard Vardy who resigned in July 2023.

There are no other related party transactions to disclose.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

16 Prior Year Statement of Financial Activities

	Unrestricted Funds £	2023 Restricted Funds £	Total Funds £
Income			
Donations and legacies	230,462	165,025	395,487
Charitable activities	282,008	-	282,008
Other trading activities	6,885	-	6,885
Other income	1,067	535	1,602
Total Income	520,422	165,560	685,982
Expenditure			
Raising funds	430	-	430
Charitable activities	766,185	107,737	873,922
Total Expenditure	766,615	107,737	874,352
Net Income / (Expenditure)	(246,193)	57,823	(188,370)

Company registration number: 8139367
Charity registration number: 1149813
SCO47781

The Junction 42 Foundation

(A company limited by guarantee)

Trustees' Annual Report and Accounts

Year Ended 31st March 2024

JUNCTION⁴²

The Junction 42 Foundation

Year Ended 31st March 2024

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The Junction 42 Foundation

Year Ended 31st March 2024

Legal and Administrative Information

Reference

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

Registered Charity Numbers	1149813 SCO47781	England and Wales Scotland
Registered Company Number	8139367	
Registered Office	Brunswick Methodist Church Brunswick Place Newcastle upon Tyne NE1 7BJ	
Website	www.junction42.org	
Trustees	Bishop Francis White Dr Paul Cassidy Mrs Alison Edwards Mrs Sarah Wade Mr Mark Simpson Mrs Elizabeth Miller Mr Ryan Longmuir Mrs Jennifer Chan Mr Richard Vardy	<i>Resigned Aug 2024</i> <i>Resigned Dec 2023</i> <i>Appointed Dec 2023</i> <i>Appointed Dec 2023</i> <i>Appointed Dec 2023</i> <i>Appointed Dec 2023</i> <i>Resigned Jul 2023</i>
Chief Executive Officer	Joanne O'Connor	
Primary Bankers	HSBC Bank plc Bamburgh House Forum Way Cramlington NE23 6QE	
Independent Auditor	Stephenson Coates Audit Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD	

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

The trustees present their report and the financial statements for the year ended 31 March 2024. These are prepared in accordance with the governing document, the recommendations of the 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 (FRS102) and the small companies' regime of the Companies Act 2006.

Reference and administrative details

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the Memorandum and Articles of Association.

New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction for new trustees will depend on experience.

The trustees are responsible for setting general policy, but the day to day running of the charitable company is delegated to an employed management team headed by the Chief executive officer.

The company maintains a transparent and equitable approach to setting the pay and remuneration of key management personnel. Guided by a scale and points system reflecting responsibilities and experience, an annual appraisal process ensures that adjustments align with individual performance. Trustees actively engage in setting targets for the Chief Executive Officer (CEO), which is tied to the remuneration policy for senior roles. Oversight of this process is entrusted to the trustee HR and risk subgroup and is overseen annually.

Objectives and principal activities

The charitable objectives of the company are:

1. To relieve the charitable needs of those in need by reason of current and previous criminal convictions or those considered at risk of offending against the law in particular but not exclusively by creation of employment, housing, education, training and community projects to assist with their rehabilitation and to do this with a Christian ethic.
2. The prevention or alleviation of poverty and sickness through the provision of grants or services to individuals in need by reason of current and previous criminal convictions or those considered at risk of offending against the law and/or charities, or other organisations working to prevent or relieve poverty, homelessness and sickness.

Risks

The trustees confirm that the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, have been identified and reviewed; and that systems are in place to mitigate those risks.

Strategic developments in risk management this year include:

- 9 policy documents either reviewed or written.
- Strategic pivot towards financial stabilisation by increasing multiyear grant funding to reduce the volatile effect of short term contract delivery

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

Public benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year set out below.

Achievements and performance

Junction 42 exists to see the lives of offenders and their communities visibly transformed through:

- Creative education and engagement;
- Faith support
- Through the gate mentoring and employability

Our values are:

- Journeying with
- Inspirational
- Relational
- Missional
- Creating opportunities

This is Junction 42's 12th year of operation

Introduction

We are proud to say that despite challenges and volatility in contracting arrangements, Junction 42 has been able to remain a front-line service, offering help and support to those with convictions. Our work has continued in custody and in the community, with our in-prison work seeing growth and development.

Creative Education and Engagement

Junction 42 delivered specialist creative engagement services in HMP Northumberland and HMP Low Newton. These services include using in cell creative packs, creative workshops and deliver other creative projects.

In this year, in addition to our continued work in HMP Northumberland and HMP Low Newton, we have agreements in place to start a pilot in HMP Addiewell on the next financial year. This area includes a train the trainer model with services delivered outside of Junction 42, utilising the national resources we have created.

During the gap for Creative contracted services in HMP Northumberland, PLP was delivered via a Ministry of Justice trial and was considered part of an engagement services enabling individuals with lived experience of the Criminal Justice service to work alongside ourselves and those still in custody.

"C was referred to the Creative engagement provision when she arrived in the prison. She had never had a custodial sentence before and struggled with her health and mental wellbeing. She found the creative packs and work in her cell really helpful for managing her anxiety. We encouraged C to attend a workshop in our education classroom. She became a regular workshop attender and enjoyed working collaboratively with others. She then progressed into English and IT. She had a dip in her mental health and asked to reattend creative arts. She stayed back on the course for a few weeks and helped us on the CSU project, until she felt ready to try something new again. We encouraged her to apply for hospitality. She was very nervous about joining the group but thrived on the course and now is working in kitchens which she never felt confident to do before." - **Prisoner Feedback**

The Junction 42 Foundation

Year Ended 31st March 2024

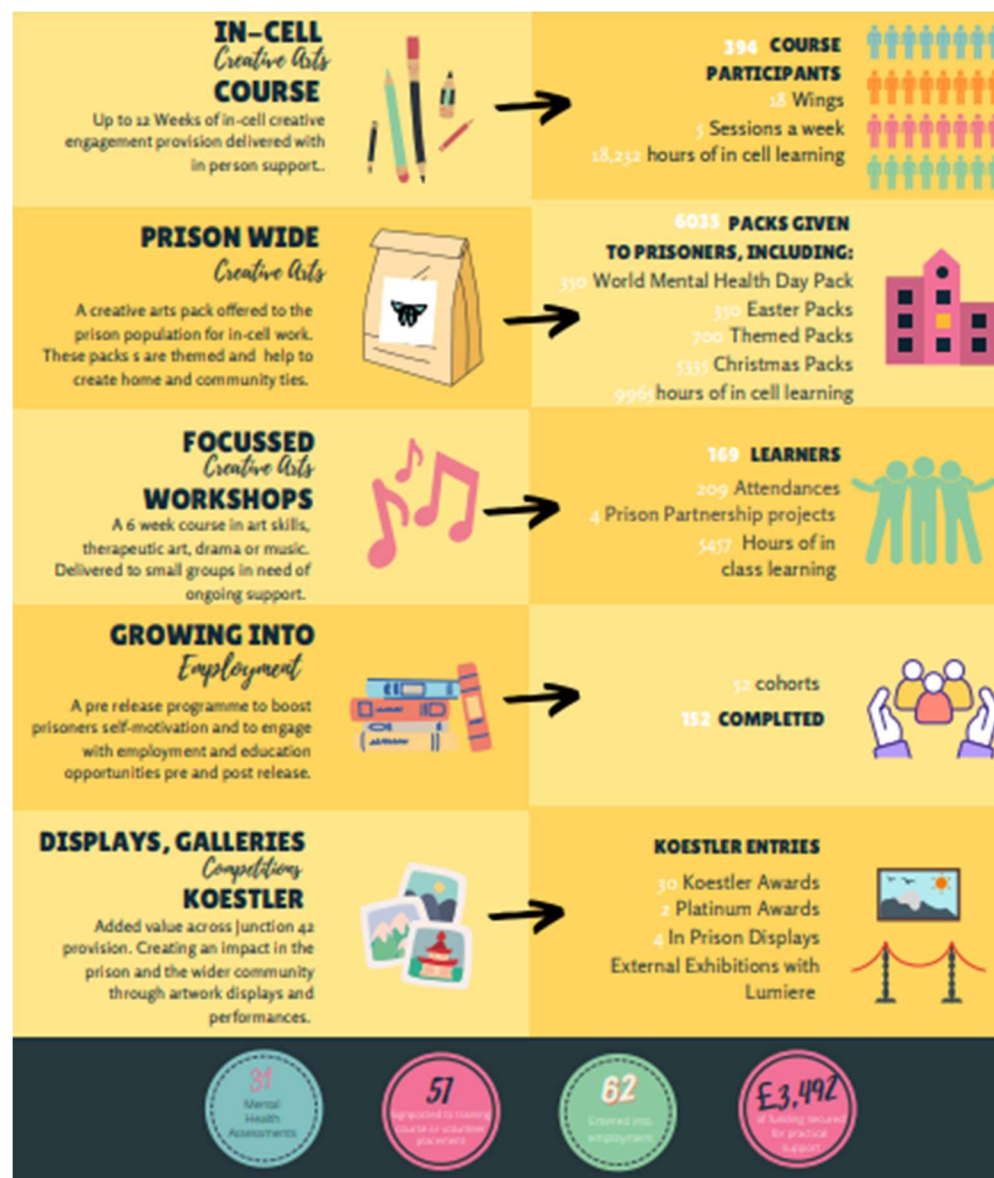
Trustees' Annual Report (Incorporating the Directors' Report)

"Learners are so proud of their artwork - they display it in their rooms & send out to family and friends. They've developed new skills & grown in confidence. It's been very easy to facilitate and is a huge success in our prison, they're always asking for more!"

- HMPPS staff member

"Working in partnership with the brilliant staff at junction 42 was successful due to their care, Compassion and always going the extra mile to help anyone who engaged with them. The essential help and support provided for ex-offenders and offenders pre-release is so necessary to enhance their lives and give them the skills to live a better life, find employment, housing and access pastoral support"

- Prison feedback



The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

Koestler Awards 2023

Men and women on our Creative arts courses in HMP Northumberland and HMP Low Newton won 30 awards at the 2023 Koestler Awards for Arts in Criminal Justice. We were delighted to see their talents acknowledged and for them to receive such positive feedback with 2 platinum awards for Low Newton.

Faith

National resources

Stories of Hope packs

Our Stories of Hope packs provide chaplains with highly engaging resources which utilise tactile, kinaesthetic, and visual learning to provide prisoners with a means to explore faith in their prison cell. This year, we worked with chaplaincy teams in 128 prisons (91% of all prisons in the UK) to distribute a pack to 21% of the prison population each quarter. In 2023-24, Junction 42 created, packed and distributed 80,870 Stories of Hope.

"Junction 42 have become an important partner to prison chaplaincy teams across the country. The Stories of Hope packs are now distributed to prison chaplaincy teams across England and Wales. When I visit a prisoner, I will often see a completed activity on display, or hear a worship CD being played. Junction 42 don't stand still. They are always thinking how else they can serve. Junction 42 understand the needs of prisoners and their energy and enterprise mean they are a highly valued partner of the prison chaplaincy teams of England and Wales." **Phil Chadder National Prison Chaplaincy HQ National Partner**

"Thank you for the packs for our HMP. The men love them! Thank you again for this resource. These packs are a huge benefit to our chaplaincy work and we appreciate them so much."
Prison Chaplain

"I have watched Songs of Praise on BBC today and was delighted to see your work featured in the programme...During my time in prison I was lucky to receive the Story of Hope packs from Junction 42. Not only have I experienced the personal benefit from this but as part of my role within Chaplaincy I have been able to witness positive impact this has on the men around me. I find this inspirational and God anointed to have received these gifts".

- Prisoner

We are grateful to those who have partnered with us 2023-24 on this programme. Partners included UCB, Prison Fellowship, Prison Chaplaincy HQ, Yellow Ribbon, Word for Word Bible Comic, Prisons Week, Alpha, Bible Project, I Am With You, Planetshakers, Try Praying, Scotand Prisoners Week and Proclaim Trust.

Training/ Connect Network

Junction 42 oversees the Connect Network. The Connect Network trains and supports the local church to provide a safe and welcoming space for those from the margins to grow in their faith. Connect communities continuing this year were in Newcastle, Stockton, Edinburgh, Middlesbrough and Gateshead with Carlisle due to start in April 2024.

"Launching Carlisle Connect in April with the support of Junction42 and the wider Connect communities gave the community the best start. Encouraging us with support from members of Newcastle, Stockton and Gateshead Connects has helped the team have the confidence to really grab the Carlisle opportunity. Ten weeks in, we can testify to Gods faithfulness in this new missional community in Carlisle."

- Donald, Connect leader

The Junction 42 Foundation

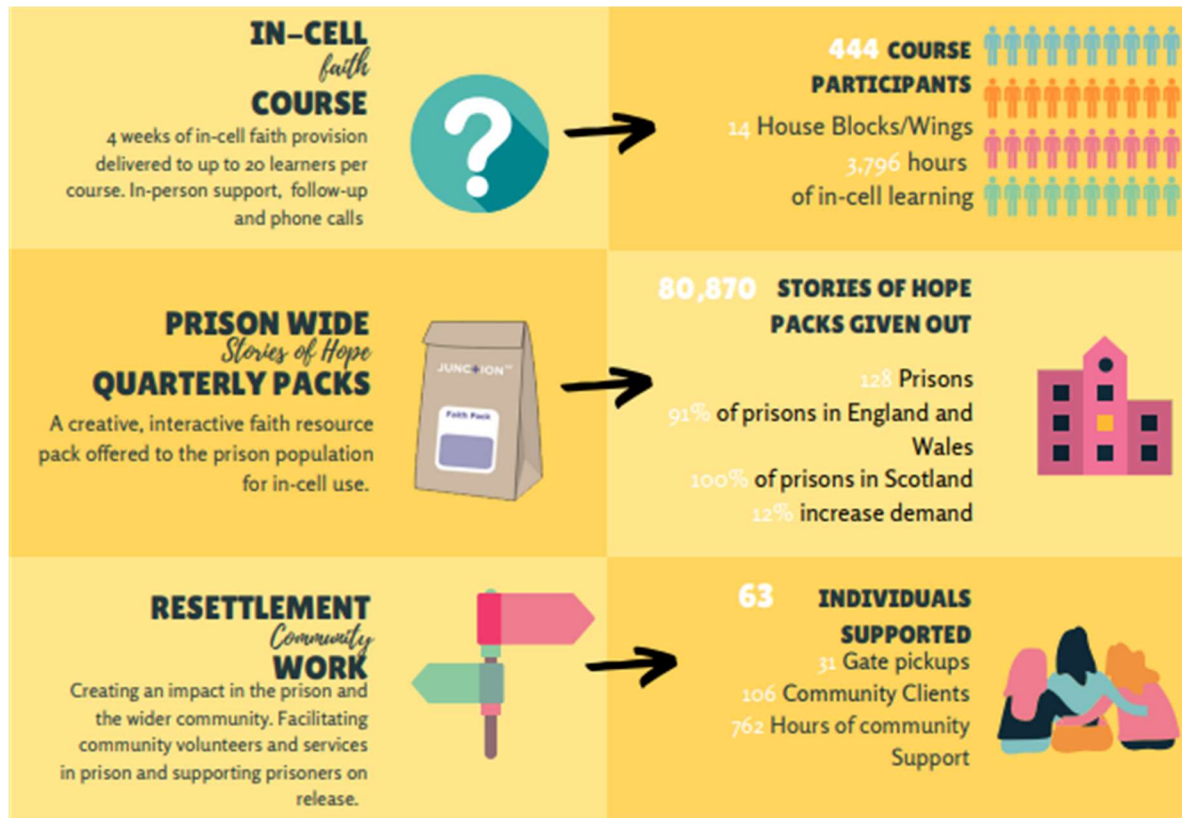
Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

In-person faith delivery

Faith support

Our support continued in delivering alongside the prison chaplaincy teams in HMP Northumberland, HMP Holme House, HMP Low Newton and HMP Edinburgh. Delivering whole prison initiatives and weekly group work, Sunday services, supporting prisoners grow in their faith and connecting them in with a local church/ connect communities upon release.



Seasonal Responses

We also provided 5,335 Christmas gift packs to all prisoners in the North East and HMP Edinburgh. The packs contained a Christmas craft, chocolate and Christmas reading.



The Junction 42 Foundation

Year Ended 31st March 2024

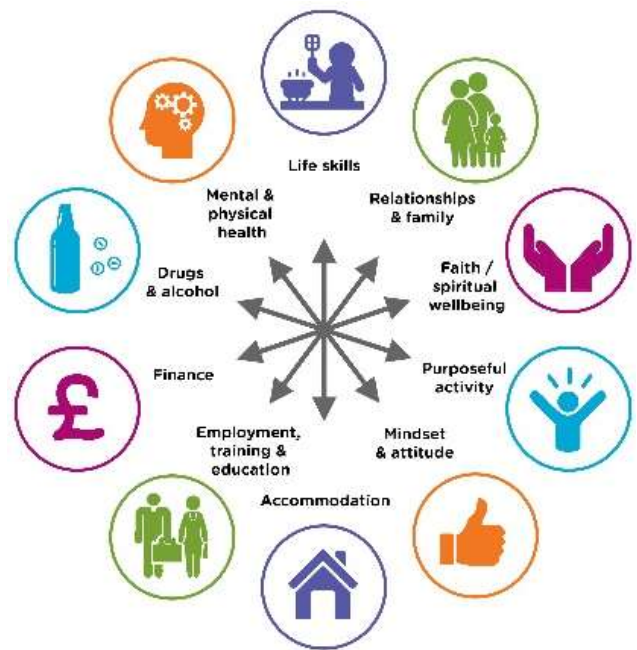
Trustees' Annual Report (Incorporating the Directors' Report)

Through the gate and Employability

Work-out helps to stabilise in 10 ways (diagram to the right) to reduce the likelihood of reoffending and into employment.

Working independently and in partnership with The Recruitment Junction, we provided support to 363 individuals with our 'Work Out' programme in 2023-24 across Tyne and Wear, Durham/Tees Valley and Edinburgh. Clients on the Work Out programme receive 1:2:1 mentoring support and groupwork opportunities to improve their social and life skills, wellbeing, employability, and engagement with statutory services.

In total we helped a total of 18 individuals get a photo ID, 35 individuals get birth certificates, 30 individuals to open a bank, 23 individuals access debt support and delivered 53 Christmas Gift Bags



"Jacob was from a background of serious abuse in both his natural and foster family. When we first met him, he was guarded, reluctant to make eye contact and clearly anxious to be in public. He was on a 2 year waiting list for mental health support, however, as we began to form a relationship of trust, we discovered he had debt issues and his accommodation was squalid - the proximity of rowdy neighbours affected his already fragile mental health. We were able to support him to find better accommodation. Upon moving to his new flat Jacob reported that it was the first time he has slept through the night for many years. We have been able to help him to access debt counselling and obtain a debt relief order bringing him enormous relief. We have also managed to support Jacob access employment training and find agency work".

- Jacob, Workout Client (Teesside)

Dave, 52, was a prolific offender from a criminal family that is well known in Newcastle, he had spent most of his life in and out of prison and had no thoughts of employment. He was offered a job working alongside another 8 ex-offenders in the Junction 42 production hub as part of the government's New Start Programme. During this time he received 1:2:1 navigation support and development opportunities. Through the experience, Dave realised the benefits of work were more than financial and asked us to support him into employment at the end of the programme. We referred Dave to The Recruitment Junction who revamped his CV, disclosure letter and conducted mock interviews. Dave was supported to apply for 13 jobs, he was offered 2 and accepted one with Greene King.

- Junction 42 and The Recruitment Junction in partnership

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

"Junction 42 provide a safe and workable environment where they can assist with aspects of housing support, a mentor service and employability. This has incorporated staff going that extra mile and way beyond the duty of care for which their funding has covered. Covering assisting to support with housing applications and benefit claims to writing CVs and the very important disclosure letters to job clubs and IT support and training. Junction 42 have an amazing relationship with our claimants and are extremely well thought of in the area of ex-offenders and prison leavers by both other providers and the claimants themselves." - Kath Hindmarsh, DWP SPOC/Ambassador for Ex-Offenders

Financial review

The charity's total income for the financial year was £711,256 (2023 - £685,982), and the total expenditure was £698,698 (2023 - £874,352), giving a surplus of £12,558 (2023 – deficit £188,370) and retained funds carried forward of £430,147 (2023 - £417,589).

The funds of the charity (inc £470,730 asset value), are £363,955 in unrestricted funds and £66,192 in restricted funds carried forward. The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees proposed a policy that the charity should hold a level of reserves, namely those not held for a specific purpose, which is equivalent to no less than 32-weeks operating costs. It has become common practice for Junction 42 to have long periods of unfunded provision due to the change in procurement processes within government, meaning contracts have become more short term in nature with uncertainty and gaps between renewals. This reserves policy was put in place to mitigate this risk our financial stability.

Since January 2022 we have been out of contract with the DWP and have used these reserves to ensure continuation of provision to our service users. This has taken us below 32 weeks' reserves, and we anticipate being below 32 weeks in the coming year, but no lower than 12 weeks. We aim to restore our reserves level in the future by securing a wider portfolio of contractual opportunities.

The projected total expenditure for the organization for the year ending on 31st March 2025 is £773,908, out of which £98,568 is non-operational and is allocated for the purchase of prison resources, specifically funded. Based on the anticipated operational expenditure, 32 weeks of operating costs would amount to £415,594, and 12 weeks would amount to £155,847. The unrestricted reserves as of the year ending on 31st March 2024 were £337,014, equivalent to 26 weeks of operating costs.

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

Plans for future periods

Junction 42 plans to continue investing in developing its work in prisons and the community. In particular we will look to:

- Increase our digital assets including expanding the Stories of Hope media stream, telling the stories of those with experience of the criminal justice system.
- Support and train local churches to establish a Connect Community in Leith and Sunderland
- National expansion of the creative in-cell resource by the development of the curriculum, staff training and media.
- Development of Centre of Learning Hubs in Newcastle, Teesside and Edinburgh to facilitate a model of working together with local churches
- National audit across all prisons in Scotland to continue to grow and develop the use of our Stories of Hope resources to support chaplaincy teams in their work.

In 2023-2024, we successfully secured both grants and contracted services in prisons and the community. However, contracted services remain volatile due to gaps and short contracted periods. The multi-year grants have helped stabilize the organisation and somewhat reduce these impacts. By diversifying our income across grants and contracts, we've been able to lessen the volatility.

While continuing to operate in a volatile sector, we recognize the challenges posed by short-term contracts, gaps, and the specialised nature of the work, which requires staff with specific clearance and expertise. We acknowledge the flexible nature of our work and in 24-25, we continue to diversify our funding model and grow individual and partner donations.

Trustees' responsibilities statement

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining 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 the trustees 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.

The Junction 42 Foundation

Year Ended 31st March 2024

Trustees' Annual Report (Incorporating the Directors' Report)

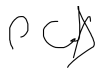
Disclosure of information to auditors

The trustees who held office at the date of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

This report was approved by the trustees on ^{20/12/24}

and is signed on its behalf by:



Paul Cassidy

Trustee

The Junction 42 Foundation

Year Ended 31st March 2024

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinion

We have audited the financial statements of The Junction 42 Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

The Junction 42 Foundation

Year Ended 31st March 2024

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The Junction 42 Foundation

Year Ended 31st March 2024

Independent Auditor's Report to the Members of The Junction 42 Foundation

Auditor's responsibilities for the audit of the financial statements (*continued*)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include Safeguarding, financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



John Oswald BA FCA
Senior Statutory Auditor

For and on behalf of
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne, NE4 7YD

Date: 20/12/2024

The Junction 42 Foundation

Year Ended 31st March 2024

Statement of Financial Activities

		Unrestricted Funds	2024 Restricted Funds	Total Funds	2023 Total Funds
	Note	£	£	£	£
Income					
Donations and legacies		246,005	271,770	517,775	395,487
Charitable activities		186,835	-	186,835	282,008
Other trading activities		-	-	-	6,885
Other income		6,111	535	6,646	1,602
Total Income	2	<u>438,951</u>	<u>272,305</u>	<u>711,256</u>	<u>685,982</u>
Expenditure					
Raising funds	3	3,630	-	3,630	430
Charitable activities	4, 5	<u>408,018</u>	<u>287,050</u>	<u>695,068</u>	<u>873,922</u>
Total Expenditure		<u>411,648</u>	<u>287,050</u>	<u>698,698</u>	<u>874,352</u>
Net Income / (Expenditure)		<u>27,303</u>	<u>(14,745)</u>	<u>12,558</u>	<u>(188,370)</u>
Net Income and Net Movement In Funds					
Total funds brought forward	13	337,014	80,575	417,589	605,959
Transfers	13	<u>(362)</u>	<u>362</u>	<u>-</u>	<u>-</u>
Total Funds Carried Forward	13	<u>363,955</u>	<u>66,192</u>	<u>430,147</u>	<u>417,589</u>

All income and expenditure derive from continuing activities.

The statement is a combined Statement of Financial Activities and Income and Expenditure Account for the purposes of meeting both Companies Act and Charity SORP reporting requirements.

The notes on pages 17 to 32 form part of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2024

Statement of Financial Position

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	9	5,841	8,949
Investments	10	1	1
		<u>5,842</u>	<u>8,950</u>
Current Assets			
Stock		20,000	-
Debtors	11	52,258	66,684
Cash at bank and in hand		392,630	388,302
		<u>464,888</u>	<u>454,986</u>
Creditors: Amounts Falling Due Within One Year	12	<u>40,583</u>	<u>46,347</u>
Net Current Assets		<u>424,305</u>	<u>408,639</u>
Total Assets less Current Liabilities		<u>430,147</u>	<u>417,589</u>
Net Assets	14	<u>430,147</u>	<u>417,589</u>
Funds of the Charity			
Restricted funds	13	66,192	80,575
Unrestricted funds	13		
Unrestricted funds		361,079	334,181
Designated funds		2,876	2,833
		<u>363,955</u>	<u>337,014</u>
Total Charity Funds		<u>430,147</u>	<u>417,589</u>

These financial statements for The Junction 42 Foundation (Company number: 8139367) have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of the Companies Act 2006.

The notes on pages 17 to 32 form part of the financial statements.

Directors Responsibilities

These financial statements were approved by the board of trustees and authorised for issue :

Name of Trustee:

Dr Paul Cassidy

Signed on behalf of the Trustees:



Date of Approval:

20/12/2024

The Junction 42 Foundation

Year Ended 31st March 2024

Statement of Cash Flows

	2024 £	2023 £
Cash Flows from Operating Activities		
Net cash provided by (used in) operating activities	3,649	(173,300)
	<u>3,649</u>	<u>(173,300)</u>
Cash Flows from Investing Activities		
Dividends and interest	2,012	480
Purchase of tangible fixed assets	(1,333)	-
Net cash provided by (used in) investing activities	<u>679</u>	<u>480</u>
Change in cash and cash equivalents in the reporting period	4,328	(172,820)
Cash and cash equivalents at the beginning of the reporting period	388,302	561,122
Cash and Cash Equivalents at the end of the Reporting Period	<u>392,630</u>	<u>388,302</u>

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2024 £	2023 £
Net movement in funds for the reporting period (as per the statement of financial activities)	12,558	(188,370)
Adjustments for:		
Depreciation charges	4,441	4,351
Dividends and interest from investments	(2,012)	(480)
(Increase) / decrease in stock	(20,000)	-
(Increase) / decrease in debtors	14,426	(7,586)
Increase / (decrease) in creditors	(5,764)	18,785
Net cash provided by (used in) operating activities	<u>3,649</u>	<u>(173,300)</u>

Analysis of Cash and Cash Equivalents

	2024 £	2023 £
Cash at bank	392,630	388,302
Total cash and cash equivalents	<u>392,630</u>	<u>388,302</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of Preparation

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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), the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

The charitable company has taken the option under section 398 of the Companies Act 2006 and the Charities Act 2011 (Group Accounts) Regulations 2015 not to prepare consolidated financial statements.

The financial accounts are prepared in Sterling (£) which is the functional currency of the charitable company.

The Junction 42 Foundation meets the definition of a public benefit entity under FRS 102.

1.2 Assessment of Going Concern

The Directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Fund Accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the term of specific appeal.

Further explanation of the nature and purpose of each fund is included in Note 13 of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

1.4 Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income is recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Income from fees for education, training and mentoring are accounted for when invoices are drawn up and the service has been provided (as the point of entitlement).
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.
- Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.
- Investment income is included in the accounts when receivable.

1.5 Resources Expended

Charitable activities – The costs of charitable activities represent the cost of undertaking the charity's objectives and include direct costs incurred in delivering those services together with support costs. All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

Costs of raising funds include expenditure on promotion and advertising plus any fundraising trading costs.

1.6 Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

1.7 Liabilities Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

1.8 Stocks

Stocks of goods purchased for re-sale are stated at the lower of cost and net realisable value. Stocks of donated items held for distribution to beneficiaries are measured at fair value; stocks of goods donated for the charity's own use are valued at an estimate of their value to the charity.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

2.8 Tangible Fixed Assets

All assets costing more than £1,000 are capitalised and at historic cost. Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on fixed assets which is written off on a straight-line basis over time and estimated useful life of the asset.

Fixtures, fittings and furniture	20% Straight line
Motor vehicles	25% Reducing balance

Fixtures, fittings and vehicles are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

2.9 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.10 Operating Leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

1.11 Taxation

The charity is exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively for charitable purposes. The charity is not exempt from Value Added Tax.

1.12 Volunteer Assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

1.13 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

There are no critical judgements, significant assumptions concerning the future and key sources of estimation of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations and Legacies			
Donations and grants	181,772	271,770	453,542
Donations in respect of salaries	46,081	-	46,081
Gift aid tax reclaims	18,152	-	18,152
	<u>246,005</u>	<u>271,770</u>	<u>517,775</u>
Charitable Activities			
Prison education services	166,530	-	166,530
Employability education	-	-	-
Incell learning production hub	20,305	-	20,305
	<u>186,835</u>	<u>-</u>	<u>186,835</u>
Other Trading Activities			
Fundraising events and sales	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other Income			
Reimbursed expenses	4,099	535	4,634
Bank interest	2,012	-	2,012
	<u>6,111</u>	<u>535</u>	<u>6,646</u>
Total Income	<u>438,951</u>	<u>272,305</u>	<u>711,256</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

2 Analysis of Income (Continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and Legacies			
Donations and grants	165,689	165,025	330,714
Donations in respect of salaries	56,905	-	56,905
Gift aid tax reclaims	7,868	-	7,868
	<u>230,462</u>	<u>165,025</u>	<u>395,487</u>
Charitable Activities			
Prison education services	202,153	-	202,153
Employability education	-	-	-
Incell learning production hub	79,855	-	79,855
	<u>282,008</u>	<u>-</u>	<u>282,008</u>
Other Trading Activities			
Fundraising events and sales	6,885	-	6,885
	<u>6,885</u>	<u>-</u>	<u>6,885</u>
Other Income			
Reimbursed expenses	587	535	1,122
Bank interest	480	-	480
	<u>1,067</u>	<u>535</u>	<u>1,602</u>
Total Income	<u>520,422</u>	<u>165,560</u>	<u>685,982</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

3 Cost of Fundraising

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Expenditure on raising funds	3,630	-	3,630
	<u>3,630</u>	<u>-</u>	<u>3,630</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Expenditure on raising funds	430	-	430
	<u>430</u>	<u>-</u>	<u>430</u>

4 Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Prison education services	132,634	7,879	140,513
Employability education	7,526	129,064	136,590
Faith in the community	18,858	1,757	20,615
Incell learning production hub	75,340	106,182	181,522
	<u>234,358</u>	<u>244,882</u>	<u>479,240</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Prison education services	154,708	16,488	171,196
Employability education	169,566	22,291	191,857
Faith in the community	16,131	9,076	25,207
Incell learning production hub	187,219	49,690	236,908
	<u>527,624</u>	<u>97,544</u>	<u>625,168</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

5 Expenditure on Charitable Activities Support Costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations and contractual giving	320	-	320
Admin management staff costs	94,991	40,861	135,852
Office rent and rates	10,147	1,307	11,454
Insurance	8,977	-	8,977
Staff travel costs and subsistence	5,237	-	5,237
Office costs - telephone, printing, computers	13,624	-	13,624
Motor and travel costs	2,533	-	2,533
Depreciation	4,441	-	4,441
Staff training	12,680	-	12,680
Consultancy – media and publicity	900	-	900
Subscriptions and volunteer costs	656	-	656
Accountancy charges	9,536	-	9,536
Audit fees	3,040	-	3,040
Cleaning and Covid PPE	161	-	161
Other costs – legal and consultancy	6,417	-	6,417
	<u>173,660</u>	<u>42,168</u>	<u>215,828</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and contractual giving	14,452	-	14,452
Admin management staff costs	141,021	9,755	150,776
Office rent and rates	10,875	-	10,875
Insurance	7,751	-	7,751
Staff travel costs and subsistence	5,646	38	5,684
Office costs - telephone, printing, computers	16,037	23	16,060
Motor and travel costs	1,749	-	1,749
Depreciation	4,351	-	4,351
Staff training	6,417	-	6,417
Consultancy – media and publicity	11,276	-	11,276
Subscriptions and volunteer costs	1,534	377	1,911
Accountancy charges	9,357	-	9,357
Audit fees	2,700	-	2,700
Cleaning and Covid PPE	991	-	991
Other costs – legal and consultancy	4,404	-	4,404
	<u>238,561</u>	<u>10,193</u>	<u>248,754</u>

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

6 Statutory Auditor Fees

Fees payable to the statutory auditor for:

	2024	2023
	£	£
Statutory audit fee	2,820	2,700

7 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	393,011	542,851
Social security costs	24,279	35,569
Employer contributions to pension plans	13,027	17,608
	<u>430,317</u>	<u>596,028</u>

The average head count of employees during the year was as follows:

	2024	2023
Average headcount		
Direct charitable activities	17	24
Management and administration	4	7
	<u>21</u>	<u>31</u>

The number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2024	2023
More than £60,000	-	-

Key Management Personnel

The trustees, CEO, head of operations and head of projects are considered to be key management personnel for the purposes of FRS102. The remuneration of the key management personnel for the year including employers' national insurance and employers' pension contributions was £69,979 (2023: £127,483). The decrease in remuneration is due in part to vacancies during the year in the head of operations position and Head of Projects.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

8 Trustee Remuneration, Expenses and Donations

The trustees received no remuneration in the year (2023: £Nil).

During the year the total aggregated donations made to the charity by the trustees was £4,500 (2023: £4,500).

9 Tangible Fixed Assets

	Fixtures and Fittings	Motor Vehicles	Total
		£	£
Cost as at 1st April 2023	32,842	16,994	49,836
Additions	1,333	-	1,333
Cost as at 31st March 2024	34,175	16,994	51,169
Depreciation as at 1st April 2023	26,013	14,874	40,887
Depreciation charge	3,911	530	4,441
Depreciation as at 31st March 2024	29,924	15,404	45,328
Net book value as at 31st March 2024	4,251	1,590	5,841
Net book value as at 31st March 2023	6,829	2,120	8,949

All fixed assets are used for purposes of the charitable company.

10 Investments

	Unlisted investments
	£
Cost	
31 March 2024 and 31 March 2023	1
	1

Unlisted investments represents an investment of 100% of the issued share capital of Junction 42 Social Enterprises Limited, an unlisted dormant company registered in England.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

11 Debtors

	2024	2023
	£	£
Trade debtors	49,743	64,898
Prepayments	2,515	1,786
	<u>52,258</u>	<u>66,684</u>

12 Creditors: Amounts Falling Due Within One Year

	2024	2023
	£	£
Trade creditors	25,123	14,602
Amounts due to subsidiary undertaking	1	1
Accruals and deferred income	6,066	22,326
Other taxes and social security	9,393	9,418
	<u>40,583</u>	<u>46,347</u>

13 Deferred Income

	2024	2023
	£	£
Balance at the beginning of the reporting period	10,000	-
Amount released to income	-	-
Amount deferred in year	(10,000)	10,000
Balance at the end of the reporting period	<u>-</u>	<u>10,000</u>

During the year a prior year grant of £10,000 that did not meet the Charities SORP income recognition criteria has been recognised as income

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

13 Analysis of Charitable Funds

	1 Apr 2023 £	Income £	Expenditure £	Transfers £	31 Mar 2024 £
Unrestricted Funds					
Unrestricted					
General funds	334,181	438,951	(409,823)	(2,230)	361,079
	334,181	438,951	(409,823)	(2,230)	361,079
Designated					
Building fund	-	-	-	-	-
Giving fund	2,833	-	(1,825)	1,868	2,876
Operations fund	-	-	-	-	-
Scotland fund	-	-	-	-	-
	2,833	-	(1,825)	1,868	2,876
Total Unrestricted	337,014	438,951	(411,648)	(362)	363,955
Restricted Funds					
Acts 435	89	1,925	(2,376)	362	-
Agnes Hunter Trusts	7,500	-	(7,500)	-	-
Childs Charitable Trust	2,917	-	(2,917)	-	-
Community Foundation	3,000	-	(3,000)	-	-
Fiftyfour Two	15,000	-	(15,000)	-	-
JustSow	1,757	-	(1,757)	-	-
Methodist Church	7,500	-	(7,500)	-	-
National Lottery Awards for All	-	9,999	(9,999)	-	-
Nepacs	914	50	(964)	-	-
Rank Foundation	14,622	-	(14,622)	-	-
Seedfield Trust	4,000	-	(4,000)	-	-
Sir James Knott Trust	5,000	10,000	(10,000)	-	5,000
Sport England	777	-	(777)	-	-
The Anchor Foundation	-	-	-	-	-
The Benefact Trust	17,499	30,000	(30,000)	-	17,499
The Deo Gloria Trust	-	-	-	-	-
Vardy Foundation	-	30,000	(30,000)	-	-
Fyrish	-	30,000	(23,285)	-	6,715
Willian Charitable	-	10,000	(6,667)	-	3,333
Tees Valley Foundation	-	2,500	(1,792)	-	708
Graham Belford	-	2,500	(2,500)	-	-
TBFT Trust	-	2,500	(2,500)	-	-

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

Restricted Funds (*Continued*)

	1 Apr 2023	Income	Expenditure	Transfers	31 Mar 2024
	£	£	£	£	£
Community	-	1,000	(1,000)	-	-
North of Tyne	-	6,757	(6,757)	-	-
Lottery	-	94,994	(94,994)	-	-
The Big Give	-	21,280	(7,143)	-	14,137
Pentonville & Drake Hall	-	18,800	-	-	18,800
Total Restricted	80,575	272,305	(287,050)	362	66,192
Total Funds	417,589	711,256	(698,698)	-	430,147

Fund Transfers

During the prior year, the trustees undesignated three designated funds and transferred the balances back to the general fund.

Prior Year Analysis of Charitable Funds

	1 Apr 2022	Income	Expenditure	Transfers	31 Mar 2023
	£	£	£	£	£
Unrestricted Funds					
Unrestricted					
General funds	446,024	520,422	(752,260)	119,995	334,181
	446,024	520,422	(752,260)	119,995	334,181
Designated					
Building fund	43,938	-	-	(43,938)	-
Giving fund	14,245	-	(14,232)	2,820	2,833
Operations fund	29,000	-	-	(29,000)	-
Scotland fund	50,000	-	(123)	(49,877)	-
	137,183	-	(14,355)	(119,995)	2,833
Total Unrestricted	583,207	520,422	(766,615)	-	337,014

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

	1 Apr 2022	Income	Expenditure	Transfers	31 Mar 2023
	£	£	£	£	£
Restricted Funds					
Acts 435	-	2,560	(2,471)	-	89
Agnes Hunter Trusts	-	10,000	(2,500)	-	7,500
Childs Charitable Trust	-	5,000	(2,083)	-	2,917
Community Foundation	-	4,000	(1,000)	-	3,000
Fiftyfour Two	11,250	15,000	(11,250)	-	15,000
JustSow	833	10,000	(9,076)	-	1,757
Methodist Church	7,500	15,000	(15,000)	-	7,500
Nepacs	1,552	-	(638)	-	914
Rank Foundation	-	20,000	(5,378)	-	14,622
Seedfield Trust	-	4,000	-	-	4,000
Sir James Knott Trust	-	10,000	(5,000)	-	5,000
Sport England	1,617	-	(840)	-	777
The Anchor Foundation	-	5,000	(5,000)	-	-
The Benefact Trust	-	30,000	(12,501)	-	17,499
The Deo Gloria Trust	-	5,000	(5,000)	-	-
Vardy Foundation	-	30,000	(30,000)	-	-
Total Restricted	22,752	165,560	(107,737)	-	80,575
Total Funds	605,959	685,982	(874,352)	-	417,589

Fund Descriptions

Designated Funds

Building fund

Money designated for the future purchase of a building.

Giving fund

Money designated to give away as per our policy of giving away a percentage of our contractual income and unexpected gifts.

Operations fund

The trustees decided to designate some of the money received from Vertu Motors to invest in our operations function in the next year.

Scotland fund

The trustees decided to designate some reserves towards developing our work in Scotland.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

Restricted Funds

Acts 435	Acts 435 provide micro-grants for us to purchase items for our clients who are in financial hardship.
Agnes Hunter Trusts	This grant is for the coffee employability project run in Edinburgh.
Childs Charitable Trust	The grant is for the National Sstories of Hope resource packs and media sent into prisons.
Community Foundation	Distributed by the Community Foundation programme on behalf of Newcastle Building Society and Pattinsons Estate Agency to support the employability work in Newcastle.
Fiftyfour Two Foundation – Employability	The Fiftyfour Two Foundation grant was received to support of Stories of Hope National Prison Initiative.
JustSow	To support the growth of the Connect Network.
Methodist Church	The Methodist Church grant funded our employability support in Newcastle upon Tyne.
Nepacs	Nepacs provide micro-grants for us to purchase items for our clients who are in financial hardship.
Rank Foundation	To produce Stories of Hope media and podcasts.
Salary Support fund	The Salary Support Fund is for funding received from various sources towards the salary costs of our staff.
Vardy Foundation	The Vardy foundation grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving for 3 years.
The Deo Gloria Trust	The grant was awarded to support the postage costs of the national stories of Hope resource packs.
The Benefact Trust	The Benefact grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving
Sir James Knott Trust	This is a grant to support the core costs and operational development. It is awarded annual for 2 years.
The Anchor Foundation	The grant is for the national stories of Hope resource packs and media sent into prisons.
Fyrish	To support the stories of hope program in Scotland and faith resettlement work in HMP Edinburgh
Willian Charitable Trust	Resettlement of women across the North East
Tees Valley Foundation	To support the employability work in Teeside
Graham Belford	Resettlement of prisoners across the North East
TBFT Trust	To support the in cell Stories of Hope program across the UK
Community Foundation Pattinsons	To support the employability work in Newcastle
North of Tyne Combined Authority	To support the employability work for residents North of Tyne

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

Fund Descriptions (*Continued*)

Lottery	To support the employability and resettlement work across the North east
The Big Give	To support the in cell Stories of Hope program across the UK
Pentonville & Drake Hall	For delivery of in cell creative curriculum

14 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Fixed assets	5,842	-	5,842
Current assets	398,696	66,192	464,888
Creditors less than 1 year	(40,583)	-	(40,583)
	<u>363,955</u>	<u>66,192</u>	<u>430,147</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fixed assets	8,950	-	8,950
Current assets	374,411	80,575	454,986
Creditors less than 1 year	(46,347)	-	(46,347)
	<u>337,014</u>	<u>80,575</u>	<u>417,589</u>

15 Related Party Transactions

During the year, the charitable company received total donations of £42,000 (2023: £42,000) from The Vardy Foundation (England and Wales charity no. 328415; Scotland SC051152). The Vardy Foundation is a related party of trustee Richard Vardy who resigned in July 2023.

There are no other related party transactions to disclose.

The Junction 42 Foundation

Year Ended 31st March 2024

Notes to the Financial Statements

16 Prior Year Statement of Financial Activities

	Unrestricted Funds £	2023 Restricted Funds £	Total Funds £
Income			
Donations and legacies	230,462	165,025	395,487
Charitable activities	282,008	-	282,008
Other trading activities	6,885	-	6,885
Other income	1,067	535	1,602
Total Income	520,422	165,560	685,982
Expenditure			
Raising funds	430	-	430
Charitable activities	766,185	107,737	873,922
Total Expenditure	766,615	107,737	874,352
Net Income / (Expenditure)	(246,193)	57,823	(188,370)

The Junction 42 Foundation
Brunswick Methodist Church
Brunswick Place
Newcastle upon Tyne
NE1 7BJ

Stephenson Coates Audit Limited
West 2 Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

19 December 2024

Dear Sirs,

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other directors and officials of the Charitable Company, the following representations given to you in connection with your audit of the financial statements for the year ended 31 March 2024.

1. We acknowledge as Directors our responsibilities under the Companies Act 2006 for preparing financial statements that give a true and fair view and for making accurate representations to you. All the accounting records have been made available to you for the purpose of your work and all the transactions undertaken by the Company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all directors, management and members' meetings, have been made available to you.
2. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our own assessment of the risk of fraud in the business.
3. We believe that the financial statements of the Company should be prepared on a going concern basis because the current and future sources of funding or support will be adequate for the Company's needs. We believe that no further disclosures relating to the Company's ability to continue as a going concern need to be made in the financial statements.
4. Except as disclosed to you, we are not aware of any irregularities, including fraud, involving management of the Company; nor are we aware of any breaches, or possible breaches of statute, regulations, contracts or agreements. No allegations of such irregularities, including fraud, have come to our notice.
5. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with United Kingdom Generally Accepted Accounting Practice.
6. The Company has not had, or entered into, at any time during the period any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans, or credit transactions) for Directors or to guarantee or provide security for such matters.
7. Except as disclosed in Note 15 of the financial statements, we are not aware of any transaction with related parties requiring disclosure in the financial statements. We have made available to you all relevant information concerning such transactions and are not aware of any other matters that require disclosure in order to comply with the requirements of the Companies Act 2006 or accounting standards.

8. We can confirm that we are aware that a related party of the company is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the company or vice versa and, as a result, will include shareholders (more than 20% of the voting rights), directors, other key management, close family and other business interests of the previous.
9. There have been no events since the balance sheet date, which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should further material events occur which may necessitate revision of the figures or inclusion in a note thereto, we will advise you accordingly.
10. We confirm that the company has not contracted for any capital expenditure other than as disclosed the financial statements.
11. We confirm our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
 - so far as each director is aware, there is no relevant audit information of which you as auditors are unaware, and
 - each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the directors during the course of your audit.



P Cassidy
Trustee

20/12/2024

The Junction 42 Foundation
Year end 31.03.2024

Audit adjustment:

Pentonville and Drake Hall restricted fund

Expenditure allocated in error to grant funding received in year £18,800.

Expenditure reallocated to unrestricted funds.

No overall impact on total funds of charity.

Other comment:

Noted that Trustee Mr Mark Simpson was appointed a trustee of The Recruitment Junction after the year end - on 28 October 2024; the related parties note to the accounts for the year ending 31 March 2025 will need to disclose transactions and any balances with The Recruitment Junction.

Because the appointment was after 31 March 2024, we did not consider it necessary to make such disclosures in the accounts to that date.

THE JUNCTION 42 FOUNDATION

England & Wales - Charity number 1149813

Accounts

Company registration number: 8139367
Charity registration number: 1149813
SCO47781

The Junction 42 Foundation

(A company limited by guarantee)

Trustees' Annual Report and Accounts

Year Ended 31st March 2023

JUNCTION⁴²

The Junction 42 Foundation

Year Ended 31st March 2023

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The Junction 42 Foundation

Year Ended 31st March 2023

Legal and Administrative Information

Reference

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

Registered Charity Numbers	1149813	England and Wales
	SCO47781	Scotland
Registered Company Number	8139367	
Registered Office	Brunswick Methodist Church Brunswick Place Newcastle upon Tyne NE1 7BJ	
Website	www.junction42.org	
Trustees	Mr Richard Vardy	<i>Resigned 12/07/2023</i>
	Bishop Francis White	
	Dr Paul Cassidy	
	Mrs Alison Edwards	
	Mrs Sarah Wade	<i>Resigned 06/12/2023</i>
Chief Executive Officer	Joanne O'Connor	
Primary Bankers	HSBC Bank plc Bamburgh House Forum Way Cramlington NE23 6QE	
Independent Auditor	Stephenson Coates Audit Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD	

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)

The trustees present their report and the financial statements for the year ended 31 March 2023. These are prepared in accordance with the governing document, the recommendations of the 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 (FRS102) and the small companies' regime of the Companies Act 2006.

Reference and administrative details

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the Memorandum and Articles of Association.

New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction for new trustees will depend on experience.

The trustees are responsible for setting general policy, but the day to day running of the charitable company is delegated to an employed management team headed by the Chief executive officer.

The company maintains a transparent and equitable approach to setting the pay and remuneration of key management personnel. Guided by a scale and points system reflecting responsibilities and experience, an annual appraisal process ensures that adjustments align with individual performance. Trustees actively engage in setting targets for the Chief Executive Officer (CEO), which is tied to the remuneration policy for senior roles. Oversight of this process is entrusted to the trustee HR and risk subgroup and is overseen annually.

Objectives and principal activities

The charitable objectives of the company are:

1. To relieve the charitable needs of those in need by reason of current and previous criminal convictions or those considered at risk of offending against the law in particular but not exclusively by creation of employment, housing, education, training and community projects to assist with their rehabilitation and to do this with a Christian ethic.
2. The prevention or alleviation of poverty and sickness through the provision of grants or services to individuals in need by reason of current and previous criminal convictions or those considered at risk of offending against the law and/or charities, or other organisations working to prevent or relieve poverty, homelessness and sickness.

Risks

The trustees confirm that the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, have been identified and reviewed; and that systems are in place to mitigate those risks.

Strategic developments in risk management this year include:

- 9 policy documents either reviewed or written.
- Strategic pivot towards financial stabilisation by increasing multiyear grant funding to reduce the volatile effect of short term contract delivery

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)

Public benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year set out below.

Achievements and performance

Junction 42 exists to see the lives of offenders and their communities visibly transformed through:

- Creative education and engagement;
- Faith support
- Through the gate mentoring and employability

Our values are:

- Journeying with
- Inspirational
- Relational
- Missional
- Creating opportunities

This is Junction 42's 11th year of operation

Introduction

We are proud to say that despite challenges and volatility in contracting arrangements, Junction 42 has been able to remain a front-line service, offering help and support to those with convictions. Our work has continued in custody and in the community, with our in-prison work seeing growth and development.

Creative Education and Engagement

Junction 42 delivers specialist creative engagement services in HMP Northumberland and HMP Low Newton. Part of these services we use in cell creative packs, creative workshops and deliver other creative projects. The success of the in-cell learning programme led to an increased demand from our local prisons for our Creative Engagement provision. We provided 5 areas of creative engagement, illustrated in the diagram below:

T was on the first cohort of the in-cell Creative Arts Course. Prior to the course he was a prolific self harmer, struggled with his mental health and to engage with others on the wing. He connected with the packs and found that he was very good at some of the creative skills. So good, in fact, that he started to teach others on the wing the skills that he had learnt. He now has spare packs from us whenever possible. He runs a creative group for people on his wing who struggle with their mental health. He says that his mental health has vastly improved through engagement with the course and that he no longer self harms.

- Prisoner feedback

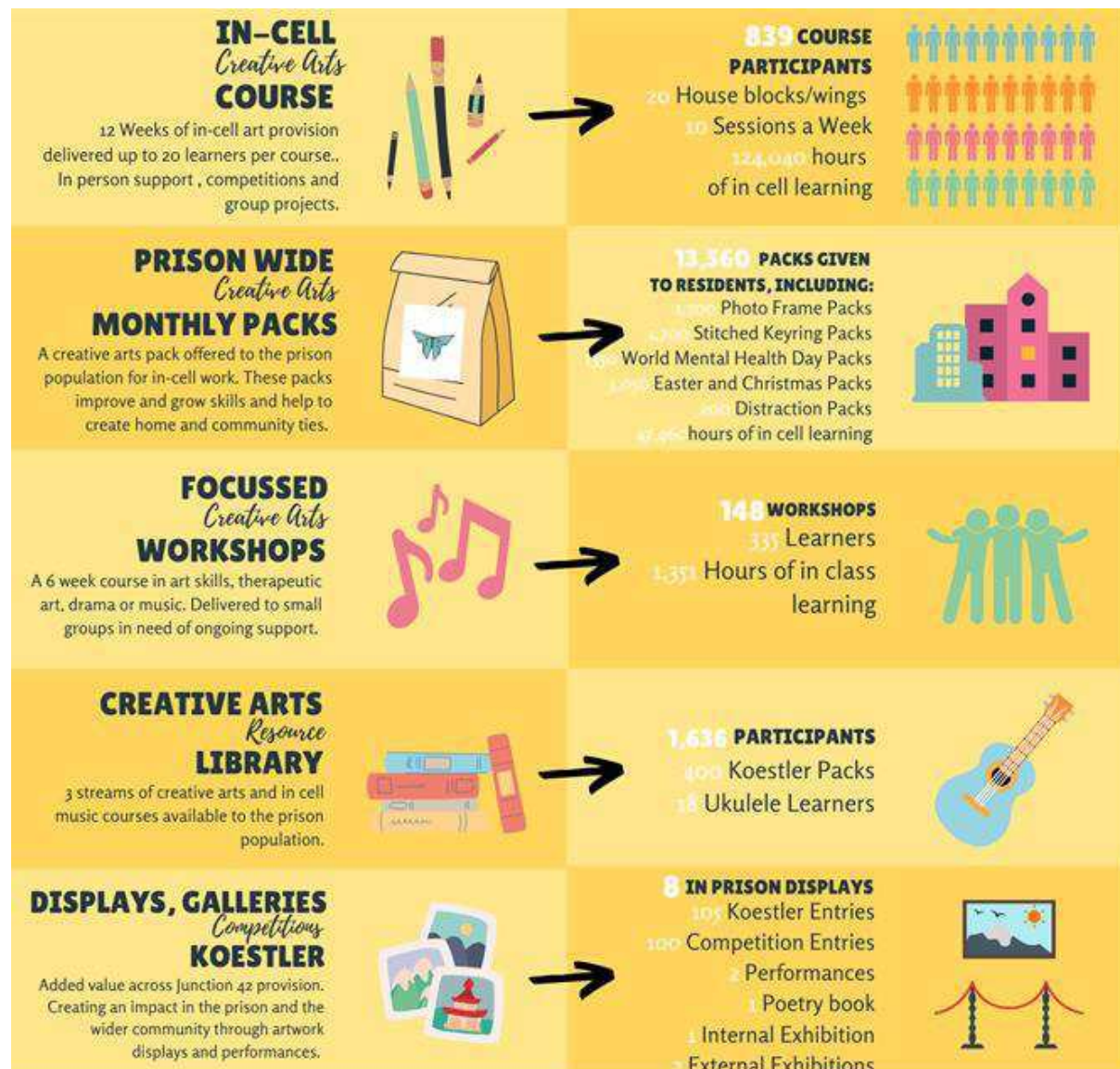
"Working in partnership with the brilliant staff at junction 42 was successful due to their care, Compassion and always going the extra mile to help anyone who engaged with them. The essential help and support provided for ex-offenders and offenders pre-release is so necessary to enhance their lives and give them the skills to live a better life, find employment, housing and access pastoral support"

- Prison feedback

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)



Koestler Awards 2022

Men and women on our Creative arts courses in HMP Northumberland and HMP Low Newton won 18 awards at the 2022 Koestler Awards for Arts in Criminal Justice. We were delighted to see their talents acknowledged and for them to receive such positive feedback.

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)

Faith

National resources

Stories of Hope packs

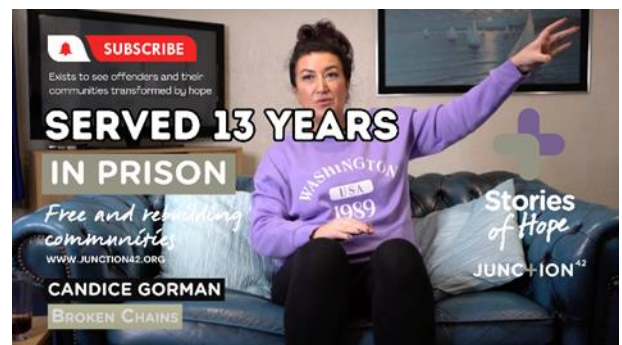
Our Stories of Hope packs contain highly engaging resources which utilise tactile, kinaesthetic, and visual learning to provide prisoners with a means to explore or engage with faith in their prison cell. This year, we distributed 4 rounds of our quarterly waves of packs. In 2022-23, Junction 42 created, packed and distributed 74,834 Stories of Hope packs to 123 prisons.

"Junction 42 have become an important partner to prison chaplaincy teams across the country. Their commitment and enterprise during the pandemic meant that their influence spread from being largely limited to the North East. The Stories of Hope packs are now distributed to prison chaplaincy teams across England and Wales. When I visit a prisoner, I will often see a completed activity on display, or hear a worship CD being played. Junction 42 don't stand still. They are always thinking how else they can serve. Junction 42 understand the needs of prisoners and their energy and enterprise mean they are a highly valued partner of the prison chaplaincy teams of England and Wales." **Phil Chadder**
National Prison Chaplaincy HQ National Partner

We are grateful to those who have partnered with us 2022-23 on this programme. Partners included UCB, Prison Fellowship, Life Words, Prison Chaplaincy HQ, Yellow Ribbon, Word for Word Bible Comic, The Message Trust, Music Ministry Trust, Prisons Week, Alpha and 4 points.

Media

Junction 42 have created and produced inspirational life stories which we have managed to put back into prison. Junction 42 has recorded and produced 8 podcasts and videos featuring stories of those with lived experience living out their faith, encouraging prisoners that change is possible. In partnership with National Prison Radio and A Way Out Media, we have a library of resources of lived out faith stories that stream in HMP Prisons nationally.



Training/ Connect Network

Junction 42 oversees the Connect Network. The Connect Network trains and supports the local church to provide a safe and welcoming space for those from the margins to grow in their faith. Connect communities continuing this year were in Newcastle, Stockton, Edinburgh, Middlesbrough and Gateshead. In the pipeline for new connect communities we have Leicester and Darlington.

In-person faith delivery

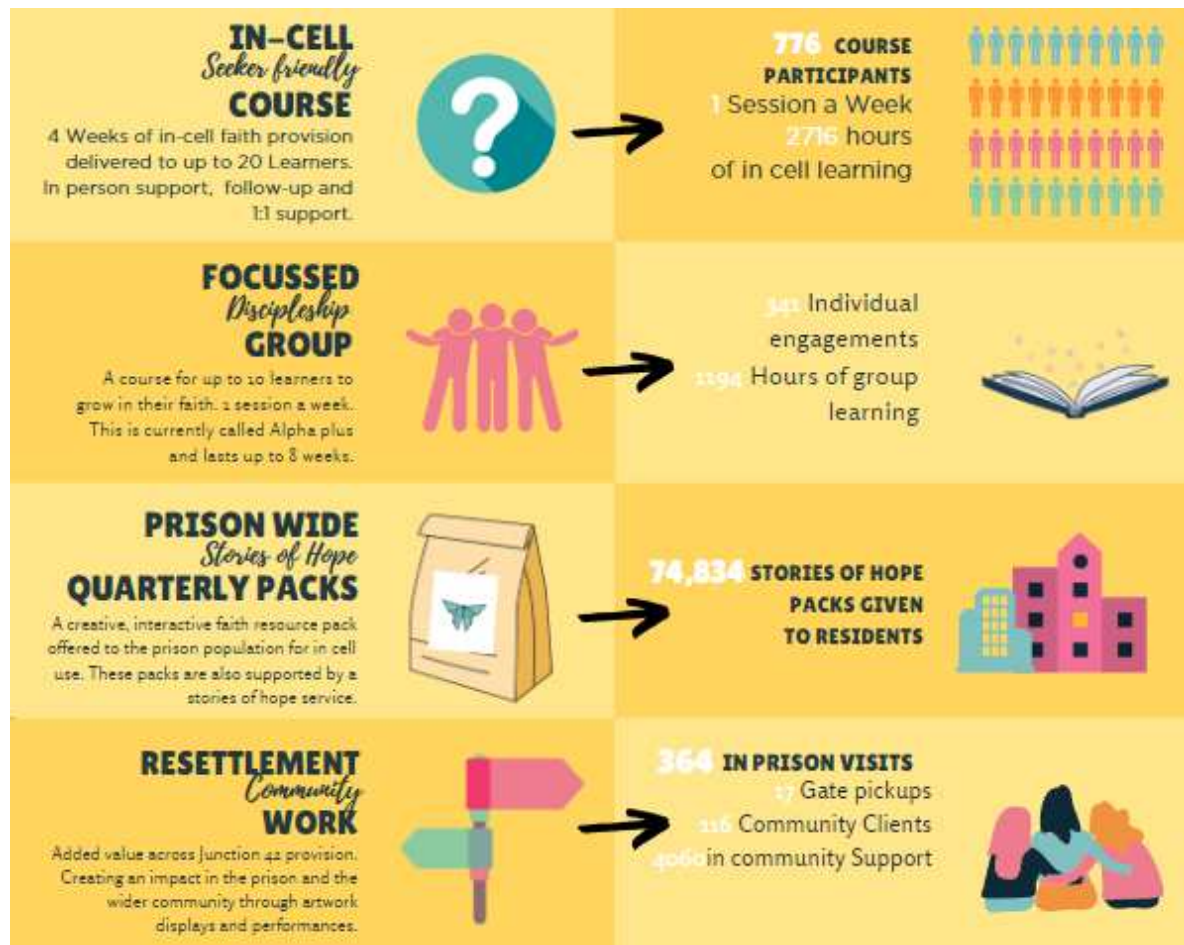
Faith support

Our support continued in delivering alongside the prison chaplaincy teams in HMP Northumberland, HMP Holme House, HMP Durham, HMP Low Newton and HMP Edinburgh. Delivering whole prison initiatives and weekly group work, Sunday services, helping prisoners support their faith and connecting them in with a local church/ connect communities upon release.

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)



Seasonal Responses

This year we distributed 3100 Easter packs to prisoners across the North East. We also provided 4,745 Christmas gift packs to all prisoners in the North East and HMP Edinburgh. The packs contained a Christmas craft, chocolate and Christmas reading. For our community clients we delivered 62 Christmas gifts bags.



The Junction 42 Foundation

Year Ended 31st March 2023

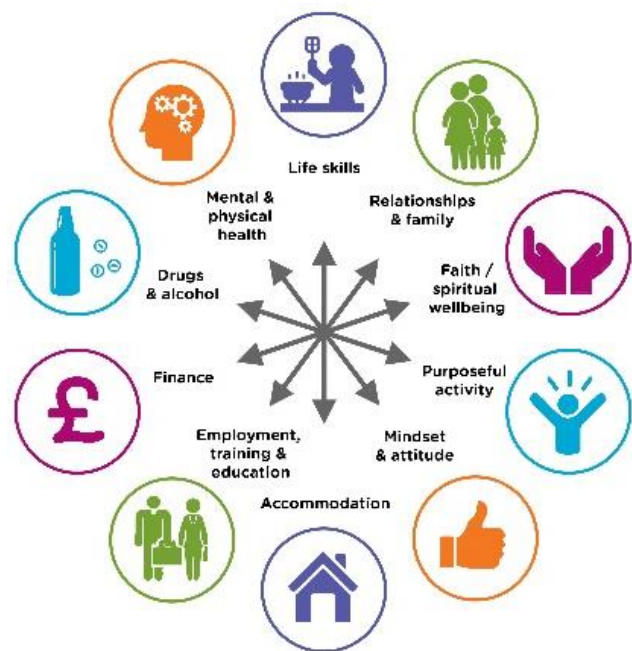
Trustees' Annual Report (Incorporating the Directors' Report)

Through the gate and Employability

Work-out helps to stabilise in 10 ways (diagram to the right) to reduce the likelihood of reoffending and into employment.

67 individuals completed our 'Work Out' programme in 2022-23 and we provided addition support to another 224 individuals across Tyne and Wear, Durham/Tees Valley and Edinburgh. Clients on the Work Out programme receive 1:2:1 mentoring support and groupwork opportunities to improve their social and life skills, wellbeing, employability, and engagement with statutory services.

In total we helped a total of 14 individuals get an ID, 19 individuals get birth certificates, 24 individuals to open a bank account and 2 individuals access debt support.



A came to us really struggling with her identity and how she is portrayed online. With a CV and disclosure she now feels able to be more authentic in who she is. She has worked hard to overcome her anxiety & addiction by initially using the prayer journal to hold herself accountable. She is rebuilding her confidence & is en route to be going for some professional help. – Client

"Junction 42 provide a safe and workable environment where they can assist with aspects of housing support, a mentor service and employability. This has incorporated staff going that extra mile and way beyond the duty of care for which their funding has covered. Covering assisting to support with housing applications and benefit claims to writing CVs and the very important disclosure letters to job clubs and IT support and training. Junction 42 have an amazing relationship with our claimants and are extremely well thought of in the area of ex-offenders and prison leavers by both other providers and the claimants themselves." - Kath Hindmarsh, DWP SPOC/Ambassador for Ex-Offenders

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)

Financial review

The charity's total income for the financial year was £685,982 (2022 - £963,063), and the total expenditure was £874,352 (2022 - £912,787), giving net deficit of £188,370 (2022 – surplus £50,276) and retained funds carried forward of £417,589 (2022 - £605,959).

Income for the year included successful funding from the Department for Work and Pensions, His Majesty's Prison and Probation Service, Sodexo, Volunteering Matters and Trust funders.

The funds of the charity (inc £463,936 asset value), are £337,014 in unrestricted funds and £80,575 in restricted funds carried forward. The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees proposed a policy that the charity should hold a level of reserves, namely those not held for a specific purpose, which is equivalent to no less than 32-weeks operating costs. It has become common practice for Junction 42 to have long periods of unfunded provision due to the change in procurement processes within government, meaning contracts have become more short term in nature with uncertainty and gaps between renewals. This reserves policy was put in place to mitigate this risk our financial stability.

Since January 2022 we have been out of contract with the DWP and have used these reserves to ensure continuation of provision to our service users. This has taken us below 32 weeks' reserves, and we anticipate being below 32 weeks in the coming year, but no lower than 12 weeks. We aim to restore our reserves level in the future by securing a wider portfolio of contractual opportunities.

The projected total expenditure for the organization for the year ending on 31st March 2024 is £730,000, out of which £115,000 is non-operational and is allocated for the purchase of prison education resources, specifically funded. Based on the anticipated operational expenditure, 32 weeks of operating costs would amount to £378,000, and 12 weeks would amount to £142,000. The unrestricted reserves as of the year ending on 31st March 2023 were £337,014, equivalent to 29 weeks of operating costs.

Plans for future periods

Junction 42 plans to continue investing in developing its work in prisons and the community. In particular we will look to:

- Increase our digital assets including expanding the Stories of Hope media stream, telling the stories of those with experience of the criminal justice system.
- Support and train local churches to establish Connect Communities in Carlisle, Sunderland, Leicester.
- National expansion of the creative in-cell resource by the development of the curriculum, staff training and media.
- Increase training opportunities for staff professional development, especially in the areas of mental health and neurodiversity.

As stated in last year's accounts we received confirmation that contracts held with the Department for Work and Pensions would not be renewed in the 2022/23 financial year. We have built up reserves in recent years to mitigate this potential loss of this income. Our plans for 2022/23 regarding this are to broaden our income streams to reduce our reliance on short term contracts and stabilise our income. We are doing this by growing our in-prison and probation contract opportunities and significantly increasing our grant income, having secured various grants for 2022/23 and some 3-year grants which will provide income through to 2025. We are also investing in increasing our regular donation income and use of fundraising campaigns.

The Junction 42 Foundation

Year Ended 31st March 2023

Trustees' Annual Report (Incorporating the Directors' Report)

Trustees' responsibilities statement

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining 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 the trustees 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.

Disclosure of information to auditors

The trustees who held office at the date of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

This report was approved by the trustees on 19/12/2023

and is signed on its behalf by:



Paul Cassidy

Trustee

The Junction 42 Foundation

Year Ended 31st March 2023

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinion

We have audited the financial statements of The Junction 42 Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

The Junction 42 Foundation

Year Ended 31st March 2023

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The Junction 42 Foundation

Year Ended 31st March 2023

Independent Auditor's Report to the Members of The Junction 42 Foundation

Auditor's responsibilities for the audit of the financial statements (*continued*)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include Safeguarding, financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



John Oswald BA FCA
Senior Statutory Auditor

For and on behalf of
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne, NE4 7YD

Date: 19/12/2023

The Junction 42 Foundation

Year Ended 31st March 2023

Statement of Financial Activities

		Unrestricted Funds	2023 Restricted Funds	Total Funds	2022 Total Funds
	Note	£	£	£	£
Income					
Donations and legacies		230,462	165,025	395,487	432,314
Charitable activities		282,008	-	282,008	529,283
Other trading activities		6,885	-	6,885	150
Other income		1,067	535	1,602	1,316
Total Income	2	<u>520,422</u>	<u>165,560</u>	<u>685,982</u>	<u>963,063</u>
Expenditure					
Raising funds	3	430	-	430	783
Charitable activities	4, 5	<u>766,185</u>	<u>107,737</u>	<u>873,922</u>	<u>912,004</u>
Total Expenditure		<u>766,615</u>	<u>107,737</u>	<u>874,352</u>	<u>912,787</u>
Net Income / (Expenditure)		<u>(246,193)</u>	<u>57,823</u>	<u>(188,370)</u>	<u>50,276</u>
Net Income and Net Movement In Funds					
Total funds brought forward	13	583,207	22,752	605,959	555,683
Transfers	13	-	-	-	-
Total Funds Carried Forward	13	<u>337,014</u>	<u>80,575</u>	<u>417,589</u>	<u>605,959</u>

All income and expenditure derive from continuing activities.

The statement is a combined Statement of Financial Activities and Income and Expenditure Account for the purposes of meeting both Companies Act and Charity SORP reporting requirements.

The notes on pages 16 to 30 form part of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2023

Statement of Financial Position

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	9	8,949	13,300
Investments	10	1	1
		<u>8,950</u>	<u>13,301</u>
Current Assets			
Debtors	11	66,684	59,098
Cash at bank and in hand		388,302	561,122
		<u>454,986</u>	<u>620,220</u>
Creditors: Amounts Falling Due Within One Year	12	<u>46,347</u>	<u>27,562</u>
Net Current Assets		<u>408,639</u>	<u>592,658</u>
Total Assets less Current Liabilities		<u>417,589</u>	<u>605,959</u>
Net Assets	14	<u>417,589</u>	<u>605,959</u>
Funds of the Charity			
Restricted funds	13	80,575	22,752
Unrestricted funds	13		
Unrestricted funds		334,181	446,024
Designated funds		2,833	137,183
		<u>337,014</u>	<u>583,207</u>
Total Charity Funds		<u>417,589</u>	<u>605,959</u>

These financial statements for The Junction 42 Foundation (Company number: 8139367) have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of the Companies Act 2006.

The notes on pages 16 to 30 form part of the financial statements.

Directors Responsibilities

These financial statements were approved by the board of trustees and authorised for issue :

Name of Trustee:

P Cassidy

Signed on behalf of the Trustees:



Date of Approval:

19/12/2023

The Junction 42 Foundation

Year Ended 31st March 2023

Statement of Cash Flows

	2023 £	2022 £
Cash Flows from Operating Activities		
Net cash provided by (used in) operating activities	(173,300)	161,290
	<u>(173,300)</u>	<u>161,290</u>
Cash Flows from Investing Activities		
Dividends and interest	480	11
Purchase of tangible fixed assets	-	-
Net cash provided by (used in) investing activities	<u>480</u>	<u>11</u>
Change in cash and cash equivalents in the reporting period	(172,820)	161,301
Cash and cash equivalents at the beginning of the reporting period	561,122	399,821
Cash and Cash Equivalents at the end of the Reporting Period	<u>388,302</u>	<u>561,122</u>

Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2023 £	2022 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(188,370)	50,276
Adjustments for:		
Depreciation charges	4,351	7,511
Dividends and interest from investments	(480)	(11)
(Increase) / decrease in debtors	(7,586)	110,227
Increase / (decrease) in creditors	18,785	(6,713)
Net cash provided by (used in) operating activities	<u>(173,300)</u>	<u>161,290</u>

Analysis of Cash and Cash Equivalents

	2023 £	2022 £
Cash at bank	388,302	561,122
Total cash and cash equivalents	<u>388,302</u>	<u>561,122</u>

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of Preparation

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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), the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

The charitable company has taken the option under section 398 of the Companies Act 2006 and the Charities Act 2011 (Group Accounts) Regulations 2015 not to prepare consolidated financial statements.

The financial accounts are prepared in Sterling (£) which is the functional currency of the charitable company.

The Junction 42 Foundation meets the definition of a public benefit entity under FRS 102.

1.2 Assessment of Going Concern

The Directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Fund Accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the term of specific appeal.

Further explanation of the nature and purpose of each fund is included in Note 13 of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

1.4 Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income is recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Income from fees for education, training and mentoring are accounted for when invoices are drawn up and the service has been provided (as the point of entitlement).
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.
- Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.
- Investment income is included in the accounts when receivable.

1.5 Resources Expended

Charitable activities – The costs of charitable activities represent the cost of undertaking the charity's objectives and include direct costs incurred in delivering those services together with support costs. All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

Costs of raising funds include expenditure on promotion and advertising plus any fundraising trading costs.

1.6 Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

1.7 Liabilities Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

1.8 Tangible Fixed Assets

All assets costing more than £1,000 are capitalised and at historic cost. Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on fixed assets which is written off on a straight-line basis over time and estimated useful life of the asset.

Fixtures, fittings and furniture	20% Straight line
Motor vehicles	25% Reducing balance

Fixtures, fittings and vehicles are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

1.9 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.10 Operating Leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

1.11 Taxation

The charity is exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively for charitable purposes. The charity is not exempt from Value Added Tax.

1.12 Volunteer Assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

1.13 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

There are no critical judgements, significant assumptions concerning the future and key sources of estimation of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and Legacies			
Donations and grants	165,689	165,025	330,714
Donations in respect of salaries	56,905	-	56,905
Gift aid tax reclaims	7,868	-	7,868
	<u>230,462</u>	<u>165,025</u>	<u>395,487</u>
Charitable Activities			
Prison education services	202,153	-	202,153
Employability education	-	-	-
Incell learning production hub	79,855	-	79,855
	<u>282,008</u>	<u>-</u>	<u>282,008</u>
Other Trading Activities			
Fundraising events and sales	6,885	-	6,885
	<u>6,885</u>	<u>-</u>	<u>6,885</u>
Other Income			
Coronavirus job retention scheme	-	-	-
Reimbursed expenses	587	535	1,122
Bank interest	480	-	480
	<u>1,067</u>	<u>535</u>	<u>1,602</u>
Total Income	<u>520,422</u>	<u>165,560</u>	<u>685,982</u>

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

2 Analysis of Income (Continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations and Legacies			
Donations and grants	285,895	76,827	362,722
Donations in respect of salaries	-	59,682	59,682
Gift aid tax reclaims	9,910	-	9,910
	<u>295,805</u>	<u>136,509</u>	<u>432,314</u>
Charitable Activities			
Prison education services	94,072	-	94,072
Employability education	361,720	-	361,720
Incell learning production hub	73,491	-	73,491
	<u>529,283</u>	<u>-</u>	<u>529,283</u>
Other Trading Activities			
Fundraising events and sales	-	150	150
	<u>-</u>	<u>150</u>	<u>150</u>
Other Income			
Coronavirus job retention scheme	570	-	570
Reimbursed expenses	735	-	735
Bank interest	11	-	11
	<u>1,316</u>	<u>-</u>	<u>1,316</u>
Total Income	<u>826,404</u>	<u>136,659</u>	<u>963,063</u>

During the financial year 31 March 2022, a non-recurring, material unrestricted donation of £140,000 was received to further the work of the charity.

During the 2022 financial year £570 (2021: £41,792) of government grants was received from the Covid-19 job retention scheme.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

3 Cost of Fundraising

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Expenditure on raising funds	430	-	430
	<u>430</u>	<u>-</u>	<u>430</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Expenditure on raising funds	783	-	783
	<u>783</u>	<u>-</u>	<u>783</u>

4 Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Prison education services	154,708	16,488	171,196
Employability education	169,566	22,291	191,857
Faith in the community	16,131	9,076	25,207
Creative education and engagement	-	-	-
Incell learning production hub	187,219	49,690	236,908
	<u>527,624</u>	<u>97,544</u>	<u>625,168</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Prison education services	112,771	13,100	125,871
Employability education	114,801	112,533	227,334
Faith in the community	10,381	10,000	20,381
Creative education and engagement	295	3,349	3,644
Incell learning production hub	219,546	11,353	230,898
	<u>457,794</u>	<u>150,334</u>	<u>608,128</u>

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

5 Expenditure on Charitable Activities Support Costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations and contractual giving	14,452	-	14,452
Admin management staff costs	141,021	9,755	150,776
Office rent and rates	10,875	-	10,875
Insurance	7,751	-	7,751
Staff travel costs and subsistence	5,646	38	5,684
Office costs - telephone, printing, computers	16,037	23	16,060
Premises expenses and canteen	-	-	-
Motor and travel costs	1,749	-	1,749
Depreciation	4,351	-	4,351
Merchant services and bank charges	-	-	-
Staff training	6,417	-	6,417
Consultancy – media and publicity	11,276	-	11,276
Subscriptions and volunteer costs	1,534	377	1,911
Accountancy charges	9,357	-	9,357
Audit fees	2,700	-	2,700
Cleaning and Covid PPE	991	-	991
Other costs – legal and consultancy	4,404	-	4,404
	<u>238,561</u>	<u>10,193</u>	<u>248,754</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations and contractual giving	8,300	-	8,300
Admin management staff costs	176,872	16,967	193,839
Office rent and rates	16,925	-	16,925
Insurance	7,846	-	7,846
Staff travel costs and subsistence	4,727	-	4,727
Office costs - telephone, printing, computers	23,010	315	23,325
Premises expenses and canteen	102	-	102
Motor and travel costs	1,572	-	1,572
Depreciation	7,511	-	7,511
Merchant services and bank charges	-	-	-
Staff training	7,819	-	7,819
Consultancy – media and publicity	4,167	-	4,167
Subscriptions and volunteer costs	315	-	315
Accountancy charges	9,100	-	9,100
Audit fees	1,800	-	1,800
Cleaning and Covid PPE	2,258	-	2,258
Other costs – legal and consultancy	3,014	11,256	14,270
	<u>275,338</u>	<u>28,538</u>	<u>303,876</u>

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

6 Statutory Auditor Fees

Fees payable to the statutory auditor for:

	2023	2022
	£	£
Statutory audit fee	2,700	2,160

7 Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	542,851	526,007
Social security costs	35,569	31,247
Employer contributions to pension plans	17,608	16,029
	<u>596,028</u>	<u>573,284</u>

The average head count of employees during the year was as follows:

	2023	2022
Average headcount		
Direct charitable activities	24	25
Management and administration	7	8
	<u>31</u>	<u>33</u>

The number of employees who received employee benefits of more than £60,000 during the year was as follows:

	2023	2022
More than £60,000	-	-

Key Management Personnel

The trustees, CEO, head of operations and head of projects are considered to be key management personnel for the purposes of FRS102. The remuneration of the key management personnel for the year including employers' national insurance and employers' pension contributions was £127,483 (2022: £111,984). The increase in remuneration is due in part to an increase in working hours for the head of operations.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

8 Trustee Remuneration, Expenses and Donations

The trustees received no remuneration in the year (2022: £Nil).

During the year the total aggregated donations made to the charity by the trustees was £4,500 (2022: £1,860).

9 Tangible Fixed Assets

	Fixtures and Fittings	Motor Vehicles	Total
		£	£
Cost as at 1st April 2022	32,842	16,994	49,836
Additions	-	-	-
Cost as at 31st March 2023	32,842	16,994	49,836
Depreciation as at 1st April 2022	22,369	14,167	36,536
Depreciation charge	3,644	707	4,351
Depreciation as at 31st March 2023	26,013	14,874	40,887
Net book value as at 31st March 2023	6,829	2,120	8,949
Net book value as at 31st March 2022	10,473	2,827	13,300

All fixed assets are used for purposes of the charitable company.

10 Investments

	Unlisted investments
	£
Cost	
31 March 2023 and 31 March 2022	1
	1

Unlisted investments represents an investment of 100% of the issued share capital of Junction 42 Social Enterprises Limited, an unlisted dormant company registered in England.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

11 Debtors

	2023	2022
	£	£
Trade debtors	64,898	57,324
Prepayments	1,786	1,774
	<u>66,684</u>	<u>59,098</u>

12 Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	14,602	-
Amounts due to subsidiary undertaking	1	1
Accruals and deferred income	22,326	15,121
Other taxes and social security	9,418	12,440
	<u>46,347</u>	<u>27,562</u>

13 Deferred Income

	2023	2022
	£	£
Balance at the beginning of the reporting period	-	-
Amount released to income	-	-
Amount deferred in year	10,000	-
Balance at the end of the reporting period	<u>10,000</u>	<u>-</u>

At the close of the year end a grant was received for £10,000 that did not meet the Charities SORP income recognition criteria and has been deferred to be recognised in the year ending 31/03/2024.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

13 Analysis of Charitable Funds

	1 Apr 2022 £	Income £	Expenditure £	Transfers £	31 Mar 2023 £
Unrestricted Funds					
Unrestricted					
General funds	446,024	520,422	(752,260)	119,995	334,181
	446,024	520,422	(752,260)	119,995	334,181
Designated					
Building fund	43,938	-	-	(43,938)	-
Giving fund	14,245	-	(14,232)	2,820	2,833
Operations fund	29,000	-	-	(29,000)	-
Scotland fund	50,000	-	(123)	(49,877)	-
	137,183	-	(14,355)	(119,995)	2,833
Total Unrestricted	583,207	520,422	(766,615)	-	337,014
Restricted Funds					
Acts 435	-	2,560	(2,471)	-	89
Agnes Hunter Trusts	-	10,000	(2,500)	-	7,500
Childs Charitable Trust	-	5,000	(2,083)	-	2,917
Community Foundation	-	4,000	(1,000)	-	3,000
Fiftyfour Two	11,250	15,000	(11,250)	-	15,000
JustSow	833	10,000	(9,076)	-	1,757
Methodist Church	7,500	15,000	(15,000)	-	7,500
National Lottery Awards for All	-	-	-	-	-
Nepacs	1,552	-	(638)	-	914
Rank Foundation	-	20,000	(5,378)	-	14,622
Seedfield Trust	-	4,000	-	-	4,000
Sir James Knott Trust	-	10,000	(5,000)	-	5,000
Sport England	1,617	-	(840)	-	777
The Anchor Foundation	-	5,000	(5,000)	-	-
The Benefact Trust	-	30,000	(12,501)	-	17,499
The Deo Gloria Trust	-	5,000	(5,000)	-	-
Vardy Foundation	-	30,000	(30,000)	-	-
Total Restricted	22,752	165,560	(107,737)	-	80,575
Total Funds	605,959	685,982	(874,352)	-	417,589

Fund Transfers

During the year the trustees undesignated the three designated funds set up in the prior year and transferred the balances back to the general fund.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

Prior Year Analysis of Charitable Funds

	1 Apr 2021 £	Income £	Expenditure £	Transfers £	31 Mar 2022 £
Unrestricted Funds					
Unrestricted					
General funds	446,780	826,404	(728,915)	(98,245)	446,024
	446,780	826,404	(728,915)	(98,245)	446,024
Designated					
Building fund	43,938	-	-	-	43,938
Giving fund	-	-	(5,000)	19,245	14,245
Operations fund	-	-	-	29,000	29,000
Scotland fund	-	-	-	50,000	50,000
	43,938	-	(5,000)	98,245	137,183
Total Unrestricted	490,718	826,404	(733,915)	-	583,207
Restricted Funds					
Acts 435	-	12,019	(12,019)	-	-
Commissioner – VRU monies	24,703	-	(24,703)	-	-
Fiftyfour Two Foundation	-	15,000	(3,750)	-	11,250
JustSow	-	10,000	(9,167)	-	833
Methodist Church	5,000	15,000	(12,500)	-	7,500
Nepacs	-	1,125	427	-	1,552
Salary Support fund	5,442	59,682	(65,124)	-	-
Seedfield Trust	-	3,000	(3,000)	-	-
Sodexo grant	7,000	7,000	(14,000)	-	-
Sport England	7,820	-	(6,203)	-	1,617
The Triangle Trust	-	13,833	(13,833)	-	-
Volunteering Matters	15,000	-	(15,000)	-	-
Total Restricted	64,965	136,659	(178,872)	-	22,752
Total Funds	555,683	963,063	(912,787)	-	605,959

Fund Transfers

During the year three new designated funds were established by the trustees designating £98,245 from the general funds.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

Fund Descriptions

Designated Funds

Building fund	Money designated for the future purchase of a building.
Giving fund	Money designated to give away as per our policy of giving away a percentage of our contractual income and unexpected gifts.
Operations fund	The trustees decided to designate some of the money received from Vertu Motors to invest in our operations function in the next year.
Scotland fund	The trustees decided to designate some reserves towards developing our work in Scotland.

Restricted Funds

Acts 435	Acts 435 provide micro-grants for us to purchase items for our clients who are in financial hardship.
Agnes Hunter Trusts	This grant is for the coffee employability project run in Edinburgh.
Childs Charitable Trust	The grant is for the National Stories of Hope resource packs and media sent into prisons.
Community Foundation	Distributed by the Community Foundation programme on behalf of Newcastle Building Society and Pattinsons Estate Agency to support the employability work in Newcastle.
Fiftyfour Two Foundation – Employability	The Fiftyfour Two Foundation grant was received to support of Stories of Hope National Prison Initiative.
JustSow	To support the growth of the Connect Network.
Methodist Church	The Methodist Church grant funded our employability support in Newcastle upon Tyne.
Nepacs	Nepacs provide micro-grants for us to purchase items for our clients who are in financial hardship.
Rank Foundation	To produce Stories of Hope media and podcasts.
Salary Support fund	The Salary Support Fund is for funding received from various sources towards the salary costs of our staff.
Vardy Foundation	The Vardy foundation grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving for 3 years.
The Deo Gloria Trust	The grant was awarded to support the postage costs of the national stories of Hope resource packs.
The Benefact Trust	The Benefact grant is for the national stories of Hope resource packs and media sent into prisons. They have committed to giving
Sir James Knott Trust	This is a grant to support the core costs and operational development. It is awarded annual for 2 years.
The Anchor Foundation	The grant is for the national stories of Hope resource packs and media sent into prisons.
National Lottery Awards for All	To support the networking and partnership working in Edinburgh.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

14 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Fixed assets	8,950	-	8,950
Current assets	374,411	80,575	454,986
Creditors less than 1 year	(46,347)	-	(46,347)
	<u>337,014</u>	<u>80,575</u>	<u>417,589</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fixed assets	13,301	-	13,301
Current assets	597,468	22,752	620,220
Creditors less than 1 year	(27,562)	-	(27,562)
	<u>583,207</u>	<u>22,752</u>	<u>605,959</u>

15 Related Party Transactions

During the year, the charitable company received total donations of £42,000 (2022: £12,000) from The Vardy Foundation (England and Wales charity no. 328415; Scotland SC051152). The Vardy Foundation is a related party of trustee Richard Vardy who resigned in July 2023.

There are no other related party transactions to disclose.

The Junction 42 Foundation

Year Ended 31st March 2023

Notes to the Financial Statements

16 Prior Year Statement of Financial Activities

	Unrestricted Funds £	2022 Restricted Funds £	Total Funds £
Income			
Donations and legacies	295,805	136,509	432,314
Charitable activities	529,283	-	529,283
Other trading activities	-	150	150
Other income	1,316	-	1,316
Total Income	826,404	136,659	963,063
Expenditure			
Raising funds	783	-	783
Charitable activities	733,132	178,872	912,004
Total Expenditure	733,915	178,872	912,787
Net Income / (Expenditure)	92,489	(42,213)	50,276

THE JUNCTION 42 FOUNDATION

England & Wales - Charity number 1149813

Accounts

Company registration number: 8139367
Charity registration number: 1149813
SCO47781

The Junction 42 Foundation

(A company limited by guarantee)

Trustees Annual Report and Accounts

Year Ended 31st March 2022

JUNCTION⁴²

The Junction 42 Foundation

Year Ended 31st March 2022

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The Junction 42 Foundation

Year Ended 31st March 2022

Legal and Administrative Information

Reference

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

Registered Charity Numbers	1149813 SCO47781	England and Wales Scotland
Registered Company Number	8139367	
Registered Office	Brunswick Methodist Church Brunswick Place Newcastle upon Tyne NE1 7BJ	
Website	www.junction42.org	
Trustees	Mr Richard Vardy Bishop Francis White Dr Paul Cassidy Mrs Alison Edwards Mrs Sarah Wade	
Chief Executive Officer	Joanne O'Connor	
Primary Bankers	HSBC Bank plc 279 Whitley Road Whitley Bay Tyne & Wear NE26 2SW	
Independent Auditor	Stephenson Coates Audit Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD	

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

The trustees present their report and the financial statements for the year ended 31 March 2022. These are prepared in accordance with the governing document, the recommendations of the 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 (FRS102) and the small companies' regime of the Companies Act 2006.

Reference and administrative details

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the Memorandum and Articles of Association.

New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction for new trustees will depend on experience.

The trustees are responsible for setting general policy, but the day to day running of the charitable company is delegated to an employed management team headed by the Chief executive officer.

Objectives and principal activities

The charitable objectives of the company are:

1. To relieve the charitable needs of those in need by reason of current and previous criminal convictions or those considered at risk of offending against the law in particular but not exclusively by creation of employment, housing, education, training and community projects to assist with their rehabilitation and to do this with a Christian ethic.
2. The prevention or alleviation of poverty and sickness through the provision of grants or services to individuals in need by reason of current and previous criminal convictions or those considered at risk of offending against the law and/or charities, or other organisations working to prevent or relieve poverty, homelessness and sickness.

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Risks

The trustees confirm that the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, have been identified and reviewed; and that systems are in place to mitigate those risks.

Strategic developments in risk management this year include:

- 37 policy documents either reviewed or written. Including particular attention to Information Governance
- First Aid training for 12 staff
- Improvement in financial controls

Public benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year set out below.

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Achievements and performance

Junction 42 exists to see the lives of offenders and their communities visibly transformed through:

- Employability and entrepreneurial training;
- Creative education and engagement;
- Through the gate mentoring and faith support.

Our values are:

- Journeying with
- Inspirational
- Relational
- Missional
- Creating opportunities

This is Junction 42's 10th year of operation

Introduction

As we exited lockdown restrictions this year, we were able to re-launch projects with renewed vigour and were successful in consolidating the programmes we had started during the pandemic, as part of our ongoing and regular services.

Employability and entrepreneurship

155 individuals completed our 'Work Out' programme in 2021-22 and we provided additional support to another 188 individuals across Tyne and Wear, Durham/Tees Valley and Edinburgh. Clients on the Work Out programme receive 1:2:1 mentoring support and groupwork opportunities to improve their social and life skills, wellbeing, employability, and engagement with statutory services.



"Junction 42 have been amazing... I've been too unfit to do the majority of manual handling that is required for labouring, so they've got me doing football and the gym to build my energy up, which it has. Through Junction 42 I've done a bit of volunteer work they've helped me sort everything out with my CSCS card and they are applying for my provisional licence. They've helped me better than any one I've ever had and I couldn't ask for more off them" – Client Feedback

"I have spoken to my customer today who cannot speak highly enough of Junction 42, he is over the moon with the support he is getting" – Job Coach Feedback

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Creative Education and Engagement

The success of the in-cell learning we developed during lockdown led to increased demand from our local prisons for our Creative Arts provision. We provided 4 areas of creative engagement:

IN-CELL <i>Creative Arts</i> COURSE 13 Weeks of in-cell art provision delivered up to 20 Learners per course. In person support, competitions and group projects 	PRISON WIDE <i>Creative Arts</i> MONTHLY PACKS A creative arts pack offered to the prison population for in cell work. These packs improve and grow skills and help to create home and community ties. 
ADDED VALUE <i>Creative Arts</i> DISTRACTION PACKS A creative arts distraction pack offered to those in need of additional support or activity for in cell work. These packs improve and grow skills and help to create home and community ties 	DISPLAYS, GALLERIES <i>Competitions</i> KOESTLER Added value across streams 1-3. Creating an impact in the prison and the wider community through artwork displays and performances. 

In our women's prison, HMP Low Newton, across these streams we provided at total of 44,100 hours of in-cell learning for the women. In HMP Northumberland we also introduced a Ukulele course.

D's Story - Although she was struggling with her mental health, D engaged with our creative arts course. Our Junction 42 worker was able to visit her and spend some time showing her how to make origami butterflies, D was then joined by N on the wing who also wanted to learn. D and N then began to teach others how to make butterflies and many began to ask for origami paper to try this out to brighten their rooms. This really transformed D as she found a sense of purpose and self-worth as she helped others on the wing

"Working in partnership with the brilliant staff at Junction 42 was successful due to their care, compassion and always going the extra mile to help anyone who engaged with them. Seeing the essential help and support provided for ex-offenders and offenders pre-release is so necessary to enhance their lives and give them the skills to live a better life, find employment, housing and access pastoral support" – Prison Feedback

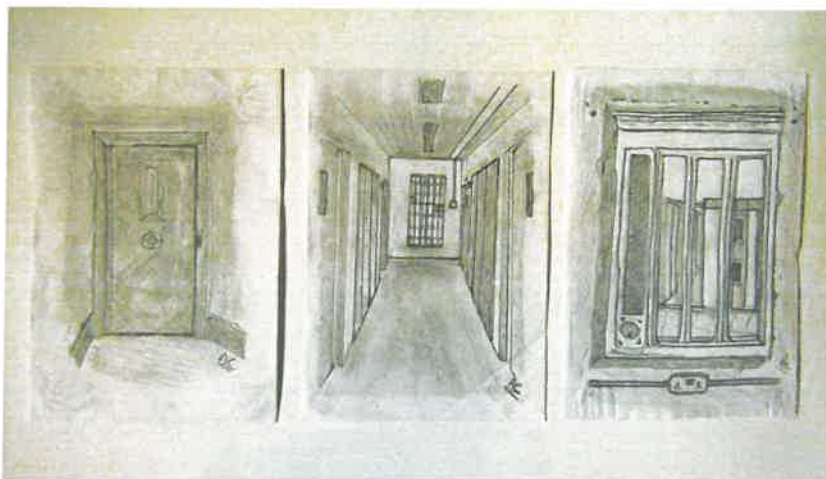
The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Koestler Awards 2021

Men and women on our Creative arts courses in HMP Northumberland and HMP Low Newton won 13 and 5 awards respectively at the 2021 Koestler Awards for Arts in Criminal Justice. We were delighted to see their talents acknowledged and for them to receive such positive feedback.



Left: In A Lonely Place, Right: Origami Swan

Faith

The national Stories of Hope programme continued as a regular outreach, spearheaded by Junction 42, in partnership with other third sector organisations across the country.

Stories of Hope Packs

Our Stories of Hope packs contain highly engaging resources which utilise tactile, audio, and visual learning to provide prisoners with a means to explore or engage with faith in their prison cell. This year, we completed our 5th, 6th, 7th and 8th quarterly waves of packs.



**In 2021-22, Junction 42 created, packed and distributed
75,424 Stories of Hope packs to 119 prisons**

"They have helped me stay connected to God, stirred my spirit up. Built me up a bit each day." - Prisoner

"the packs have become part of prison culture" – Prison Chaplain

We are grateful to those who have partnered with us 2021-22 on this programme. Partners included UCB, Prison Chaplaincy HQ, Lifewords, The Message Trust, Bethel Music, Prisons Week and Guvna B.

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Media

This year we built on our relationship with Prison Chaplaincy HQ to continue providing Sunday Services to be aired on National Prison Radio. Wayout TV, an in-prison TV channel, also increased their use of our Stories of Hope video pieces. Like the Stories of Hope packs, our media pieces capture worship, testimonies and the Word from life on the outside, featuring those who have had criminal justice experience.

Personal Discipleship

Our in-cell faith provision continues to provide men and women with an opportunity to explore and practice faith from their cells with 1-2-1 support from our outreach workers while group settings continued to be restricted in prisons. Most of our engagement was through Alpha, with lots of demand and engagement seen across our local prisons. A small number also took part in the pilot of our Letters of Hope Scheme, a volunteer-led letter-writing Bible study programme.

Connect

Junction 42 oversees the Connect Network. The Connect Network trains and supports the local church to provide a safe and welcoming space for those from the margins to grow in their faith. This year [Connect communities](#) re-started meeting in person after meeting mostly online in 2020-2021. Connect communities continuing this year were in Newcastle, Durham and Stockton, Edinburgh and Glasgow, and we were delighted to re-launch Middlesbrough Connect and start a new Connect in Gateshead.

Seasonal Responses

Being aware of how difficult Christmas can be for people in prison, this year we provided 6,300 Christmas gift packs to all prisoners in Scotland and all prisoners in our local prisons in North-East England. The packs contained an origami kit to make Christmas decorations, chocolate, Christmas reading, and a Hope Magazine. For our community clients we delivered 100 advent calendars, 100 Christmas gifts bags, 30 food hampers, and 6 turkey and vegetable packs.

For Easter, we produced 5,000 Easter packs to be distributed in prisons and the local community. Packs included a Hope magazine, chocolate, Easter card creative activity, and luxury hygiene products. We also delivered 100 Easter packs and 100 Easter eggs in the community to our clients.

Telephone befriending scheme

In early 2021, Junction 42 was onboarded by Volunteer Matters to offer a Telephone Befriending Service to people who were currently serving their sentences in the community. Junction 42 have been delighted to provide support to the most vulnerable by providing telephone calls to help those feeling isolated during this pandemic, providing general conversations and/or giving helpful tips on how to occupy time in a pro-social manner. This pilot project finished in July 2021, with 38 individuals being referred to the service and 382 phone calls being made by our staff and volunteers.

"Before the service I was lonely, I had no-one to speak to on a weekly basis. It is helpful to know that someone is thinking about me and has shown me respect." – Client feedback

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Financial review

The charity's total income for the financial year was £963,063 (2021 - £883,096), and the total expenditure was £912,787 (2021 - £732,386), giving net surplus of £50,276 (2021 – £150,710) and retained funds carried forward of £605,959 (2021 - £555,683).

Income for the year included successful funding from the Department for Work and Pensions, His Majesty's Prison and Probation Service, Sodexo, Volunteering Matters and Trust funders.

The funds of the charity (including £13,301 fixed asset value), are £583,207 in unrestricted funds and £22,752 in restricted funds carried forward. The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees proposed a policy that the charity should hold a level of reserves, namely those not held for a specific purpose, which is equivalent to no less than 32-weeks operating costs. It has become common practice for Junction 42 to have long periods of unfunded provision due to the change in procurement processes within government, meaning contracts have become more short term in nature with uncertainty and gaps between renewals. This reserves policy was put in place to mitigate this risk our financial stability.

Since January 2022 we have been out of contract with the DWP and have used these reserves to ensure continuation of provision to our service users. This has taken us below 32 weeks' reserves, and we anticipate being below 32 weeks in the coming year, but no lower than 12 weeks. We aim to restore our reserves level in the future by securing a wider portfolio of contractual opportunities.

Plans for future periods

Junction 42 plans to continue investing in developing its work in prisons and the community. In particular we will look to:

- Invest in increasing our provision in Scotland.
- Seek to develop a specialist women's service.
- Increase our partnerships with local churches
- Increase our media presence, influence and voice, including launching a Stories of Hope media stream, telling the stories of those with experience of the criminal justice system.
- Establish a Connect Community in Darlington
- Improve our Impact Measurement function and launch our new CRM system

As stated in note 16 to the accounts, we have received confirmation that contracts held with the Department for Work and Pensions would not be renewed in the 2022/23 financial year. We have built up reserves in recent years to mitigate this potential loss of this income. Our plans for 2023/23 regarding this are to broaden our income streams to reduce our reliance on short term contracts and stabilise our income. We are doing this by growing our in-prison and probation contract opportunities and significantly increasing our grant income, having secured various grants for 2022/23 and some 3-year grants which will provide income through to 2025. We are also investing in increasing our regular donation income and use of fundraising campaigns.

The Junction 42 Foundation

Year Ended 31st March 2022

Trustees' Annual Report

Trustees' responsibilities statement

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining 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 the trustees 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.

Disclosure of information to auditors

The trustees who held office at the date of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

This report was approved by the trustees on 19/12/2022 and is signed on its behalf by:

Paul Cassidy

Trustee



The Junction 42 Foundation

Year Ended 31st March 2022

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinion

We have audited the financial statements of The Junction 42 Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Junction 42 Foundation

Year Ended 31st March 2022

Independent Auditor's Report to the Members of The Junction 42 Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The Junction 42 Foundation

Year Ended 31st March 2022

Independent Auditor's Report to the Members of The Junction 42 Foundation

Auditor's responsibilities for the audit of the financial statements (*continued*)

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



John Oswald BA FCA
Senior Statutory Auditor

For and on behalf of
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Date: 19th December 2022

The Junction 42 Foundation

Year Ended 31st March 2022

Statement of Financial Activities

		Unrestricted Funds	2022 Restricted Funds	Total Funds	2021 Total funds
	Note	£	£	£	£
Income					
Donations and legacies		295,805	136,509	432,314	326,740
Charitable activities		529,283	-	529,283	514,553
Other trading activities		-	150	150	-
Other income		1,316	-	1,316	41,803
Total Income	2	<u>826,404</u>	<u>136,659</u>	<u>963,063</u>	<u>883,096</u>
Expenditure					
Raising funds	3	783	-	783	3,117
Charitable activities	4, 5	<u>733,132</u>	<u>178,872</u>	<u>912,004</u>	<u>729,269</u>
Total Expenditure		<u>733,915</u>	<u>178,872</u>	<u>912,787</u>	<u>732,386</u>
Net income / (expenditure)		<u>92,489</u>	<u>(42,213)</u>	<u>50,276</u>	<u>150,710</u>
Net income and net movement in funds					
Total funds brought forward	13	490,718	64,965	555,683	404,973
Transfers	13	-	-	-	-
Total funds carried forward	13	<u>583,207</u>	<u>22,752</u>	<u>605,959</u>	<u>555,683</u>

All income and expenditure derive from continuing activities.

The statement is a combined Statement of Financial Activities and Income and Expenditure Account for the purposes of meeting both companies act and charity SORP reporting requirements.

The notes on pages 16 to 30 form part of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2022

Statement of Financial Position

	Note	2022 £	2021 £
Fixed assets			
Tangible Fixed Assets	9	13,300	20,811
Investments	10	1	1
		<u>13,301</u>	<u>20,812</u>
Current assets			
Debtors	11	59,098	169,325
Cash at bank and in hand		561,122	399,821
		<u>620,220</u>	<u>569,146</u>
Creditors: amounts falling due within one year	12	<u>27,562</u>	<u>34,275</u>
Net current assets		<u>592,658</u>	<u>534,871</u>
Total assets less current liabilities		<u>605,959</u>	<u>555,683</u>
Net assets	14	<u>605,959</u>	<u>555,683</u>
Funds of the charity			
Restricted funds	13	22,752	64,965
Unrestricted funds	13		
Unrestricted General		446,024	446,780
Designated Funds		137,183	43,938
		<u>583,207</u>	<u>490,718</u>
Total charity funds		<u>605,959</u>	<u>555,683</u>

These financial statements for The Junction 42 Foundation (Company number: 8139367) have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of the Companies Act 2006.

The notes on pages 16 to 30 form part of the financial statements.

Directors Responsibilities

These financial statements were approved by the board of trustees and authorised for issue :

Name of Trustee:

Dr Paul Cassidy

Signed on behalf of the Trustees:



Date of approval:

19/12/22

The Junction 42 Foundation

Year Ended 31st March 2022

Statement of Cash Flows

	2022 £	2021 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	161,290	109,646
	<u>161,290</u>	<u>109,646</u>
Cash flows from investing activities:		
Dividends and interest	11	1
Purchase of tangible fixed assets	-	(18,222)
Net cash provided by (used in) investing activities	<u>11</u>	<u>(18,221)</u>
Change in cash and cash equivalents in the reporting period	161,301	91,425
Cash and cash equivalents at the beginning of the reporting period	399,821	308,396
Cash and cash equivalents at the end of the reporting period	<u>561,122</u>	<u>399,821</u>

Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds for the reporting period (as per the statement of financial activities)	50,276	150,710
Adjustments for:		
Depreciation charges	7,511	7,763
Dividends and interest from investments	(11)	(1)
(Increase) / decrease in debtors	110,227	(64,295)
Increase / (decrease) in creditors	(6,713)	15,469
Net cash provided by (used in) operating activities	<u>161,290</u>	<u>109,646</u>

Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank	561,122	399,821
Total cash and cash equivalents	<u>561,122</u>	<u>399,821</u>

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of Preparation

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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), the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

The charitable company has taken the option under section 398 of the Companies Act 2006 and the Charities Act 2011 (Group Accounts) Regulations 2015 not to prepare consolidated financial statements.

The financial accounts are prepared in Sterling (£) which is the functional currency of the charitable company.

The Junction 42 Foundation meets the definition of a public benefit entity under FRS 102.

1.2 Assessment of Going Concern

Notwithstanding the post balance sheet event as disclosed in Note 16 of the financial statements, the Directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Fund Accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have set aside resources for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or the term of specific appeal.

Further explanation of the nature and purpose of each fund is included in Note 13 of the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

1.4 Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

- All voluntary income is recognised as donations and are included in full, with associated Gift Aid receivable in the Statement of Financial Activities.
- Grants where entitlement is not conditional on the delivery of specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.
- Income from fees for education, training and mentoring are accounted for when invoices are drawn up and the service has been provided (as the point of entitlement).
- Donated services and facilities are included at the value to the charity where this can be quantified.
- Gifts in Kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.
- Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.
- Investment Income is included in the accounts when receivable.

1.5 Resources expended

Charitable activities – The costs of charitable activities represent the cost of undertaking the charity's objectives and include direct costs incurred in delivering those services together with support costs. All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

Costs of raising funds include expenditure on promotion and advertising plus any fundraising trading costs.

1.6 Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

1.7 Liabilities Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

1.8 Tangible fixed assets

All assets costing more than £1,000 are capitalised and at historic cost. Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on fixed assets which is written off on a straight-line basis over time estimated useful life of the asset.

Fixtures, fittings and furniture	20% Straight line
Motor vehicles	25% Reducing balance

Fixtures, fittings and vehicles are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

1.9 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.10 Operating Leases

Rental charges payable under operating leases are charged on a straight line basis over the terms of the lease.

1.11 Taxation

The charity is exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively for charitable purposes. The charity is not exempt from Value Added Tax.

1.12 Volunteer assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

2 Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations and legacies			
Donations and grants	285,895	76,827	362,722
Donations in respect of salaries	-	59,682	59,682
Gift aid tax reclaims	9,910	-	9,910
	<u>295,805</u>	<u>136,509</u>	<u>432,314</u>
Charitable activities			
Prison education services	94,072	-	94,072
Employability education	361,720	-	361,720
Faith in the community	-	-	-
Creative education and engagement	-	-	-
Incell learning production hub	73,491	-	73,491
	<u>529,283</u>	<u>-</u>	<u>529,283</u>
Other trading activities			
Fund raising events	-	150	150
	<u>-</u>	<u>150</u>	<u>150</u>
Other income			
Coronavirus job retention scheme	570	-	570
Reimbursed expenses	735	-	735
Bank Interest	11	-	11
	<u>1,316</u>	<u>-</u>	<u>1,316</u>
Total Income	<u>826,404</u>	<u>136,659</u>	<u>963,063</u>

During the year a non-recurring, material unrestricted donation of £140,000 was received to further the work of the charity.

During the year £570 (2021: £41,792) of government grants was received from the Covid-19 job retention scheme.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

2 Analysis of Income (Continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations and legacies			
Donations and grants	120,937	113,633	234,570
Donations in respect of salaries	-	73,443	73,443
Gift Aid tax reclaims	18,727	-	18,727
	<u>139,664</u>	<u>187,076</u>	<u>326,740</u>
Charitable activities			
Prison education services	58,300	-	58,300
Employability education	284,320	-	284,320
Faith in the community	1,080	-	1,080
Creative education and engagement	47,567	-	47,567
Prison Faith services	123,286	-	123,286
	<u>514,552</u>	<u>-</u>	<u>514,553</u>
Other trading activities			
Fund raising events	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other income			
Coronavirus job retention scheme	41,792	-	41,792
Reimbursed expenses	11	-	11
	<u>41,803</u>	<u>-</u>	<u>41,803</u>
Total Income	<u>696,019</u>	<u>187,076</u>	<u>883,096</u>

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

3 Cost of Fundraising

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Expenditure on raising funds	783	-	783
	<u>783</u>	<u>-</u>	<u>783</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Expenditure on raising funds	3,117	-	3,117
	<u>3,117</u>	<u>-</u>	<u>3,117</u>

4 Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Prison education services	112,771	13,100	125,871
Employability education	114,801	112,533	227,334
Faith in the community	10,381	10,000	20,381
Creative education and engagement	295	3,349	3,644
Incell learning production hub	219,546	11,353	230,898
	<u>457,794</u>	<u>150,334</u>	<u>608,128</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Prison education services	29,900	3,900	33,800
Employability education	38,491	117,006	155,497
Faith in the community	2,067	7,500	9,567
Creative education and engagement	23,014	25,994	49,008
Incell learning production hub	186,106	-	186,106
	<u>279,578</u>	<u>154,400</u>	<u>433,978</u>

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

5 Expenditure on charitable activities support costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations and contractual giving	8,300	-	8,300
Admin management staff costs	176,872	16,967	193,839
Office rent and rates	16,925	-	16,925
Insurance	7,846	-	7,846
Staff travel costs and subsistence	4,727	-	4,727
Office costs - telephone, printing, computers	23,010	315	23,325
Premises expenses and canteen	102	-	102
Motor and travel costs	1,572	-	1,572
Depreciation	7,511	-	7,511
Merchant services and bank charges	-	-	-
Staff training	7,819	-	7,819
Consultancy – media and publicity	4,167	-	4,167
Subscriptions and volunteer costs	315	-	315
Accountancy charges	9,100	-	9,100
Audit fees	1,800	-	1,800
Cleaning and Covid PPE	2,258	-	2,258
Other costs – legal and consultancy	3,014	11,256	14,270
	<u>275,338</u>	<u>28,538</u>	<u>303,876</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations and contractual giving	5,438	-	5,438
Admin management staff costs	146,131	63,775	209,906
Office rent and rates	16,298	-	16,298
Insurance	5,204	-	5,204
Staff travel costs and subsistence	2,066	-	2,066
Office costs - telephone, printing, computers	21,855	-	21,855
Premises expenses and canteen	1,738	-	1,738
Motor and travel costs	5,155	-	5,155
Depreciation	7,763	-	7,763
Merchant services and bank charges	836	-	836
Staff training	3,662	-	3,662
Consultancy – media and publicity	318	-	318
Subscriptions and volunteer costs	734	-	734
Accountancy charges	5,829	-	5,829
Audit fees	1,710	-	1,710
Cleaning and Covid PPE	4,509	-	4,509
Other costs – legal and consultancy	2,270	-	2,270
	<u>231,516</u>	<u>63,775</u>	<u>295,291</u>

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

6 Statutory auditor fees

Fees payable to the statutory auditor for:

	2022	2021
	£	£
Statutory audit fee	1,800	1,710

7 Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	526,007	404,119
Social security costs	31,247	24,630
Employer contributions to pension plans	16,029	10,372
	<u>573,284</u>	<u>439,121</u>

The average head count of employees during the year was as follows:

	2022	2021
Average Head Count		
Direct charitable activities	23	18
Management and administration	10	7
	<u>33</u>	<u>25</u>

Number of employees whom received employee benefits of more than £60,000 during the year was as follows:

	2022	2021
More than £60,000	-	-

Key Management Personnel

The trustees, CEO, head of operations and head of projects are considered to be key management personnel for the purposes of FRS102. The remuneration of the key management personnel for the year including employers national insurance and employers pension contributions was £111,984 (2021: £102,554). The increase in remuneration is due in part to an increase in working hours for the head of operations.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

8 Trustee remuneration, expenses and donations

The trustees received no remuneration in the year (2021: £Nil).

During the year the total aggregated donations made to the charity by the trustees £1,860.

9 Tangible Fixed Assets

	Fixtures and Fittings	Motor vehicles	Total
		£	£
Cost as at 1st April 2021	32,842	16,994	49,836
Additions	-	-	-
Cost as at 31st March 2022	<u>32,842</u>	<u>16,994</u>	<u>49,836</u>
Depreciation as at 1st April 2021	15,801	13,224	29,025
Depreciation Charge	6,568	943	7,511
Depreciation as at 31st March 2022	<u>22,369</u>	<u>14,167</u>	<u>36,536</u>
Net Book Value as at 31st March 2022	<u>10,473</u>	<u>2,827</u>	<u>13,300</u>
Net Book Value as at 31st March 2021	<u>17,041</u>	<u>3,770</u>	<u>20,811</u>

All fixed assets are used for purposes of the charitable company.

10 Investments

	Unlisted investments £
Cost	
31 March 2022 and 31 March 2021	<u>1</u>
	<u>1</u>

Unlisted investments represents an investment of 100% of the issued share capital of Junction 42 Social Enterprises Limited, an unlisted dormant company registered in England.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

11 Debtors

	2022	2021
	£	£
Trade debtors	57,324	165,316
Prepayments	1,774	4,009
	<u>59,098</u>	<u>169,325</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	1,601
Amounts due to subsidiary undertaking	1	1
Accruals and deferred income	15,121	22,000
Other taxes and social security	12,440	10,673
	<u>27,562</u>	<u>34,275</u>

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

13 Analysis of Charitable Funds

	1 Apr 2021 £	Income £	Expenditure £	Transfers £	31 Mar 2022 £
Unrestricted Funds					
Unrestricted					
General funds	446,780	826,404	(728,915)	(98,245)	446,024
	<u>446,780</u>	<u>826,404</u>	<u>(728,915)</u>	<u>(98,245)</u>	<u>446,024</u>
Designated					
Building fund	43,938	-	-	-	43,938
Giving fund	-	-	(5,000)	19,245	14,245
Operations fund	-	-	-	29,000	29,000
Scotland fund	-	-	-	50,000	50,000
	<u>43,938</u>	<u>-</u>	<u>(5,000)</u>	<u>98,245</u>	<u>137,183</u>
Total Unrestricted	<u>490,718</u>	<u>826,404</u>	<u>(733,915)</u>	<u>-</u>	<u>583,207</u>
Restricted Funds					
Acts 435	-	12,019	(12,019)	-	-
Commissioner – VRU monies	24,703	-	(24,703)	-	-
Fiftyfour Two Foundation	-	15,000	(3,750)	-	11,250
JustSow	-	10,000	(9,167)	-	833
Methodist Church	5,000	15,000	(12,500)	-	7,500
Nepacs	-	1,125	427	-	1,552
Salary Support fund	5,442	59,682	(65,124)	-	-
Seedfield Trust	-	3,000	(3,000)	-	-
Sodexo grant	7,000	7,000	(14,000)	-	-
Sport England	7,820	-	(6,203)	-	1,617
The Triangle Trust	-	13,833	(13,833)	-	-
Volunteering Matters	15,000	-	(15,000)	-	-
Total Restricted	<u>64,965</u>	<u>136,659</u>	<u>(178,872)</u>	<u>-</u>	<u>22,752</u>
Total Funds	<u>555,683</u>	<u>963,063</u>	<u>(912,787)</u>	<u>-</u>	<u>605,959</u>

Fund Transfers

During the year three new designated funds were established by the the trustees designating £98,245 from the general funds.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

	1 Apr 2020 £	Income £	Expenditure £	Transfers £	31 Mar 2021 £
Unrestricted Funds					
Unrestricted					
General funds	264,971	696,021	(514,212)	-	446,780
	264,971	696,021	(514,212)	-	446,780
Designated					
Building fund	43,938	-	-	-	43,938
Giving fund	-	-	-	-	-
Operations fund	-	-	-	-	-
Scotland fund	-	-	-	-	-
	43,938	-	-	-	43,938
Total Unrestricted	308,909	696,021	(514,212)	-	490,718
Restricted Funds					
Acts 435	-	-	-	-	-
Connect Network	7,500	-	(7,500)	-	-
Commissioner – VRU monies	45,000	53,813	(74,110)	-	24,703
Faith in Your Future	646	-	(646)	-	-
Fiftyfour Two Foundation	6,000	-	(6,000)	-	-
JustSow	-	-	-	-	-
Methodist Church	5,000	15,000	(15,000)	-	5,000
Nepacs	-	-	-	-	-
Salary Support fund	16,962	73,443	(84,963)	-	5,442
Seedfield Trust	-	-	-	-	-
Seedbed Trust ETS Grant	7,956	-	(7,956)	-	-
Sodexo grant	7,000	7,000	(7,000)	-	7,000
Sport England	-	7,820	-	-	7,820
The Triangle Trust	-	-	-	-	-
Volunteering Matters	-	30,000	(15,000)	-	15,000
Total Restricted	96,064	187,076	(218,175)	-	64,965
Total Funds	404,973	883,097	(732,387)	-	555,683

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

Fund Descriptions

Designated Funds

Building fund	Money designated for the future purchase of a building.
Giving fund	Money designated to give away as per our policy of giving away some of our contractual income and unexpected gifts.
Operations fund	The trustees decided to designate some of the money received from Vertu Motors to invest in our operations function in the next year.
Scotland fund	The trustees decided to designate some reserves money towards developing our work in Scotland.

Restricted Funds

Acts 435	Acts 435 provide micro-grants for us to purchase items for our clients who are in financial hardship.
Connect Network	The Connect Network was funded by grants from Just Sow and was funded in the prior year by The Mercer's Company and Henry Smith.
Commissioner – VRU monies	The Northumbria Police and Crime Commissioner and Violence Reduction Unit (VRU) gave a grant to fund Employability work with VRU clients.
Fiftyfour Two Foundation	The Fiftyfour Two Foundation grant was received to support of Stories of Hope National Prison Initiative.
Methodist Church	The Methodist Church grant funded our employability support in Newcastle upon Tyne.
Nepacs	Nepacs provide micro-grants for us to purchase items for our clients who are in financial hardship.
Salary Support fund	The Salary Support Fund is for funding received from various sources towards the salary costs of our staff.
Seedfield Trust	The Seedfield Trust grant funded the the hall hire costs for our production Hub.
Sodexo grant	The Sodexo grant was received for the faith work in HMP Northumberland.
Sport England	The Sport England grant is for sports activites for clients.
The Triangle Trust	The Triangle Trust provided funds for the development of our CRM system.
Volunteering Matters	The Volunteering matters grant is to provide a telephone befriending service to people who are currently serving their sentences in the community either on a community sentence order or on a period on license.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fixed assets	13,301	-	13,301
Current assets	597,468	22,752	620,220
Creditors less than 1 year	(27,562)	-	(27,562)
	<u>583,207</u>	<u>22,752</u>	<u>605,959</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fixed assets	20,812	-	20,812
Current assets	504,181	64,965	569,146
Creditors less than 1 year	(34,275)	-	(34,275)
	<u>490,718</u>	<u>64,965</u>	<u>555,683</u>

15 Related party transactions

During the year, the charitable company received total donations of £12,000 (2021: £50,483) from The Vardy Foundation (England and Wales charity no. 328415; Scotland SC051152). The Vardy Foundation is a related party of trustee Richard Vardy.

There are no other related party transactions to disclose.

16 Post balance sheet events

Following the year end the organisation was received confirmation that contracts held with the Department for Work and Pensions would not be renewed in the 2022/23 financial year. The total estimated loss of annual income from the contract is £236,000.

The Junction 42 Foundation

Year Ended 31st March 2022

Notes to the Financial Statements

17 Prior year Statement of financial activities

	Unrestricted Funds £	2021 Restricted Funds £	Total Funds £
Income			
Donations and legacies	139,664	187,076	326,740
Charitable activities	514,552	-	514,552
Other trading activities	-	-	-
Other income	41,805	-	41,805
Total Income	696,021	187,076	883,097
Expenditure			
Raising Funds	3,117	-	3,117
Charitable activities	511,095	218,175	729,270
Total Expenditure	514,212	218,175	732,387
Net income / (expenditure)	181,809	(31,099)	150,710

THE JUNCTION 42 FOUNDATION

England & Wales - Charity number 1149813

Accounts

Company registration number: 8139367
Charity registration numbers: 1149813
SCO47781

JUNCTION⁴²

**The Junction 42 Foundation
(a company limited by guarantee)**

**Trustees' report
and
financial statements**

for the year ended

31 March 2021

The Junction 42 Foundation
(a company limited by guarantee)
Trustees' report and financial statements
for the year ended 31 March 2021

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The Junction 42 Foundation
(a company limited by guarantee)

Legal and administrative information

Trustees:	Dr Paul Cassidy Mrs Alison Edwards Mr Richard Vardy Mrs Sarah Wade Rt Rev Francis White
Registered office:	Brunswick Methodist Church Brunswick Place Newcastle upon Tyne NE1 7BJ
Chief executive officer:	Joanne M O'Connor
Company registration no:	8139367
Charity registration numbers:	1149813 England and Wales SCO47781 Scotland
Bankers:	HSBC Bank plc 279 Whitley Road Whitley Bay Tyne & Wear NE26 2SW
Independent auditor:	Stephenson Coates Audit Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD

The Junction 42 Foundation
(a company limited by guarantee)

Report of the Trustees
for the year ended 31 March 2021

The trustees present their report and the financial statements for the year ended 31 March 2021. These are prepared in accordance with the governing document, the recommendations of the 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 (FRS102) and the small companies' regime of the Companies Act 2006.

Reference and administrative details

The Junction 42 Foundation is a charitable company, formed in 2012 to provide help to people who have criminal convictions or those considered at risk of offending against the law. It is a company limited by guarantee and is also a registered charity (in England & Wales; and in Scotland).

The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 3.

Structure, governance and management

As a company limited by guarantee, there is no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up whilst being a member or within one year of ceasing to be a member, such amount not to exceed £10. The relevant governing document is the Memorandum and Articles of Association.

New trustees may be appointed by resolution passed at a special meeting of the trustees, or by statutory powers. The training and induction for new trustees will depend on experience.

The trustees are responsible for setting general policy, but the day to day running of the charitable company is delegated to an employed management team headed by the Chief executive officer.

Objectives and principal activities

The charitable objectives of the company are:

1. To relieve the charitable needs of those in need by reason of current and previous criminal convictions or those considered at risk of offending against the law in particular but not exclusively by creation of employment, housing, education, training and community projects to assist with their rehabilitation and to do this with a Christian ethic.
2. The prevention or alleviation of poverty and sickness through the provision of grants or services to individuals in need by reason of current and previous criminal convictions or those considered at risk of offending against the law and/or charities, or other organisations working to prevent or relieve poverty, homelessness and sickness.

Risks

The trustees confirm that the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, have been identified and reviewed; and that systems are in place to mitigate those risks.

Strategic developments in risk management this year include:

- Creation of trustee subgroups to manage operational and financial risks;
- Initiation of an 'across-the-board' policy review;
- Introduction of panic-buttons and personal safety apps for outreach workers;
- Significant improvement in IT hardware and software.

**Report of the Trustees (*continued*)
for the year ended 31 March 2021**

Public benefit

The trustees are satisfied that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

When planning the charity's activities, the trustees considered the Charity Commission Guidance on public benefit. The trustees also considered how the charity had succeeded in delivering its aims, including any public benefit, when reviewing the achievements for the year set out below.

Achievements and performance

Junction 42 exists to see the lives of offenders and their communities visibly transformed through:

- Employability and entrepreneurial training;
- Creative education and engagement;
- Through the gate mentoring and faith support.

Our values are:

- Journeying with
- Inspirational
- Relational
- Missional
- Creating opportunities

This is Junction 42's ninth year of operation

In a pandemic year we saw that our provision was as vital as ever and we endeavoured to continue supporting our clients. The year saw us adapt our existing provision and create various new tools to ensure we could support our clients whatever the lockdown status of the prison estate or community. A year of challenges was also a year of opportunity to serve the prison population, as we opened a production centre and launched the Stories of Hope programme, seeing our scope expand from our local prisons to resourcing prisons nationally.

Report of the Trustees (*continued*) for the year ended 31 March 2021

Employability and entrepreneurship

During lockdown Junction 42 pivoted services to ensure we could continue supporting our clients. This required the creation of new tools and technology and also meant the service delivered to our clients was slightly different, but it remained centred around providing wholistic support across our '10 pathways' for those with criminal convictions. Added value was provided as staff were redeployed from other areas to help bolster our response in supporting our vulnerable clients in the community.

This has been Junction 42's sixth year partnering with the Department for Work and Pensions. We are delighted to have launched a Work Out Programme in the Durham Tees Valley area in addition to our existing programmes in Newcastle and Sunderland.

Clients on the Work Out programme receive 1:2:1 mentoring support and groupwork opportunities to improve their social and life skills, wellbeing, employability and engagement with statutory services. Junction 42 also ran a Work Out programme in Edinburgh this year.

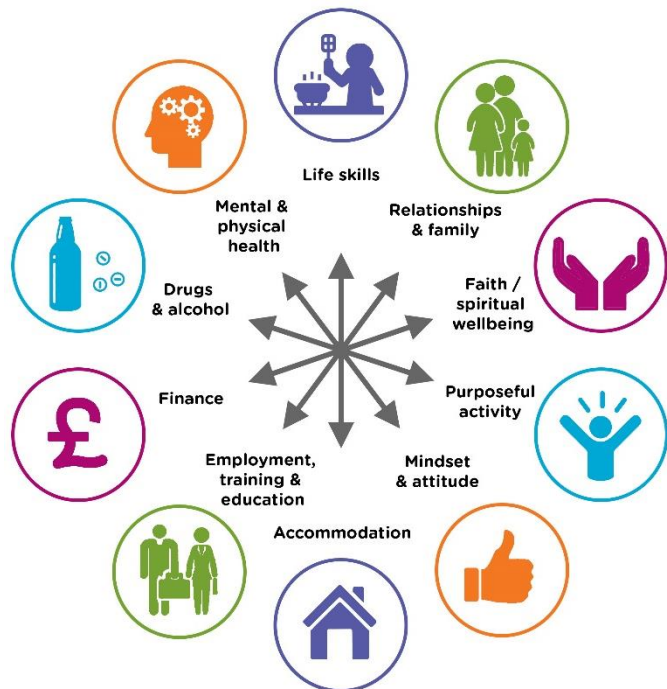
This year, 311 people engaged with our employability services with 143 completing the programme.

"No one has ever listened to me, treated me with respect or helped me understand how I can get help before I met you" – Work Out client

"I would like to thank you for everything you have done. It has given me hope that I can pull this off after all and it's thanks to people like you who go out of the way to help others." – Work Out client

Creative education and engagement

The prison estate spent most of the year on an internal lockdown. As a result, our provision was pivoted to an in-cell learning approach and a new Media – Pack – Personal model.



Report of the Trustees (*continued*)
for the year ended 31 March 2021

Creative Arts: the three-pronged approach

	Method:	Definition:	Tooling:
A three-pronged approach to Creative Arts delivery	Media resource	A 10 minute video tutorial played on A Way Out TV.	A DVD containing 3 – 15 minute tutorial of all 12 sessions. An illustrated instructions leaflet specific to each pack and project.
	Interactive kinesthetic packs	A pack of creative resources and tutor manual to help an individual learn a skill and create a project.	Creative in-cell learning packs containing all the materials needed to complete each of the independent projects, plus ideas for progression/development
	On-site support	Weekly feedback from the programme lead. Submission of weekly work and individual works for the Koestler awards.	This would be on-site support through the door, on the telephone or in small groups as appropriate.

Considerable resource was invested in pivoting to this new model over the year. We saw an increased demand for Junction 42's expertise and resources and as a result we were one of the main providers of high-quality, engagement provision in our local prisons. Feedback from men and women in prison showed they found the in-cell creative engagement gave them hope, a positive outlet and in many cases kept them going in a dark and difficult time.

"You can never underestimate the impact of giving someone who has very little just a small pack like this" – Prison Chaplain



Koestler Awards 2020

Men and women on our Creative arts courses in HMP Northumberland and HMP Low Newton won 18 and 26 awards respectively at the 2020 Koestler Awards for arts in criminal justice. We were delighted to see their talents acknowledged and for them to receive such positive feedback. A particular highlight was seeing our women's piece 'Hope' displayed at the Southbank Centre.

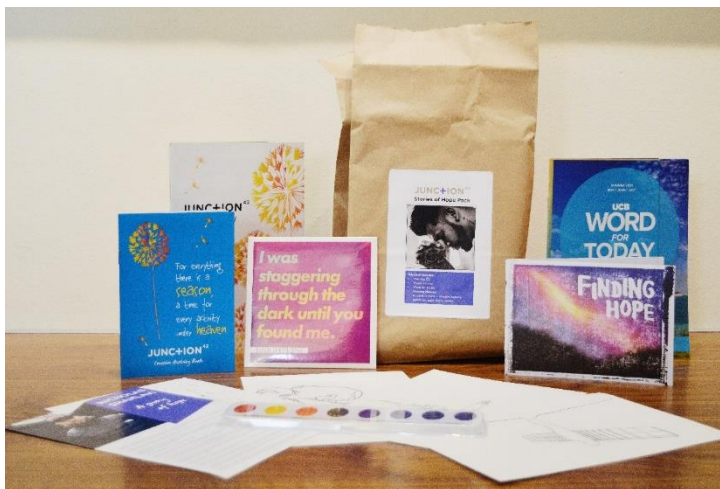
**Report of the Trustees (*continued*)
for the year ended 31 March 2021**

Faith

Stories of Hope

The learnings and success of pivoting our regional creative resources prompted the development of a national prison outreach 'Stories of Hope'. Initially a lockdown response, we sent 12,000 'faith packs' to prisons across the home nations. The value was seen by prisoners and prison chaplaincies alike, resulting Stories of Hope being established as a regular outreach programme spearheaded by Junction 42 in partnership with other third sector organisations across the country.

There are three elements to Stories of Hope: creative packs, media and personal discipleship.



Creative Packs

The aim of the packs was to provide something that is highly engaging which utilises tactile, auditory and visual learning to provide prisoners with a means to explore or engage with faith in their prison cell. Prison chaplains reported that the packs were highly valuable in equipping them to engage with prisoners when traditional means were not possible.

Junction 42 was uniquely placed as a recognised, experienced, criminal justice provider who understood the niche environment of prison; understanding what

would be valuable to people in their cells and possible to deliver with the prison system. We created national partnerships with other third sector organisation and were able to create the logistical networks to make it happen as we worked with Prison Chaplaincy HQ and opened communication lines with every prison in England, Wales, Scotland Northern Ireland. There was also significant added value as we were able to activate our volunteers network, the Connect community and some of our clients to help pack thousands of packs. This was valuable to them and us as it gave them purposeful activity and an ability to help during the lockdown months.

This year Junction 42 created, packed and distributed
90,894 Stories of Hope packs to 113 prisons

"I have spent most of the day giving out the faith packs from your organisation. The men have been delighted with them. It reassures them that they are not forgotten and that people on the outside do care and think of them. The resource you have put together and so kindly donated, will help the men deepen their faith too." – Prison Chaplain

Media

We have begun producing television and radio content to support the physical packs. These media pieces are broadcasted on National Prison Radio, A Way Out TV (in cell TV Channel) and by chaplains on localised channels. Both media pieces capture worship, testimonies and the Word from life on the outside, featuring those who have had criminal justice experience.

**Report of the Trustees (continued)
for the year ended 31 March 2021**



Personal Discipleship

We were able to adapt all our chaplaincy courses to an in-cell provision meaning the men and women were able to continue engaging and we could reach an audience that couldn't normally attend chapel groups. These adaptations included the development of in-cell resources for Alpha and launch of a letter-writing Bible study programme where people in prison were linked with a Junction 42 volunteer. The Alpha resources were initially developed for our local outreach workers but was then piloted across Scottish prisons with Alpha. Our outreach workers have been on the ground in five prisons supporting chaplaincy departments in delivering chaplaincy services and offering 1:2:1 support either in-person or by in-cell telephone.

Connect

Junction 42 continues to oversee the Connect Network. The Connect Network trains and supports the local church to provide a safe and welcoming space for those from the margins to grow in their faith. In this year Connects met mostly online and although in-person meetings were missed, at 31.03.21 there were 2,582 members of Connect online.

Further Developments

Seasonal Responses

Due to the popularity of creative and faith packs, we developed a regional response to ensure every prisoner in North East England and Scotland (totalling 11,180) received a Christmas gift pack. In some prisons we also made gifts to staff to recognise their service as hidden heroes. We recognised that due to lack of in-person presence, the message of care love and concern could be communicated as a physical, high quality, well-thought-out gift and card.

Prison induction and leaver packs

Junction 42 developed and implemented the roll-out of prison leaver hygiene packs in our local prisons. These included items from essential toiletries to towels and masks. Although Junction 42 already provided a resettlement support offering for prison leavers, we saw an increased need for hygiene and technology provision through the pandemic.

At HMP Low Newton, a staff initiative based on listening to the residents led to the development of hygiene induction packs and slippers. This initiative was cited by HM Chief Inspector of Prisons in their inspection report for HMP Low Newton.

"All women received an unusually good pack of toiletries from local faith charity Junction 42 on reception and again on discharge"

**The Junction 42 Foundation
(a company limited by guarantee)**

**Report of the Trustees (*continued*)
for the year ended 31 March 2021**

Telephone befriending scheme

In early 2021 Junction 42 was onboarded by Volunteer Matters to offer a Telephone Befriending Service to people who are currently serving their sentences in the community either on a community sentence order or on a period on license. Junction 42 have been delighted to provide support to the most vulnerable by providing telephone calls to help those feeling isolated during this pandemic, providing general conversations and/or giving helpful tips on how to occupy time in a pro-social manner.

Financial review

The charity's total income for the financial year was £883,097 (2020 - £701,475), and the total expenditure was £732,387 (2020 - £511,135), giving net surplus of £150,710 (2020 – £190,340) and retained funds carried forward of £555,683 (2020 - £404,973).

Income for the year included successful funding from the Department for Work and Pensions, Her Majesty's Prison and Probation Service, Sodexo, Northumbria Crime Commissioner's Violence Reduction Unit, Sport England, Volunteer Matters and Trust funders.

The funds of the charity (inc £20,812 asset value), are £490,718 in unrestricted funds and £64,965 in restricted funds carried forward. The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

It has become common for Junction 42 to have six to eight months of unfunded provision due to the change in procurement processes within government, meaning contracts have become more short term in nature with uncertainty and gaps between renewals. This presents a risk to our financial stability and so the trustees' proposed a policy to hold a level of reserves, namely those not held for a specific purpose, which is equivalent to 32-weeks operating costs (£488,408) to help mitigate this risk and ensure ongoing provision to some of the most vulnerable.

Plans for future periods

Junction 42 plans to continue investing in developing its work in prisons and the community. In particular we will look to:

- Build on the successful launch of Teesside Work Out programme with more staff capacity
- Invest in increasing our provision in Scotland.
- Seek to develop our women's service, particularly in area of resettlement.
- Continue developing and delivering the Stories of Hope programme after a successful launch in 2020. In 2021 we plan for this to include the launch of a Kick-Start scheme to offer young people a work-placement in our production hub.
- Relaunch Connect communities, return to in-person meetings and train, support and resource local churches to establish new Connects.
- Increase stakeholder engagement and collaboration with other services in sector to increase efficiency, reduce duplication, remove barriers and developing problem solving.

Given the continued growth of the organisation, Junction 42 plans to continue investing in its operations function through expertise consultancy to ensure its current systems are fit for purpose and facilitate future growth. We plan for this to include improved financial software, the implementation of a CRM database and upgrading other tools to enable automation of key processes. Additionally we will carry out an across-the-board policy review. Financially the trustees are aiming to de-risk Junction 42's finances by securing longer-term funding to stabilise gaps between short-term contracts.

**The Junction 42 Foundation
(a company limited by guarantee)**

**Report of the Trustees (*continued*)
for the year ended 31 March 2021**

Trustees' responsibilities statement

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for maintaining 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 the trustees 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.

Disclosure of information to auditors

The trustees who held office at the date of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

This report was approved by the trustees on 17 November 2021 and is signed on its behalf by:

**Paul Cassidy
Trustee**

The Junction 42 Foundation
(a company limited by guarantee)

Independent auditor's report to the members of The Junction 42 Foundation

Opinion

We have audited the financial statements of The Junction 42 Foundation (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Junction 42 Foundation
(a company limited by guarantee)

Independent auditor's report to the members of The Junction 42 Foundation (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The Junction 42 Foundation
(a company limited by guarantee)

Independent auditor's report to the members of The Junction 42 Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

John Oswald BA FCA
Senior statutory auditor
for and on behalf of
Stephenson Coates Audit Limited
Chartered accountants
Statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

17 November 2021

The Junction 42 Foundation
(a company limited by guarantee)

Statement of financial activities
for the year ended 31 March 2021

Summary income and expenditure account

	Notes	Unrestricted funds		Restrict	Total	Total
		General	Buildin g	d funds	2021	2020
		£	£	£	£	£
Income from:						
Donations and legacies	2	139,664	0	187,076	326,740	156,633
Charitable activities	3	514,552	0	0	514,552	543,163
Other trading activities	4	0	0	0	0	1,369
Bank interest		1	0	0	1	11
Other	5	41,803	0	0	41,803	299
Total		696,021	0	187,076	883,097	701,475
Expenditure on:						
Raising funds						
Costs of fundraising	6	3,117	0	0	3,117	290
Charitable activities	7-9	511,095	0	218,175	729,270	510,845
Total		514,212	0	218,175	732,387	511,135
Net income		181,809	0	(31,099)	150,710	190,340
Transfers between funds		0	0	0	0	0
Net movement in funds		181,809	0	(31,099)	150,710	190,340
Total funds brought forward		264,971	43,938	96,064	404,973	214,633
Total funds carried forward		446,780	43,938	64,965	555,683	404,973

The notes on pages 18 to 25 form part of these financial statements.

The Junction 42 Foundation
(a company limited by guarantee)

Balance Sheet at 31 March 2021

	Notes	2021	2020
Fixed assets			
Tangible assets	10	20,812	10,353
Investments	11	<u>1</u>	<u>1</u>
		20,813	10,354
Current assets			
Debtors	12	169,325	105,030
Cash in bank and in hand		<u>399,820</u>	<u>308,395</u>
		569,145	413,425
Creditors: amounts falling within one year	13	<u>34,275</u>	<u>18,806</u>
Net current assets		<u>534,870</u>	<u>394,619</u>
Total assets less current liabilities		<u>555,683</u>	<u>404,973</u>
Net assets		<u>£555,683</u>	<u>£404,973</u>
Funds			
Unrestricted funds - general	14	446,780	264,971
Unrestricted funds - designated	14	43,938	43,938
Restricted funds	15	64,965	96,064
Total funds		<u>£555,683</u>	<u>£404,973</u>

The notes on pages 18 to 25 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small entities regime of the Companies Act 2006.

These financial statements were approved by the Board and authorised for issue on 17 November 2021 and are signed on their behalf by:

Paul Cassidy
Trustee
Company registration number: 8139367

The Junction 42 Foundation
(a company limited by guarantee)

**Cash flow statement
for the year ended 31 March 2021**

	2021	2020
	£	£
Reconciliation of net income to net cash flows from operating activities		
Net income for year	150,710	190,340
Bank interest	-1	-11
Depreciation	7,763	4,600
Increase in debtors	-64,295	-75,493
Increase in creditors	<u>15,469</u>	<u>8,619</u>
Net cash inflow from operating activities	109,646	128,055
Cash flows from investing activities		
Purchases of tangible fixed assets	-18,222	-400
Bank interest	<u>1</u>	<u>11</u>
Net cash flows from investing activities	-18,221	-389
Net increase in cash and cash equivalents	<u><u>91,425</u></u>	<u><u>127,666</u></u>
Cash and cash equivalents at start of period	308,395	180,729
Cash and cash equivalents at end of period	<u><u>399,820</u></u>	<u><u>308,395</u></u>
Cash and bank	399,820	308,395
Cash and cash equivalents	<u><u>399,820</u></u>	<u><u>308,395</u></u>

The Junction 42 Foundation
(a company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements of the charitable company have been prepared under the historical cost convention and in accordance with the 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), the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

The charitable company has taken the option under section 398 of the Companies Act 2006 and the Charities Act 2011 (Group Accounts) Regulations 2015 not to prepare consolidated financial statements.

The financial accounts are prepared in Sterling (£) which is the functional currency of the charitable company.

The Junction 42 Foundation meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

1.3 Income

Voluntary income is accounted for on a cash received basis or on an accruals basis where receipt can be assured with reasonable certainty. Where grants are received for specific purposes, the balance of income received but not matched to relevant expenditure during the period is carried forward within restricted funds on the balance sheet.

Fees for education, training and mentoring are accounted for on an accruals basis.

Government grants that compensate the company for expenses incurred are recognised in the statement of financial affairs on a systematic basis in the same period in which the expenses are incurred.

1.4 Expenditure

Charitable activities – The costs of charitable activities represent the cost of undertaking the charity's objectives and include direct costs incurred in delivering those services together with support costs. All expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Value added tax is not recoverable by the charitable company and as such it is included in the relevant costs in the Statement of Financial Activities.

Costs of raising funds include expenditure on promotion and advertising plus any fundraising trading costs.

The Junction 42 Foundation
(a company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. Accounting policies (*continued*)

1.5 Fund accounting

Restricted funds relate to amounts received which have been specified for a particular use by the donor. All other funds are unrestricted funds which the charity may use for its charitable purposes at its discretion.

1.6 Tangible fixed assets

Expenditure on tangible fixed assets is capitalised where it is above £250; below that amount, such expenditure is written off in the period it is incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. For office equipment this is calculated at 20% on a straight line basis; for motor vehicles, this is calculated at 25% on a reducing balance basis

1.7 Impairment of fixed assets

Fixtures, fittings and vehicles are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in the Statement of Financial Activities.

1.8 Debtors and creditors due within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses from impairment are recognised in expenditure.

1.9 Taxation

The charity is exempt from taxation in respect of income or capital gains received to the extent that such income or gains are applied exclusively for charitable purposes. The charity is not exempt from Value Added Tax.

1.10 Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

1.11 Defined contribution plans

The charitable company operates a defined contribution pension scheme for its staff. The scheme and its assets are held by independent managers. The pension cost charge in the financial statements represents contributions due from the charity for the year.

1.12 Voluntary assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

The Junction 42 Foundation
(a company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021
(continued)

2. Donations and legacies

	General funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and grants	120,937	113,633	234,570	30,399
Donations in respect of salaries	0	73,443	73,443	112,262
Gift aid tax reclaims	18,727	0	18,727	13,972
	139,664	187,076	326,740	156,633

3. Charitable activities

Prison education services	58,300	0	58,300	92,018
Employability education	284,320	0	284,320	352,770
Faith in the community	1,080	0	1,080	26,273
Creative education and engagement	47,567	0	47,567	72,103
Prison Faith Services	123,286	0	123,286	0
	514,552	0	514,552	543,164

4. Other trading activities

Fund raising events	0	0	0	1,369
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5. Other income

Coronavirus job retention scheme	41,792	0	41,792	0
Reimbursed expenses	11	0	11	299
	41,803	0	41,803	299

6. Costs of fundraising

Fund raising expenses	3,117	0	3,117	290
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The Junction 42 Foundation
(a company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021
(continued)

7. Charitable activities – direct costs

	General funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Prison education services	29,900	3,900	33,800	55,192
Employability education	38,491	117,006	155,497	110,342
Faith in the community	2,067	7,500	9,567	28,903
Creative education and engagement	23,014	25,994	49,008	62,968
Incell learning production hub	186,106	0	186,106	0
	<u>279,578</u>	<u>154,400</u>	<u>433,978</u>	<u>257,406</u>

8. Charitable activities - support costs

Donations and contractual giving	5,438	0	5,438	1,103
Admin management staff costs	146,131	63,775	209,906	187,035
Office rent and rates	16,298	0	16,298	7,074
Insurance	5,204	0	5,204	5,511
Staff travel costs and subsistence	2,066	0	2,066	6,836
Office costs - telephone, printing, computers	21,855	0	21,855	10,354
Premises expenses and canteen	1,738	0	1,738	2,971
Motor and travel costs	5,155	0	5,155	6,081
Depreciation	7,763	0	7,763	4,600
Merchant services and bank charges	836	0	836	1,064
Staff training	3,662	0	3,662	9,792
Consultancy – media and publicity	318	0	318	697
Subscriptions and volunteer costs	734	0	734	1,225
Accountancy charges	5,829	0	5,829	0
Audit fees	1,710	0	1,710	1,650
Cleaning and Covid PPE	4,509	0	4,509	0
Other costs – legal and consultancy	2,270	0	2,270	7,445
	<u>231,517</u>	<u>63,775</u>	<u>295,292</u>	<u>253,439</u>

9. Staff costs and trustee disclosures

	2021	2020
	£	£
Gross salaries	404,119	331,051
Social security costs	24,630	21,437
Employer's pension contributions	10,372	6,374
	<u>439,121</u>	<u>358,862</u>

The Junction 42 Foundation
(a company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021
(continued)

9. Staff costs and trustee disclosures
(continued)

	2021	2020
Average number of employees:		
Direct charitable activities	18	13
Management and administration	7	7
	25	20

The salary of the chief executive officer for the year was £42,645. No employee received £60,000 pa or more.

The trustees and the ceo are considered to be key management personnel for the purposes of FRS102.

The trustees received no remuneration in the year (2020: £nil).

During the year, the charitable company received total donations of £50,483 from The Vardy Foundation (England and Wales charity no. 328415; Scotland SC051152). Richard Vardy is also a trustee of that charity.

10. Tangible fixed assets

	Fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 2020	14,620	16,994	31,614
Disposals	0	0	0
Additions	18,222	0	18,222
At 31 March 2021	32,842	16,994	49,836
Depreciation			
At 1 April 2020	9,294	11,967	21,261
Charge for year	6,507	1,257	7,763
Disposals	0	0	0
At 31 March 2021	15,801	13,224	29,024
Net book amount			
At 31 March 2021	17,041	3,770	20,812
At 31 March 2020	5,326	5,027	10,353

All fixed assets are used for purposes of the charitable company.

The Junction 42 Foundation
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Notes to the financial statements
for the year ended 31 March 2021
(continued)

11. Investments

	Unlisted investments
Cost	£
At 31 March 2021 and 31 March 2020	<u>1</u>
	<u>1</u>

Unlisted investments represents an investment of 100% of the issued share capital of Junction 42 Social Enterprises Limited, an unlisted dormant company registered in England.

12. Debtors

	2021	2020
	£	£
Trade debtors	165,316	78,661
Prepayments and accrued income	<u>4,009</u>	<u>26,369</u>
	<u>169,325</u>	<u>105,030</u>

13. Creditors: amount falling due within one year

	2021	2020
	£	£
Trade creditors	1,601	2,521
Amounts due to subsidiary undertaking	1	1
Accruals and deferred income	22,000	7,000
Other taxes and social security	<u>10,673</u>	<u>9,284</u>
	<u>34,275</u>	<u>18,806</u>

The Junction 42 Foundation
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Notes to the financial statements
for the year ended 31 March 2021
(continued)

14. Unrestricted funds

	Balance at	Movement in resources			Balance at
	01 April 2020	Incoming	Outgoing	Transfers	31 March 2021
	£	£	£	£	£
General funds	264,971	696,021	514,212	0	446,780
Designated funds	43,938	0	0	0	43,938
	308,909	696,021	514,212	0	490,718

At 31 March 2020, the directors designated £43,938 of unrestricted funds as a fund for procuring an office building.

15. Restricted funds

	Balance at	Movement			Balance at
	01 April 2020	Income	Expenditure	Transfers	31 March 2021
	£	£	£	£	£
Salary Support fund ¹	19,962	73,443	84,963	0	5,442
Connect Network ²	7,500	0	7,500	0	0
Seedbed Trust ETS Grant ³	7,956	0	7,956	0	0
Sodexo grant ⁶	7,000	7,000	7,000	0	7,000
Faith in Your Future ⁸	646	0	646	0	0
Connectional Mission - The Methodist Church ¹¹	5,000	15,000	15,000	0	5,000
Northumbria Police & Crime Commissioner – VRU monies ¹²	45,000	53,813	74,110	0	24,703
Fiftyfour Two Foundation – Employability ¹⁴	6,000	0	6,000	0	0
Other – Sport England ¹⁵	0	7,820	0	0	7,820
Other – Volunteering matters ¹⁶	0	30,000	15,000	0	15,000
	96,064	187,076	218,175	0	64,965

Restricted funds are held as net current assets on the balance sheet.

The Junction 42 Foundation
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Notes to the financial statements
for the year ended 31 March 2021
(continued)

15. Restricted funds (continued)

	Balance at	Movement			Balance at
	01 April 2019	Income	Expenditure	Transfers	31 March 2020
	£	£	£	£	£
Salary Support fund ¹	11,569	112,262	106,870	0	16,962
Connect Network ²	10,800	17,000	20,300	0	7,500
Seedbed Trust ETS Grant ³	14,475	0	6,519	0	7,956
Scottish division ⁵	28,006	0	28,006	0	0
Sodexo grant ⁶	0	7,000	0	0	7,000
Faith in Your Future ⁸	1,011	0	365	0	646
Connectional Mission - The Methodist Church ¹¹	3,600	15,000	13,600	0	5,000
Northumbria Police & Crime Commissioner – VRU monies ¹²	0	61,500	16,500	0	45,000
Community Foundation ¹³	0	25,000	25,000	0	0
Fiftyfour Two Foundation – Employability ¹⁴	0	15,000	9,000	0	6,000
Other	0	1,000	1,000	0	0
	69,462	253,762	227,160	0	96,064

¹The Salary Support Fund is for funding received from various sources towards the salary costs of the

²The Connect Network was funded by grants from The Mercer's Company and Henry Smith.

³The Seedbed Trust grant was received to develop and deliver 'Kingsman' and other Social Enterprise projects.

⁴The National Lottery grant was received for the start-up equipment required for the expansion of employability provision into Sunderland.

⁵Scotland received funding to cover the first three years of piloting work in this area.

⁶The Sodexo grant was received for the faith work in HMP Northumberland.

⁷ The HMP Durham grant was received for faith work in this prison.

⁸'Faith in Your Future' was established through a grant from the Seedbed Trust.

⁹ The Novum Trust grant was given to fund the pilot of 'Homecoming' in Scotland.

¹⁰ The Bay Church donated funds to cover the cost of a 'Keys to Freedom' training day with Junction 42.

¹¹ The Employability work was funded by grants from the The Methodist Church.

¹² The Northumbria Police and Crime Commissioner and Violence Reduction Unit (VRU) gave a grant to fund Employability work with VRU clients.

¹³ The Community Foundation grant was received to conduct a business consultancy, provide recommendations and begin the implementation of these.

¹⁴ The Fiftyfour Two Foundation grant was given to deliver a Pilot round of the 'Work Out' employability programme in Scotland.

¹⁵ The Sport England grant is for Angling training provision to clients.

¹⁶ The Volunteering matters grant is to provide a telephone befriending service to people who are currently serving their sentences in the community either on a community sentence order or on a period on license