

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

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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

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"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



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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

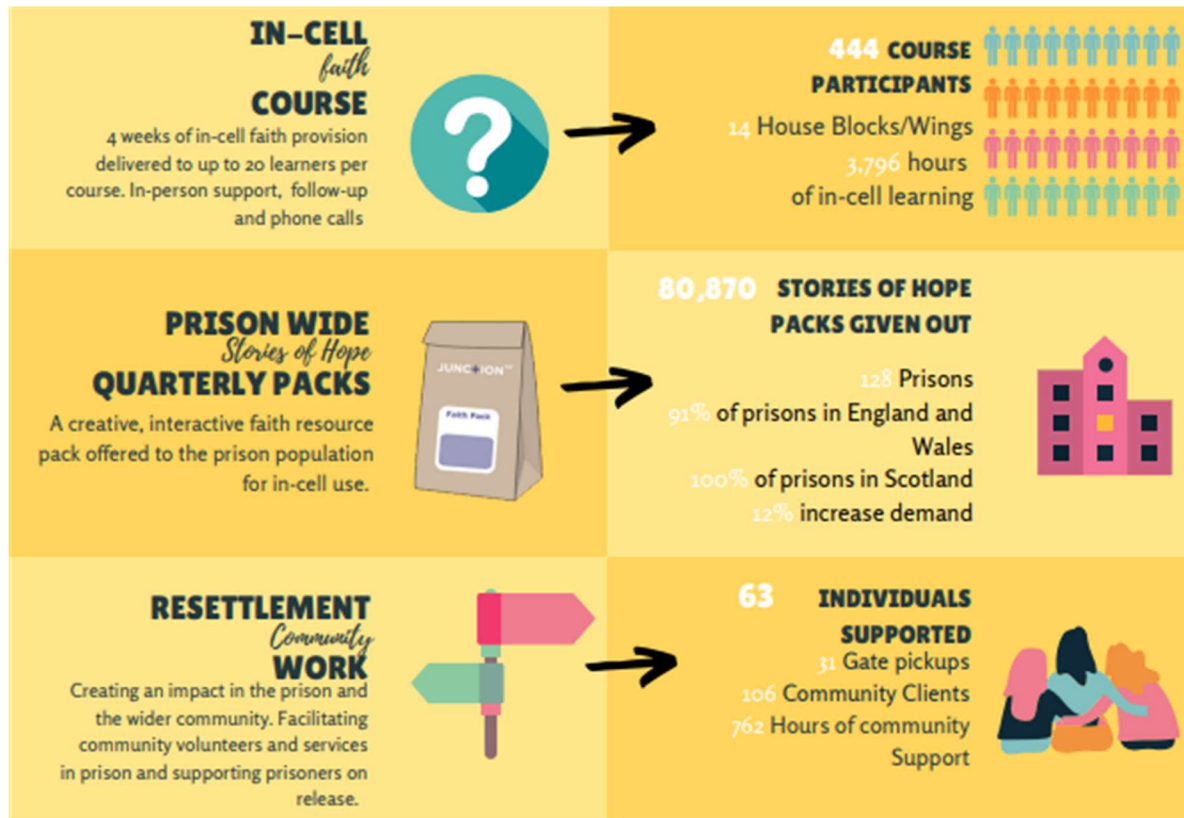
Year Ended 31st March 2024

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

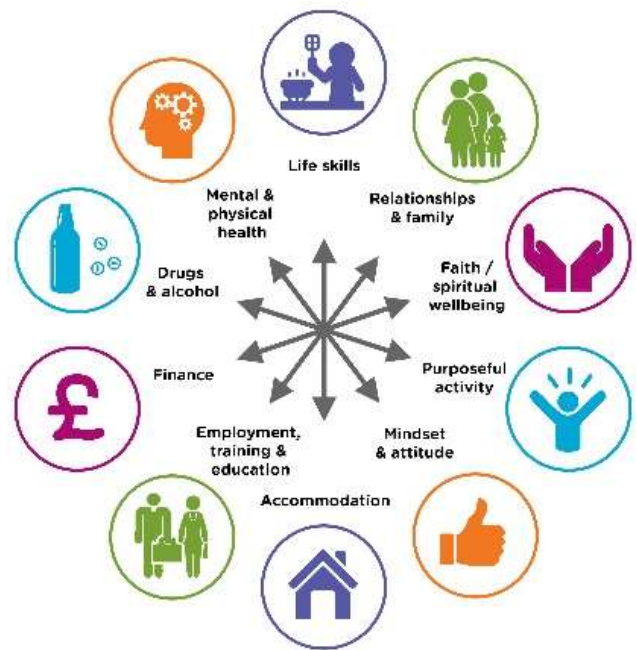
Trustees' Annual Report (Incorporating the Directors' Report)

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

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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

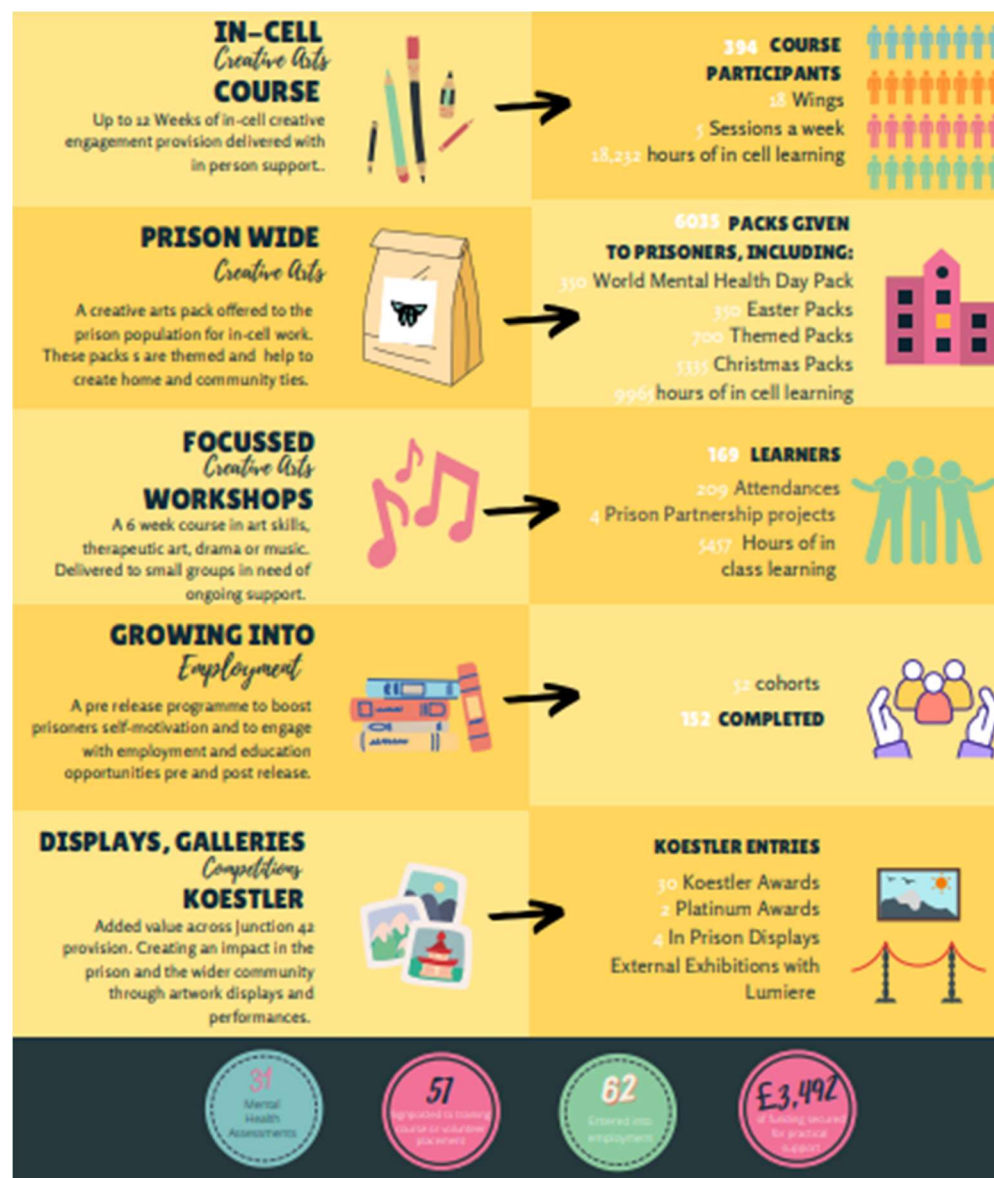
Trustees' Annual Report (Incorporating the Directors' Report)

"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

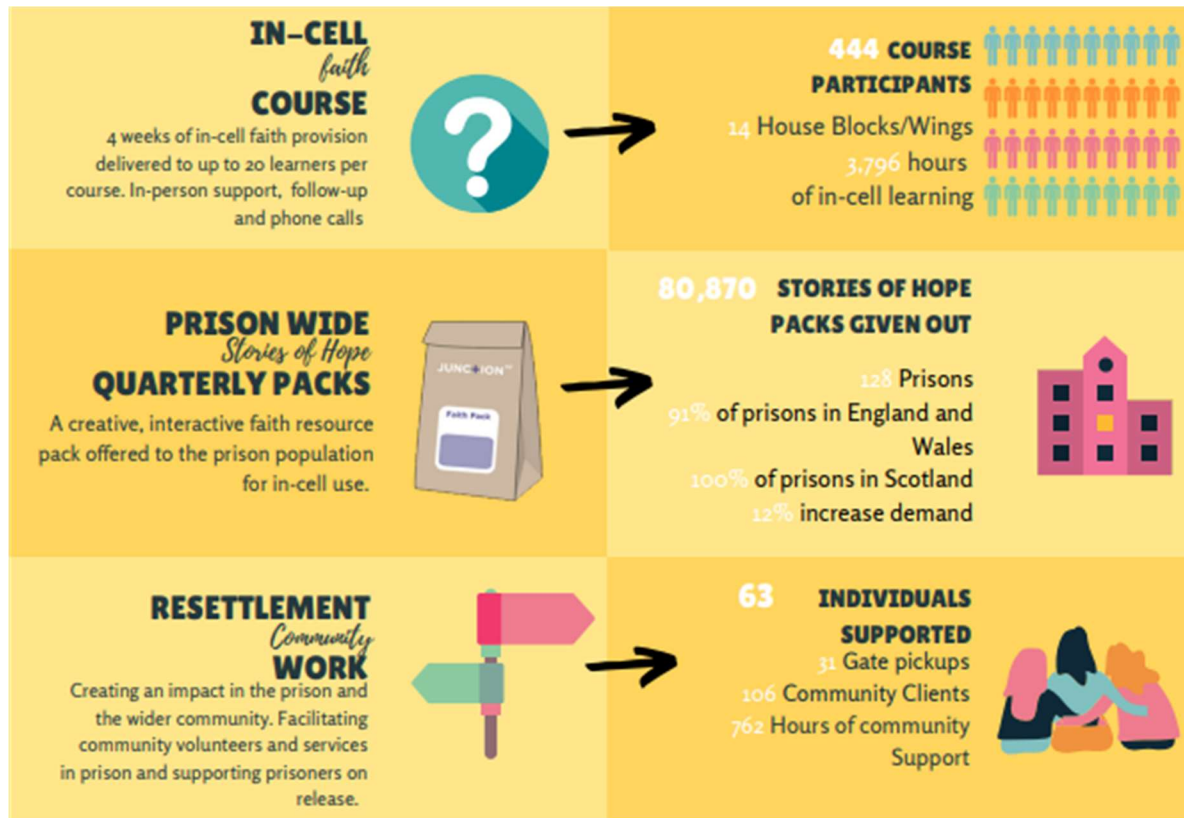
Year Ended 31st March 2024

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

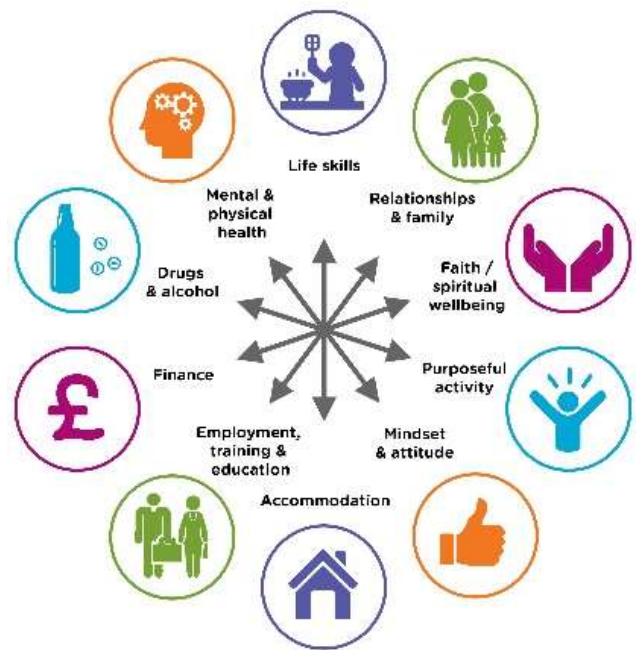
Trustees' Annual Report (Incorporating the Directors' Report)

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.