

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE NORTHUMBRIA COMMUNITY TRUST

## (A CHARITABLE INCORPORATED ORGANISATION)

### LEGAL AND ADMINISTRATIVE INFORMATION

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#### Trustees

Jayne Bartholomew  
Phoebe Barber-Rowell  
William Seddon  
Caroline Taylor (Appointed 8 April 2020)  
Rosemary Burke (Appointed 8 April 2020)  
Graham Wilson (Appointed 4 February 2021)

#### Secretary

Rosemary Burke

#### Senior Management

The Trustees delegate aspects of the day-to-day operations of the charity to the following Overseers (senior staff members)

Catherine Askew  
Sarah Hay  
Sarah Pillar

#### Key Advisors

Rt Revd John Pritchard - Community Visitor, Church of England  
Revd Ernie Whalley - Community Visitor, Baptist Union

#### Charity number

1156630

#### Principal address

Nether Springs  
Croft Cottage  
Acton Home Farm  
Felton, Morpeth  
Northumberland  
NE65 9NU

#### Independent examiner

A K Dunn BA (Hons) ACA  
St Matthews House  
Haugh Lane  
Hexham  
Northumberland  
NE46 3PU

#### Bankers

Unity Trust Bank  
4 Brindley Place  
Birmingham  
B1 2JB

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# **THE NORTHUMBRIA COMMUNITY TRUST**

## **(A CHARITABLE INCORPORATED ORGANISATION)**

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# **THE NORTHUMBRIA COMMUNITY TRUST**

## **(A CHARITABLE INCORPORATED ORGANISATION)**

### **TRUSTEES' REPORT**

#### ***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees present their report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### **Objectives and activities**

The charity's objects are to:

1. Advance the Christian religion in any part of the world for the benefit of the public through
  - Holding prayer meetings, lectures and seminars
  - Producing and/or distributing literature and providing a place of retreat and worship to enlighten others about the Christian religion and to assist people in their spiritual growth; and
  - Such other means as the Trustees may determine
2. Further the religious and other charitable work of Christian churches in the United Kingdom
3. Promote any further charitable purpose for the benefit of the public as the Trustees may determine

The Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The main activities undertaken for the public benefit are as follows:

- Facilitating and leading numerous courses, seminars and events held in Northumberland, throughout UK, and in Australia, Europe and North America in furthering religious education.
- Providing a variety of resources online and through our Centre's activities (including its well stocked library), which help to raise awareness of our Christian beliefs and practices.
- Encouraging and facilitating religious education and practice by providing and maintaining places of worship, chapels, prayer rooms and houses for retreats and courses.
- Involvement in conferences, festivals, gatherings and consultations in UK, Australia, Europe, and North America to promote spiritual, mental and physical well-being.
- Working ecumenically with churches of all denominations, theological colleges, and other diverse organisations in the private, public and voluntary/community sectors to help in addressing the spiritual, mental and social needs of the public.
- Running retreats, workshops and pilgrimages to various Celtic Christian sites.
- Providing and promoting a Rule of Life as a moral and ethical framework for a way for living that is capable of influencing society in a beneficial way.
- Providing access to our facilities and activities to who all who wish to enjoy them.

# **THE NORTHUMBRIA COMMUNITY TRUST**

## **(A CHARITABLE INCORPORATED ORGANISATION)**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Achievements and performance**

This year has proved to be one of our most challenging as we have sought to respond to the pandemic in innovative ways. The impact of the pandemic, however, has been personally felt by both paid and voluntary staff. It is therefore with gratitude that we can see the purposes of the Northumbria Community continuing albeit through different expressions. The Mother House of our Community - a residential expression of our Christian discipleship and centre for retreats - had to close to guests for the majority of this financial year. Because the Mother House was a major income stream, we were concerned about the viability of the whole organisation. Having executed our plans to contain costs and undertake an ongoing fundraising programme, we are, therefore, delighted to report that we have ended the year in a healthier financial position than we began it. This is as a result of a number of factors: landlord support, continued commitment by Northumbria Community members, one off donations, the securing of grants and we believe, God's grace.

Encouragingly, we have continued to fulfil our organisational purposes in creative ways and through the development of the School for Monastic Living, facilitating and enabling spaces for transformational learning. We have seen growth in the number of those connecting with the Community's online presence, which was enhanced and widened in response to Covid restrictions. We moved our annual community Easter gathering totally online to provide meaningful virtual ways of being 'alone and together'. The limitations of lockdown were the impetus to move our provision for connection from localised face-to-face contact to a vibrant network exchange across the globe.

We thank God for the many who have made financial gifts to make these actions achievable despite the challenging circumstances.

**During this challenging year the charity attained many of its plans (as stated in our Annual Report of 2020) and retained a flexible response to fresh challenges as they unfolded. Last year we said *'Through our prayer, values and network of relationships, we will encourage all our members (Companions and Friends) to live out our Rule of Life and be a positive presence in the world.'* This aim has been met in several ways:**

Through the significant development of the School for Monastic Living and Dispersed Community Structures we:

- Reimagined both the Mother House and online Programme. This year saw an increase in people asking for spiritual input through Individually Guided retreats and themed teaching from our core materials.
- Diversified our approach in offering retreats by developing our content and rhythm of prayers to suit online platforms - via Zoom, our Monastic Living Blog and social media.
- Offered the following on online platforms: leadership reflections, themed teaching, pre-recorded and 'live' prayers, internationally collaborative creative projects and seasonal resources.
- Developed and trained teams to facilitate and maintain these platforms.
- Developed and trained a team of staff and volunteers in the leading of our online programmes.
- Increased collaboration with Companions and Friends in hosting online retreats.
- Encouraged and received donations for the provision of these retreats.
- Developed our IT infrastructure to provide for this increased online activity.
- Initiated and supported an international, online prayer network.
- Set up collaborative, international projects such as: 'Kyrie Eleison' - a creative response to global issues, involving a worldwide network of visual artists, musicians and dancers; a series of 'Come and See' prayers, shared from the homes of international Community Companions and Friends.
- Created platforms for Companions and Friends to share experiences of the pandemic - for example, a group in Minnesota shared their grief, reflections and prayers, with our dispersed network, following the death of George Floyd.
- Created opportunities for led retreats, led by Companions and Friends across the world, meeting a need for teaching that reflects our diverse experiences and discipleship.
- Built on development work for our communications infrastructure by introducing Infodile to manage our database to enable good connection with our donors and supporters. We continue to review and develop our communication channels.

# **THE NORTHUMBRIA COMMUNITY TRUST**

## **(A CHARITABLE INCORPORATED ORGANISATION)**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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Through Resources and Publications we:

- Widened access to our published material for traditional Christian denominations wishing to use this for their online services and activities.
- Digitised some of our Community-produced key booklets and monthly readings, in PDF format, to improve access online.
- Continued significant work to develop the Novitiate programme. We now have 87 Novices who are working through the modules. Recorded and distributed Leadership talks, teachings and resources.
- Wrote and distributed relevant resources to assist the leaders of our localised Community groups.
- Saw an increased interest in and sales of our Community resources.

Through Strengthening our Accountability Structures we:

- Appointed a group of Community Elders, comprised of former leaders of the Northumbria Community, to help to guard the ethos of the Northumbria Community by providing advice and feedback for current leaders and Trustees;
- Began the search for four new Community Visitors representing various streams of the wider Church who are to act as 'critical friends' to the Northumbria Community.

#### **Financial review**

The financial result for the year is a surplus on Unrestricted Funds of £82,559 (2020: surplus of £3,222). As a result, the charity's Unrestricted Funds at March 2021 are £216,401 (2020: £133,842).

The Trustees would like to acknowledge the support provided via regular giving and donations and via the significant use of volunteers, each of which enables work to continue and the fulfilment of the charitable purpose.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

The charity seeks to retain sufficient Unrestricted Reserves, to cover all known liabilities and to provide for three months' running costs to cover the charity's operational costs in the event of an unforeseen reduction in income. This is estimated as a total requirement of approximately £85,000.

The statement of financial activities shows total unrestricted funds of £216,401 at 31 March 2021 (2020: £133,842). Free unrestricted reserves, defined as total Unrestricted Reserves excluding the value of Fixed Assets, are currently £211,482 (2020: £127,666). The Trustees are satisfied that this level of reserves should enable the charity to weather the current Covid 19 crisis and to continue in operation for the foreseeable future.

This reserves policy is reviewed on an annual basis by the Trustees.

The Trustee Board reviews the major governance, operational and financial risks which the charity faces at its quarterly meetings, and confirm that systems have been established to mitigate these risks.

The charity has a risk management strategy in place, which comprises:

- A quarterly review of the strategic risks the charity faces
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2021***

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The Trustees consider the key risks facing the charity currently to be financial risks arising if the organisation is unable to attract sufficient income (most notably via giving/donations) to realise its planned projects to the scale and quality to which the organisation aspires. The charity is currently facing the risk of Covid 19 and closed its retreat centre on the 20 March 2020, leading to a reduction in income. Corresponding cost saving measures have been put in place.

The Trustees have managed the potential impact of these risks by ensuring that:

- Prudent budgets have been set for the next financial year, progress against which is reviewed on a regular basis
- The charity maintains a relatively low-cost base, and advantage has been taken of the Coronavirus Job Retention Scheme for appropriate members of staff
- Regular management accounts are produced, showing the performance against budget
- Contingency plans are in place for the actions which would be taken if income appears unlikely to reach its target

# **THE NORTHUMBRIA COMMUNITY TRUST**

## **(A CHARITABLE INCORPORATED ORGANISATION)**

### **TRUSTEES' REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2021***

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#### **Plans for next year**

We recognise that connections across the dispersed network nature of our Community will be key to the next phase of living out our objectives. The surplus for this year of over £82,000 will enable us to move forward with our strategic plans for the coming year.

We will seek to do this through:

- Developing our understanding and application of our purpose specifically within this time of pandemic with its economic impact upon society, 'to be a presence, live a life for God among the 'broken people and places in our communities''
- Providing greater opportunities for those on the edges of denominational church or none to experience the Northumbria Community as a safe space to explore their own spirituality (with an emphasis on these encounters being planned for non-church places).

#### **Staff Development:**

Due to the ongoing COVID-19 situation our full plans for staff development did not take place, however our aims for the coming year will include:

- Developing our staff team, enhancing our volunteer base for the Mother House and our online activities (both of which need a 'Welcome and Hospitality' feature and the behind-the-scenes technical support structure). Training key staff through a Mental Health First Aid Course.
- Redeveloping and sharpening our HR practices and procedures in line with our ongoing, organisational and strategic development plans. A specialist adviser, Croner HR, has been appointed to facilitate this process.
- Auditing our staffing needs in line with these plans, and enhancing and expanding our teams where necessary.

#### **Infrastructure Development:**

- Re-developing our website and communications strategies, to engage more effectively with our growing membership and external global audience.
- Improving our office and Mother House infrastructures and capabilities through the provision of a hard-wired network and upgrading computer hardware.
- Developing a communications cycle to include both online and printed resources - for our main communication channels including updates, our prayer guide, newsletters, magazine-type publications, and blogs.
- Enhancing our financial reporting and external support through the appointment of Stokoe Rodger Chartered Accountants.

#### **Mother House Development:**

- Investigating the possibilities of short-term placement programmes for young people at our Mother House.
- Exploring how to offer hospitality from our Mother House to people, small groups and organisations locally for whom access to such a centre might be prohibited by cost.
- Creating more bespoke retreat opportunities for Companions and Novices in Community, as part of the ongoing programme



# **THE NORTHUMBRIA COMMUNITY TRUST**

## **(A CHARITABLE INCORPORATED ORGANISATION)**

### **TRUSTEES' REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2021***

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Ongoing development of the School for Monastic Living and structures for transformational learning across Dispersed Community:

- Enabling hybrid events - involving both physical participants and online participants to share in an event - from both the Mother House and/or in different locations.
- Shaping our Programmes to include Regional gatherings and themed conferences which are opportunities for experiential learning.
- Resourcing and equipping Companions to engage in their immediate geographical communities to live out their Rule of Life through local Northumbria Community Groups. Specific materials are to be developed for these groups and their leaders.
- Enhancing the network across our Community through 'Listening Projects'. These consultations are to engage with what is happening in the UK and the non-UK regions of the Community's span (i.e. Europe, USA & Australia).

Novitiate Programme Development:

- Continuing our Novitiate Programme with its new starting point of a Postulancy period, further developing the curriculum to include bi-monthly input for all Novices, alongside group learning opportunities and revitalising the mentorship component of the process. To be made available on a 'suggested donation basis'.

Resources and Publications Development:

- Producing more 'in-house' resources which will then be made available for purchase through our online shop. Downloadable booklets for monthly readings, core liturgies and teaching booklets will also be made available.

#### **Structure, governance and management**

The charity is a Charitable Incorporated Organisation (CIO) and, as such, is governed by its Constitution.

The trustees who served during the year and up to the date of signature of the financial statements were:

Jayne Bartholomew

Phoebe Barber-Rowell

William Seddon

Caroline Taylor (Appointed 8 April 2020)

Rosemary Burke (Appointed 8 April 2020)

Graham Wilson (Appointed 4 February 2021)

Jeff Sutheran (Resigned 5 September 2020)

William Seddon was appointed Chair of Trustees on 5 September 2020.

New Trustees are recruited from amongst the Community's membership. Prospective Trustees take part on a process of application and interview and observe a meeting of the Trustees before being invited to be a Trustee.

The Trustee Board typically meets four times per year face-to-face, and then via video conference as needed. During the COVID-19 lockdown the Board's quarterly meetings moved online. In the past year the Trustee Board met on 12 occasions.

A significant contribution to the life and work of the Community is made by the many volunteers who staff the retreat and administration centre, lead Community Groups, become part of Community Teams, and generally offer time, energy and resources to fulfil the many activities involved in meeting our charitable objectives.

**THE NORTHUMBRIA COMMUNITY TRUST  
(A CHARITABLE INCORPORATED ORGANISATION)  
TRUSTEES' REPORT (CONTINUED)  
*FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees' report was approved by the Board of Trustees.

**William Seddon**  
Chair of Trustees  
Dated: 13 December 2021

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **THE NORTHUMBRIA COMMUNITY TRUST (A CHARITABLE INCORPORATED ORGANISATION) INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE NORTHUMBRIA COMMUNITY TRUST**

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I report to the trustees on my examination of the financial statements of The Northumbria Community Trust (the charity) for the year ended 31 March 2021.

## **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

## **Independent examiner's statement**

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

A K Dunn BA (Hons) ACA

St Matthews House  
Haugh Lane  
Hexham  
Northumberland  
NE46 3PU

Dated: 13 December 2021

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	336,317	780	337,097	334,022	780	334,802
Charitable activities	4	33,165	-	33,165	46,372	-	46,372
Investments	5	47	-	47	208	-	208
Other income	6	735	-	735	382	-	382
<b>Total income</b>		<b>370,264</b>	<b>780</b>	<b>371,044</b>	<b>380,984</b>	<b>780</b>	<b>381,764</b>
<b><u>Expenditure on:</u></b>							
Charitable activities	7	287,705	780	288,485	377,762	2,554	380,316
<b>Net income for the year/ Net movement in funds</b>		<b>82,559</b>	<b>-</b>	<b>82,559</b>	<b>3,222</b>	<b>(1,774)</b>	<b>1,448</b>
Fund balances at 1 April 2020		133,842	-	133,842	130,620	1,774	132,394
<b>Fund balances at 31 March 2021</b>		<b>216,401</b>	<b>-</b>	<b>216,401</b>	<b>133,842</b>	<b>-</b>	<b>133,842</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**BALANCE SHEET**

**AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		4,919		6,176
<b>Current assets</b>					
Stocks	12	11,280		23,572	
Debtors	13	11,853		16,104	
Cash at bank and in hand		200,255		93,477	
		<u>223,388</u>		<u>133,153</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(11,906)</u>		<u>(5,487)</u>	
Net current assets			211,482		127,666
<b>Total assets less current liabilities</b>			<u>216,401</u>		<u>133,842</u>
<b>Income funds</b>					
Unrestricted funds			216,401		133,842
			<u>216,401</u>		<u>133,842</u>

The financial statements were approved by the Trustees on 13 December 2021

William Seddon  
**Chair of Trustees**

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**Charity information**

The Northumbria Community Trust is a Charitable Incorporated Organisation (CIO) and, as such, is governed by its Constitution.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

The charity has restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general activities of the charity.

**1.4 Income**

Income is included in the Statement of Financial Activities (SOFA) when entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting periods or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Interest receivable on fixed interest securities and bank deposits is included on an accrual basis.

**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

**1.5 Expenditure**

All expenditure is accounted for on an accrual basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of managing investments, seeking potential funders and applying for funding.
- Charitable Activities include expenditure associated with the provision of artistic projects and residencies. This includes both the direct costs and support costs relating to these activities.
- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

IT equipment	33% per annum straight line
Fixtures, fittings & equipment	20% per annum straight line
Motor vehicles	33% per annum straight line

Assets with a value below £100 are typically not capitalised.

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.8 Stocks**

Stocks represent materials and publications held for resale and are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



**THE NORTHUMBRIA COMMUNITY TRUST**  
**(A CHARITABLE INCORPORATED ORGANISATION)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

**1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1 Accounting policies**

**(Continued)**

**1.14 Taxation**

The Northumbria Community Trust is a Charitable Incorporated Organisation and, therefore, is not liable to income tax or corporation tax on income or gains derived from its activities as they fall within the exemptions available.

**1.15 Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus/deficit.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations - General Giving	85,711	780	86,491	185,850	780	186,630
Legacies receivable	8,000	-	8,000	-	-	-
Donations - Planned Giving	156,103	-	156,103	108,404	-	108,404
Corona Virus Job Retention Scheme	29,806	-	29,806	-	-	-
Corona Virus Exceptional Support	22,638	-	22,638	-	-	-
Gift Aid	34,059	-	34,059	39,768	-	39,768
	<u>336,317</u>	<u>780</u>	<u>337,097</u>	<u>334,022</u>	<u>780</u>	<u>334,802</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**4 Charitable activities**

	Resources Sales 2021 £	Shipping/ Postage Fees 2021 £	Total 2021 £	Resources Sales 2020 £	Shipping/ Postage Fees 2020 £	Total 2020 £
Sales within charitable activities	33,064	101	33,165	42,839	3,533	46,372

**5 Investments**

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	47	208

**6 Other income**

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Other income	735	382

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**7 Charitable activities**

	Direct project costs	Overheads and Administrative Costs	Total 2021	Direct project costs	Overheads and Administrative Costs	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Staff costs	-	169,168	169,168	-	201,730	201,730
Depreciation and impairment	4,046	-	4,046	5,779	-	5,779
Direct project costs	74,732	-	74,732	130,962	-	130,962
	<u>78,778</u>	<u>169,168</u>	<u>247,946</u>	<u>136,741</u>	<u>201,730</u>	<u>338,471</u>
Grant funding of activities (see note 8)	18,560	-	18,560	19,970	-	19,970
Support costs (Overheads and administration costs)	19,849	-	19,849	19,859	-	19,859
Governance costs	2,130	-	2,130	2,016	-	2,016
	<u>119,317</u>	<u>169,168</u>	<u>288,485</u>	<u>178,586</u>	<u>201,730</u>	<u>380,316</u>
<b>Analysis by fund</b>						
Unrestricted funds	118,537	169,168	287,705	176,032	201,730	377,762
Restricted funds	780	-	780	2,554	-	2,554
	<u>119,317</u>	<u>169,168</u>	<u>288,485</u>	<u>178,586</u>	<u>201,730</u>	<u>380,316</u>

Governance costs includes payments in respect of the Independent Examination Fees of £2,040 (2020-£1,296).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**8 Grants payable**

	Direct project costs 2021 £	Direct project costs 2020 £
Grants to individuals	18,560	19,970
	<u>18,560</u>	<u>19,970</u>

Included within Expenditure on Charitable Activities are grants to individuals in respect of Community Mission totalling £18,560 (2020: £19,970).

**9 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year, and none were reimbursed any travelling expenses (2020- 2 were reimbursed £766).

**10 Employees**

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Advancement of Christian Religion	9	9

Employment costs	2021 £	2020 £
Wages and salaries (including Freelance Fees)	160,234	189,556
Social security costs	5,577	8,318
Other pension costs	3,357	3,856
	<u>169,168</u>	<u>201,730</u>

There were no employees whose annual remuneration was £60,000 or more.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**11 Tangible fixed assets**

	IT equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2020	5,087	12,980	6,499	24,566
Additions	-	2,790	-	2,790
At 31 March 2021	5,087	15,770	6,499	27,356
<b>Depreciation and impairment</b>				
At 1 April 2020	3,151	8,741	6,499	18,391
Depreciation charged in the year	1,296	2,750	-	4,046
At 31 March 2021	4,447	11,491	6,499	22,437
<b>Carrying amount</b>				
At 31 March 2021	640	4,279	-	4,919
At 31 March 2020	1,937	4,239	-	6,176

**12 Stocks**

	2021 £	2020 £
Publications for resale	11,280	23,572

**13 Debtors**

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,040	12,409
Other debtors	3,313	-
Prepayments and accrued income	7,500	3,695
	11,853	16,104

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**14 Creditors: amounts falling due within one year**

	Notes	2021 £	2020 £
Other taxation and social security		523	509
Deferred income	15	900	1,680
Trade creditors		7,500	-
Accruals and deferred income		2,983	3,298
		<u>11,906</u>	<u>5,487</u>

**15 Deferred income**

	2021 £	2020 £
Other deferred income	<u>900</u>	<u>1,680</u>

**16 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Nether Springs Development	<u>1,774</u>	<u>780</u>	<u>(2,554)</u>	<u>-</u>	<u>780</u>	<u>(780)</u>	<u>-</u>

The Nether Springs Development relates to the development of the Community's Mother House.

**17 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).