

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE NORTHUMBRIA COMMUNITY TRUST

(A CHARITABLE INCORPORATED ORGANISATION)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Phoebe Barber-Rowell Rosemary Burke - Secretary Robert Packham William Seddon - Chair Caroline Taylor - Treasurer Graham Wilson	(Appointed 27 May 2022)
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Secretary	Rosemary Burke
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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	Neville Barnes Sue Pratt Frank White
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Charity number	1156630
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Principal address	Nether Springs Croft Cottage Acton Home Farm Felton, Morpeth Northumberland NE65 9NU
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Independent examiner	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU
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Bankers	Unity Trust Bank 4 Brindley Place Birmingham B1 2JB
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THE NORTHUMBRIA COMMUNITY TRUST

(A CHARITABLE INCORPORATED ORGANISATION)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 online and in-person courses, seminars and events held in and from 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 (online and in-person) 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.

Achievements and performance

We are grateful for the sustained growth of participation by Companions, Novices and Friends in the life of the Northumbria Community. The financial year 2021/22 has been one within which we have sought to steward effectively the resources with which we have been entrusted. We have continued to do this by looking towards God for ways of raising ongoing revenue, through plans directed at meeting our purposes and supporting the Community's financial viability.

Development of connections across our dispersed Community network was key in the living out of our objectives in the past year. We were able to adapt to the changes in society as pandemic lockdowns eased and people's work and leisure time schedules altered. We observed the effect on denominational churches of these social changes and noted a greater need for the provision of safe spaces to explore spirituality, as well as support for exhausted clergy.

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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

- Continued our ongoing development of the School for Monastic Living and structures for transformational learning across our dispersed network. We did this by enabling hybrid events, involving both physical and online participants sharing in events from different locations. For example, our Community Group Leaders' retreat had attendees meeting in several different locations on three continents.
- Included regional in-person gatherings in our programme, providing opportunities for experiential learning with others.
- Resourced Companions to engage in their immediate geographical communities, to live out our Rule for Life. This was evident through our Easter 2022 resources, which was engaged with by the whole Community and provided a key teaching resource for the coming 12 months.
- Appointed additional admin support to begin wider consultations with Companions both in the UK and the wider world.
- Developed our Novitiate Programme by adding to its curriculum, reviewing its format and investigating new expressions of mentoring in small groups.

Through infrastructure development we:

- Established a new post of Communications Lead, and recruited someone to deliver a new website and establish both internal and external communication channels, including updates, prayer guide circulation, newsletters, magazine-type publications and blogs.
- Improved the capability of our office and mother house through the provision of a hard-wired network and upgraded computer hardware.
- Enhanced our financial reporting and support for our finance team through the appointment of Chartered Accountants, Stokoe Rodger as advisors.

Through the re-opening and re-establishing of our Mother House, 'Nether Springs' we:

- Offered hospitality at our Mother House to people, small groups and local organisations for whom access to such a centre might be prohibited by cost. This included Iranian refugees and people working with those in recovery.
- We investigated short-term placement programmes for young people from the EU, however immigration processes made this unrealistic.
- Developed the Inner & Outer Pilgrimage retreats within the Mother House Programme as well as offering space for Community Groups to spend time together at the Mother House.

Through Resources and Publications we:

- Produced more 'in-house' resources for purchase through our online shop as well as providing downloadable booklets for monthly readings, core liturgies and teaching booklets.
- Created an in-house calendar for 2022 and began a book recommendation feature in our online magazine.
- Rationalised our stock.

Through supporting our staff, we:

- Enhanced our 'Welcome and Hospitality Teams' both online and in person through providing in-house retreats for Team Members, as well as training key staff through a Mental Health First Aid Course.
- Established an annual review process for all employees and trustees.
- Developed and issued an Employee Handbook, covering robust HR support.

Through Strengthening our Accountability Structures, we:

- Appointed three new Community Visitors representing various streams of the wider Church, who are now in place to act as 'critical friends' to the Northumbria Community.

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The financial result for the year is a surplus on Unrestricted Funds of £21,930 (2021: surplus of £82,559). As a result, the charity's Unrestricted Funds at March 2022 are £238,331 (2021: £216,401).

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 consider 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 £238,331 at 31 March 2022 (2021: £216,401). Free unrestricted reserves, defined as total Unrestricted Reserves excluding the value of Fixed Assets, are currently £232,597 (2021: £211,482). The Trustees are satisfied that this level of reserves should enable the charity 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; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

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 Trustees have managed the potential impact of these financial 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.
- Regular management accounts are produced, monitoring the performance against budget.

THE NORTHUMBRIA COMMUNITY TRUST

(A CHARITABLE INCORPORATED ORGANISATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Plans for next year

In the coming year we will 'seek God's provision' and 'establish the work of our hands' through:

- our prayer, values and network of relationships;
- encouraging Companions and Friends to live out our Rule of Life; and
- being a positive presence in our 'Square Miles'.

We will seek to do this through:

Staff Development:

- The plans that we have drawn up are resourced not only through our staff team but also through an expanding group of volunteers, which has evolved significantly, specifically in relation to our online programme. We will offer ongoing appropriate training, to include GDPR and database management.
- In addition to the development and launch of the new website, we will be training staff to make best use of its communication channels.
- We will develop our contingency planning and appropriate training to meet unforeseen needs such as covering the unexpected absence of staff members.

Infrastructure Development:

- We will continue to review our Health and Safety procedures (supported by Croner, our specialist HR advisor), and risk assessments not only at our Mother House, but in all places where the Community gathers.
- We will make appropriate arrangements for ensuring the Community continues to fulfil its safeguarding responsibilities as our current Safeguarding Lead, Paul Langley, steps down.

Mother House Development:

- We know that Nether Springs is unique and a 'home' for many Companions and Friends. It has also been a tried and tested means of income. Our suggested new residential retreat format emphasises 'cell' space within our monastic rhythms but, crucially, it is sited not only in the beautiful place that is Nether Springs, but within the rich Christian heritage of Northumberland. We will be increasing the capacity of our Mother House in line with health protocols.
- We will be developing Nether Springs as an expression of Monastery as a training ground.
- We will increase our 'permanent' volunteers as well as expand our short-term volunteering opportunities.

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

- We will develop our online retreats, with three a month to include: one Individually Guided Retreat (IGR); a bi-monthly Community Introduction; and the introduction of other led retreats as a priority. We continue to see a hunger for online spiritual input through: the uptake of our online IGRs; Community Introductions retreats; and an obvious interest in our Celtic Heritage, as demonstrated by our followers on social media channels.
- There will be a more developed strategy for releasing information about online retreats, including through the website, the Monastic Living Blog and Facebook.
- We will build upon our popular online short courses. These meet a desire for learning amongst our Companions and Friends. We will continue to hold Creativity half-day retreats, Companions' online gathering spaces and new themed retreats on the theme, 'Living with ...'.
- We will explore what it means both to be part of and to coordinate a small group within Northumbria Community in consultation with current group leaders.
- We will initiate more in person gatherings both in the UK and more far-flung locations.
- We will respond to invitations to participate at External Events and contribute to conferences, both in-person and online e.g., Cliff College Festival, Greenbelt, denominational and new monastic conferences.
- We will be planning a two-year project across Community to connect local neighbourhoods, schools and other organisations with the living-story of following Christ. This will come from our *Way for Living* and in particular its creative expressions and so will engage storytellers, musicians, artists, and writers.

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Novitiate Programme Development:

- We will continue to develop our new Novitiate programme to support the 99 Novices who have embarked on the journey through the teaching and resource modules. In addition, we will explore group mentorship for some whilst continuing with the traditional one-to-one mentoring relationships for others.

Resources and Publications Development:

- We will develop the Community 'shop' through both our new website, and small bookshop in the foyer at Nether Springs.
- We will develop bespoke resources commissioning writers for new material including: prayers and liturgy rooted in our vocational life in the vein of Celtic Daily Prayer books 1 and 2; a series of 'in-house' teaching booklets and liturgies; and products designed by local artists or Companions in Community.

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

(Resigned 10 April 2022)

Phoebe Barber-Rowell

Rosemary Burke - Secretary

Robert Packham

(Appointed 27 May 2022)

William Seddon - Chair

Caroline Taylor - Treasurer

Graham Wilson

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 online as needed.

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 trustees' report was approved by the Board of Trustees.



William Seddon - Chair

Chair of Trustees

Dated: 10 September 2022

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

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**

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 2022.

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:

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	326,689	780	327,469	336,317	780	337,097
Charitable activities	4	32,260	-	32,260	33,165	-	33,165
Investments	5	69	-	69	47	-	47
Other income	6	280	-	280	735	-	735
Total income		359,298	780	360,078	370,264	780	371,044
<u>Expenditure on:</u>							
Charitable activities	7	337,368	780	338,148	287,705	780	288,485
Net income for the year/ Net movement in funds		21,930	-	21,930	82,559	-	82,559
Fund balances at 1 April 2021		216,401	-	216,401	133,842	-	133,842
Fund balances at 31 March 2022		238,331	-	238,331	216,401	-	216,401

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		5,734		4,919
Current assets					
Stocks	12	6,641		11,280	
Debtors	13	14,152		11,853	
Cash at bank and in hand		218,136		200,255	
		<u>238,929</u>		<u>223,388</u>	
Creditors: amounts falling due within one year	14	<u>(6,332)</u>		<u>(11,906)</u>	
Net current assets			232,597		211,482
Total assets less current liabilities			<u>238,331</u>		<u>216,401</u>
Income funds					
Unrestricted funds			238,331		216,401
			<u>238,331</u>		<u>216,401</u>

The financial statements were approved by the Trustees on 10 September 2022



William Seddon - Chair
Chair of Trustees

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 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 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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).

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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.

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

1.12 Retirement benefits

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

1.13 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.

1.14 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
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations - General Giving	240,182	780	240,962	85,711	780	86,491
Legacies receivable	-	-	-	8,000	-	8,000
Donations - Planned Giving	30,403	-	30,403	156,103	-	156,103
Corona Virus Job Retention Scheme	5,110	-	5,110	29,806	-	29,806
Corona Virus Exceptional Support	10,667	-	10,667	22,638	-	22,638
Gift Aid	40,327	-	40,327	34,059	-	34,059
	<u>326,689</u>	<u>780</u>	<u>327,469</u>	<u>336,317</u>	<u>780</u>	<u>337,097</u>

THE NORTHUMBRIA COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	Resources Sales 2022 £	Shipping/ Postage Fees 2022 £	Total 2022 £	Resources Sales 2021 £	Shipping/ Postage Fees 2021 £	Total 2021 £
Sales within charitable activities	32,224	36	32,260	33,064	101	33,165

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	69	47

6 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Other income	280	735

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7 Charitable activities

	Direct project costs 2022 £	Overheads and Administration Costs 2022 £	Total 2022 £	Direct project costs 2021 £	Overheads and Administration Costs 2021 £	Total 2021 £
Staff costs	-	185,471	185,471	-	169,168	169,168
Depreciation and impairment	3,932	-	3,932	4,046	-	4,046
Direct project costs	110,476	-	110,476	74,732	-	74,732
	<u>114,408</u>	<u>185,471</u>	<u>299,879</u>	<u>78,778</u>	<u>169,168</u>	<u>247,946</u>
Grant funding of activities (see note 8)	17,400	-	17,400	18,560	-	18,560
Support costs (Overheads and administration costs)	18,524	-	18,524	19,849	-	19,849
Governance costs	2,345	-	2,345	2,130	-	2,130
	<u>152,677</u>	<u>185,471</u>	<u>338,148</u>	<u>119,317</u>	<u>169,168</u>	<u>288,485</u>
Analysis by fund						
Unrestricted funds	151,897	185,471	337,368	118,537	169,168	287,705
Restricted funds	780	-	780	780	-	780
	<u>152,677</u>	<u>185,471</u>	<u>338,148</u>	<u>119,317</u>	<u>169,168</u>	<u>288,485</u>

Governance costs includes payments in respect of the Independent Examination Fees of £2,040 (2021-£2,040).

THE NORTHUMBRIA COMMUNITY TRUST
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8 Grants payable

	Direct project costs 2022 £	Direct project costs 2021 £
Grants to individuals	17,400	18,560
	<u>17,400</u>	<u>18,560</u>

Included within Expenditure on Charitable Activities are grants to individuals in respect of Community Mission totalling £17,400 (2021: £18,560).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and one was reimbursed any travelling expenses of £135 (2021- None).

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Advancement of Christian Religion	11	9

Employment costs	2022 £	2021 £
Wages and salaries (including Freelance Fees)	175,164	160,234
Social security costs	7,140	5,577
Other pension costs	3,167	3,357
	<u>185,471</u>	<u>169,168</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 2022

11 Tangible fixed assets

	IT equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	5,087	15,770	6,499	27,356
Additions	4,747	-	-	4,747
At 31 March 2022	9,834	15,770	6,499	32,103
Depreciation and impairment				
At 1 April 2021	4,447	11,491	6,499	22,437
Depreciation charged in the year	2,222	1,710	-	3,932
At 31 March 2022	6,669	13,201	6,499	26,369
Carrying amount				
At 31 March 2022	3,165	2,569	-	5,734
At 31 March 2021	640	4,279	-	4,919

12 Stocks

	2022 £	2021 £
Publications for resale	6,641	11,280

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	4,156	1,040
Other debtors	2,496	3,313
Prepayments and accrued income	7,500	7,500
	14,152	11,853

THE NORTHUMBRIA COMMUNITY TRUST
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14 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		537	523
Deferred income	15	120	900
Trade creditors		113	7,500
Other creditors		1,125	-
Accruals and deferred income		4,437	2,983
		<u>6,332</u>	<u>11,906</u>

15 Deferred income

	2022 £	2021 £
Other deferred income	<u>120</u>	<u>900</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>120</u>	<u>900</u>
Movements in the year:		
Deferred income at 1 April 2021	900	1,680
Released from previous periods	<u>(780)</u>	<u>(780)</u>
Deferred income at 31 March 2022	<u>120</u>	<u>900</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		
	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Nether Springs Development	<u>780</u>	<u>(780)</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.

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17 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).