

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE NORTHUMBRIA COMMUNITY TRUST

(A CHARITABLE INCORPORATED ORGANISATION)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Phoebe Barber-Rowell
Rosemary Burke - Secretary
Robert Packham (Appointed 27 May 2022)
William Seddon - Chair
Caroline Taylor - Treasurer
Graham Wilson
Nicolas Haigh (Appointed 10 March 2023)

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

Neville Barnes
Sue Pratt
Frank White

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

THE NORTHUMBRIA COMMUNITY TRUST (A CHARITABLE INCORPORATED ORGANISATION) CONTENTS

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THE NORTHUMBRIA COMMUNITY TRUST

(A CHARITABLE INCORPORATED ORGANISATION)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

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 2022-2023 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.

We were able to live out of our objectives in the past year by returning to a rhythm of regular retreats at Nether Springs and by developing connections across our dispersed Community network. We observed the challenging effects of the pandemic on denominational churches and surrounding communities, and we noted a greater need for the provision of safe spaces to explore spirituality, along with an opportunity to support exhausted clergy.

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Through the time of Lent and the celebration of Easter we:

- Offered an online Lenten course open to all and with an emphasis on creativity.
- Continued to explore the theme of 'Glimpses of God's Glory to sustain us' through our Easter Workshop both in person and online. We provided resources to help Companions engage with their local communities and live out our Rule of Life. We created a 'live' Google map of where and how Companions, Novices and Friends perceive Glimpses of God's Glory.
- Focused on 'Selah' and considered how pausing helps us to see God's glory in our midst, inviting each person to create and decorate their own 'Pause Button'.

Through our online and hybrid platforms we:

- Continued with individually guided retreats, Community Introduction weekends, Creative Saturdays and Companion 'Hang-out' weekends
- Supported many diverse online prayer groups with participants from all over the world
- Promoted Andy Raine's 'Blessed are the Peacemakers' series
- Began several online groups to explore the 'Seven Sacred Spaces' materials
- Connected several online groups for the 'Seven Sacred Spaces' meet-ups
- Continued with seasonal and Saints Days gatherings and livestreams

In our in-person, Dispersed Community Structures we:

- Sent a team to Cliff Fest '22
- Sent a team to Greenbelt '22 to partner again with Christian Aid in leading prayers in its tent
- Hosted regional gatherings in Manchester, Belfast, Cambridge and Coventry

Through our Mother House, 'Nether Springs' we:

- Continued and deepened the 'Inner & Outer Pilgrimage' retreats.
- Relaunched our led/themed retreats programme for the first time since Covid.
- Offered monthly 'individually guided retreats'
- Made significant connections with folks from a local 'Recovery Church', hosting them for several day visits and overnight stays, as they worked with the 12-step programme.
- Made a 5-year facilities plan to maintain the buildings and grounds of Nether Springs

Through our Novitiate Programme we:

- Completed the revision of our Novitiate modules
- Created two new expressions of mentoring in small groups, one in Belfast and one in Cambridge
- Welcomed 9 people into Companionship with meaningful and individualised services of vow-taking.
- At 31 March 2023 there were 456 Companions and 108 Novices. Since the year end a further 14 people have become Companions.

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, including Trevor Miller's 'Building Blocks of Community'.
- Began selling a new range of ecologically-sourced finger Labyrinths and locally sourced and handmade wooden Holding Crosses
- Produced two new colouring books, featuring the designs in Celtic Daily Prayer

THE NORTHUMBRIA COMMUNITY TRUST

(A CHARITABLE INCORPORATED ORGANISATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Through staff development we:

- Helped two members of our Office staff end well at transition points in their lives
- Found ways to continue without these two staff in the interim, as we make plans for restructuring the Office team.
- Appointed a new Community Safeguarding Lead and a Designated Safeguarding Trustee, and found new provision for Safeguarding support through Newcastle Diocese and Thirty-one:eight

Through Communications we:

- Prepared for rebranding by developing a new Community logo to be launched with the new website.
- Took a fresh approach to designing our new website, including a strategy for the initial content

Financial review

The financial result for the year is a deficit on Unrestricted Funds of £74,306 (2022: surplus of £21,930). As a result, the charity's Unrestricted Funds at March 2023 are £164,025 (2022: £238,331).

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 £164,025 at 31 March 2023 (2022: £238,331). Free unrestricted reserves, defined as total Unrestricted Reserves excluding the value of Fixed Assets, are currently £159,044 (2022: £232,597). 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 2023

Plans for next year

Infrastructure Development:

- We will review our current staffing structure and our leadership structure

Mother House Development:

- We will communicate more widely our need for longer-term residential volunteers whilst also exploring other avenues for potential recruitment
- We will develop a programme of retreats that enables the house to be open more often, deepens our life of prayer and improves our financial sustainability

Online and Dispersed Community Development:

- We will offer Lenten and Easter programmes at Nether Springs, online and in-person for local groups, with accessible resources to last for 12 months around the theme 'How can we sing the Lord's song in a strange land?'
- We will launch our 'Rekindling Project', a focus on the 950th anniversary of the journey of three monks from Evesham to re-found many of the monasteries in the Northeast of England. We will begin with an all-Community camp in Evesham over 4 days, retelling our stories and engaging creatively and relationally. This will be followed up with online and in-person offerings along the pilgrim-route of the 3 Monks.
- We will continue to be a presence at conferences and festivals when we are invited to contribute
- We will continue to resource in-person regional gatherings

Novitiate Programme Development:

- We will continue to enhance the new Novitiate modules
- We will explore new ways of training and encouraging Mentors, including through establishing an online support group

Communications Development:

- We will continue to work with our Communications Lead to develop and improve our communication across the Community.
- We will reach out to Companions, inviting them to tell us about their experiences of recommitting to the Rule of Life
- We will work with our new web providers to build and launch a new website.

Resources and Publications Development:

- We will continue developing new in-house publications

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.

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 | |
| Nicolas Haigh | (Appointed 10 March 2023) |

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: 3 November 2023

**THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
*FOR THE YEAR ENDED 31 MARCH 2023***

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 2023.

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: 3 November 2023

THE NORTHUMBRIA COMMUNITY TRUST
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

| | | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ |
|---|---|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Notes | | | | | | | |
| <u>Income and endowments from:</u> | | | | | | | |
| Donations and legacies | 3 | 282,558 | 120 | 282,678 | 326,689 | 780 | 327,469 |
| Charitable activities | 4 | 28,811 | - | 28,811 | 32,260 | - | 32,260 |
| Investments | 5 | 1,816 | - | 1,816 | 69 | - | 69 |
| Other income | 6 | 56 | - | 56 | 280 | - | 280 |
| Total income | | 313,241 | 120 | 313,361 | 359,298 | 780 | 360,078 |
| <u>Expenditure on:</u> | | | | | | | |
| Charitable activities | 7 | 387,547 | 120 | 387,667 | 337,368 | 780 | 338,148 |
| Net (expenditure)/income for the year/ | | | | | | | |
| Net movement in funds | | (74,306) | - | (74,306) | 21,930 | - | 21,930 |
| Fund balances at 1 April 2022 | | 238,331 | - | 238,331 | 216,401 | - | 216,401 |
| Fund balances at 31 March 2023 | | 164,025 | - | 164,025 | 238,331 | - | 238,331 |

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 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 4,981 | | 5,734 |
| Current assets | | | | | |
| Stocks | 13 | 14,874 | | 6,641 | |
| Debtors | 14 | 14,897 | | 14,152 | |
| Cash at bank and in hand | | 143,086 | | 218,136 | |
| | | <u>172,857</u> | | <u>238,929</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(13,813)</u> | | <u>(6,332)</u> | |
| Net current assets | | | 159,044 | | 232,597 |
| Total assets less current liabilities | | | <u>164,025</u> | | <u>238,331</u> |
| Income funds | | | | | |
| Unrestricted funds | | | 164,025 | | 238,331 |
| | | | <u>164,025</u> | | <u>238,331</u> |

The financial statements were approved by the Trustees on 15 October 2023

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 2023

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 2023

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 2023

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 2023

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 |
|-----------------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | 2023 £ | 2023 £ | 2023 £ | 2022 £ | 2022 £ | 2022 £ |
| Donations - General Giving | 226,002 | 120 | 226,122 | 240,182 | 780 | 240,962 |
| Donations - Planned Giving | 25,410 | - | 25,410 | 30,403 | - | 30,403 |
| Corona Virus Job Retention Scheme | - | - | - | 5,110 | - | 5,110 |
| Corona Virus Exceptional Support | - | - | - | 10,667 | - | 10,667 |
| Gift Aid | 31,146 | - | 31,146 | 40,327 | - | 40,327 |
| | <u>282,558</u> | <u>120</u> | <u>282,678</u> | <u>326,689</u> | <u>780</u> | <u>327,469</u> |

THE NORTHUMBRIA COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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4 Charitable activities

| | Resources Sales 2023 £ | Shipping/Post age Fees 2023 £ | Total 2023 £ | Resources Sales 2022 £ | Shipping/Post age Fees 2022 £ | Total 2022 £ |
|------------------------------------|---------------------------------|--|--------------------|---------------------------------|--|--------------------|
| Sales within charitable activities | 28,804 | 7 | 28,811 | 32,224 | 36 | 32,260 |

5 Investments

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---------------------|---------------------------------|---------------------------------|
| Interest receivable | 1,816 | 69 |

6 Other income

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|--------------|---------------------------------|---------------------------------|
| Other income | 56 | 280 |

THE NORTHUMBRIA COMMUNITY TRUST
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7 Charitable activities

| | Direct project costs 2023 £ | Overheads and Administration Costs 2023 £ | Total 2023 £ | Direct project costs 2022 £ | Overheads and Administration Costs 2022 £ | Total 2022 £ |
|---|---|---|--------------------|---|---|--------------------|
| Staff costs | - | 227,982 | 227,982 | - | 185,471 | 185,471 |
| Depreciation and impairment | 3,501 | - | 3,501 | 3,932 | - | 3,932 |
| Direct project costs | 111,494 | - | 111,494 | 110,476 | - | 110,476 |
| | <u>114,995</u> | <u>227,982</u> | <u>342,977</u> | <u>114,408</u> | <u>185,471</u> | <u>299,879</u> |
| Grant funding of activities (see note 8) | 17,400 | - | 17,400 | 17,400 | - | 17,400 |
| Support costs (Overheads and administration costs) | 24,794 | - | 24,794 | 18,524 | - | 18,524 |
| Governance costs | 2,496 | - | 2,496 | 2,345 | - | 2,345 |
| | <u>159,685</u> | <u>227,982</u> | <u>387,667</u> | <u>152,677</u> | <u>185,471</u> | <u>338,148</u> |
| Analysis by fund | | | | | | |
| Unrestricted funds | 159,565 | 227,982 | 387,547 | 151,897 | 185,471 | 337,368 |
| Restricted funds | 120 | - | 120 | 780 | - | 780 |
| | <u>159,685</u> | <u>227,982</u> | <u>387,667</u> | <u>152,677</u> | <u>185,471</u> | <u>338,148</u> |

Governance costs includes payments in respect of the Independent Examination Fees of £2,040 (2022-£2,040).

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8 Grants payable

| | Direct project costs 2023 £ | Direct project costs 2022 £ |
|-----------------------|---|---|
| Grants to individuals | 17,400 | 17,400 |
| | <u>17,400</u> | <u>17,400</u> |

Included within Expenditure on Charitable Activities are grants to individuals in respect of Community Mission totalling £17,400 (2022: £17,400).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and three were reimbursed travelling expenses of £429 (2022- None).

10 Employees

The average monthly number of employees during the year was:

| | 2023 Number | 2022 Number |
|---|-------------------|-------------------|
| Advancement of Christian Religion | 12 | 11 |
| | <u>12</u> | <u>11</u> |
| Employment costs | 2023 £ | 2022 £ |
| Wages and salaries (including Freelance Fees) | 215,490 | 175,164 |
| Social security costs | 9,082 | 7,140 |
| Other pension costs | 3,410 | 3,167 |
| | <u>227,982</u> | <u>185,471</u> |

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

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE NORTHUMBRIA COMMUNITY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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12 Tangible fixed assets

| | IT equipment | Fixtures, fittings & equipment | Motor vehicles | Total |
|------------------------------------|--------------|--------------------------------|----------------|---------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 April 2022 | 9,834 | 15,770 | 6,499 | 32,103 |
| Additions | 1,620 | 1,128 | - | 2,748 |
| Disposals | (2,994) | (1,427) | - | (4,421) |
| At 31 March 2023 | 8,460 | 15,471 | 6,499 | 30,430 |
| Depreciation and impairment | | | | |
| At 1 April 2022 | 6,669 | 13,201 | 6,499 | 26,369 |
| Depreciation charged in the year | 2,122 | 1,379 | - | 3,501 |
| Eliminated in respect of disposals | (2,994) | (1,427) | - | (4,421) |
| At 31 March 2023 | 5,797 | 13,153 | 6,499 | 25,449 |
| Carrying amount | | | | |
| At 31 March 2023 | 2,663 | 2,318 | - | 4,981 |
| At 31 March 2022 | 3,165 | 2,569 | - | 5,734 |

13 Stocks

| | 2023 £ | 2022 £ |
|-------------------------|-----------|-----------|
| Publications for resale | 14,874 | 6,641 |

14 Debtors

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 440 | 4,156 |
| Other debtors | 2,057 | 2,496 |
| Prepayments and accrued income | 12,400 | 7,500 |
| | 14,897 | 14,152 |

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

15 Creditors: amounts falling due within one year

| | Notes | 2023 £ | 2022 £ |
|------------------------------------|-------|---------------|--------------|
| Other taxation and social security | | 423 | 537 |
| Deferred income | 16 | 5,891 | 120 |
| Trade creditors | | 1,953 | 113 |
| Other creditors | | 375 | 1,125 |
| Accruals and deferred income | | 5,171 | 4,437 |
| | | <u>13,813</u> | <u>6,332</u> |

16 Deferred income

| | 2023 £ | 2022 £ |
|-----------------------|--------------|------------|
| Other deferred income | 5,891 | 120 |
| | <u>5,891</u> | <u>120</u> |

Deferred income is included in the financial statements as follows:

| | 2023 £ | 2022 £ |
|-------------------------------------|--------------|------------|
| Deferred income is included within: | | |
| Current liabilities | 5,891 | 120 |
| | <u>5,891</u> | <u>120</u> |
| Movements in the year: | | |
| Deferred income at 1 April 2022 | 120 | 900 |
| Released from previous periods | (120) | (780) |
| Resources deferred in the year | 5,891 | - |
| | <u>5,891</u> | <u>-</u> |
| Deferred income at 31 March 2023 | 5,891 | 120 |
| | <u>5,891</u> | <u>120</u> |

17 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 2022 £ | Incoming resources £ | Resources expended £ | Balance at 31 March 2023 £ |
| Nether Springs Development | 780 | (780) | - | 120 | (120) | - |
| | <u>780</u> | <u>(780)</u> | <u>-</u> | <u>120</u> | <u>(120)</u> | <u>-</u> |

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

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18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).