

Company Registration No. 09035820

Registered Charity No. 1158262

The Northstar Foundation

Annual Report and Financial Statements

For the year ended 31 March 2022

The Northstar Foundation

Annual report and financial statements For the year ended 31 March 2022 Contents

Page

Officers and professional advisers	1
Chairman's report	2
Trustees' report	3
Statement of trustees' responsibilities	6
Independent auditor's report	7
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13

The Northstar Foundation

Annual report and financial statements For the year ended 31 March 2022

Officers and professional advisers

Trustees, Members (Directors)

A W Henfrey (Chairman)
S M I'Anson
A D Ross

Secretary

E R O'Rourke

Registered Office

5th Floor
Maybrook House
27-35 Grainger Street
Newcastle upon Tyne
Tyne and Wear
NE1 5JE

Bankers

Barclays Bank plc
49/51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Auditor

RSM UK Audit LLP
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

The Northstar Foundation

Annual Report and financial statements For the year ended 31 March 2022

Chairman's Report – 2021-22

This has been the seventh year of significant activities for the Foundation which started to operate during 2015-16.

Growth & Resilience Fund

The aim of this fund is to be a successor to the Fresh Ideas Fund. During 2017-18 an overall grant commitment of £300,000 was made by The Northstar Foundation to the Growth & Resilience Fund which is a fund combining resources from The Northstar Foundation, the Community Foundation Tyne & Wear and Northumberland (CFTWN, commitment of £150,000 per year for three years, subject to annual confirmation), County Durham Community Foundation (commitment of £100,000 per year for three years, subject to annual confirmation) and The Mercers' Company, commitment of £99,000 over three years). The Growth & Resilience Fund is administered by CFTWN.

The commitment from the Foundation is £100,000 per annum for three years, subject to annual confirmation. The final instalment of £100,000 was committed during 2020-21 and paid in April 2022.

Other payments and awards

A grant of £10,000 was made to The Prince's Trust (a registered charity) to support its activities in the North East of England.

The Staff Matched Giving Scheme, whereby appropriate charitable fund-raising by the individual employees of Northstar Ventures Limited and NEL Fund Managers Limited is matched by the Foundation, made total grants of £1,484.

A grant of £10,000 was approved to Durham University (a registered charity) to support its research commercialisation activities in the North East of England.

Going forwards

Going forwards the Trustees are exploring several activities to see how best to further the Foundation's mission and impact.

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A W Henfrey
Chairman
23 September 2022

The Northstar Foundation

Trustees' report For the year ended 31 March 2022

The Trustees of The Northstar Foundation, who are also Directors of the company for the purposes of the Companies Act 2006, present their annual report on the affairs of the charity, together with the financial statements and auditor's report for year ended 31 March 2022.

1. Introduction

The charity was incorporated on 12 May 2014 with Companies House with company number 09035820 and registered with the Charity Commission on 15 August 2014. Its registered office is 5th Floor, Maybrook House, 27-35 Grainger Street, Newcastle upon Tyne, Tyne and Wear, NE1 5JE. The Trustees who served during the year and subsequently were:

A W Henfrey
A D Ross
S M I'Anson

2. Aims & Activities

The objects of The Northstar Foundation are to support entrepreneurship and social enterprises, primarily in the North East of England.

The Trustees distribute the income to a limited number of charities, agreeing to make substantial donations over a period of years to support specific projects for the public benefit.

Grant-making policy

The Trustees have determined that the current priorities for grant-making are to support entrepreneurship and social enterprises that benefit excluded and deprived communities primarily in the North East of England. Grants are awarded in line with the Trust's Giving Criteria.

3. Achievements & Performance for the Public Benefit

The main project financed during the year was the Growth & Resilience Fund, a successor to the Fresh Ideas Fund grant programme. The Growth & Resilience Fund is a programme which supports charities with grants of up to £25,000 to allow them to develop new ways of operating, for example, income generation and/or bidding for public sector contracts.

The Trustees confirm that in carrying out the objectives of the charity due regard has been paid to the public benefit guidance published by the Charity Commission.

4. Financial Performance

The charity's income consisted of donations received and investment income.

Total income during the year was £58,373 (2021: £59,840) and after donations to beneficiaries of £21,484 (2021: £227,406) and costs of charitable activities of £6,106 (2021: £5,243), there was a net increase in funds of £30,783 (2021: £172,809 decrease).

Reserves Policy

The Trustees review the level of reserves annually. The Trustees retain the reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure which may not otherwise be covered by income. The immediate need of the Trust is considered to be no more than £10,000 to cover one year's audit and tax fees and Trustees' expenses. At the year end, the level of reserves was £687,733 comprising £687,733 of unrestricted reserves (2021: total reserves of £656,950 comprising unrestricted reserves). The reserves policy is therefore met.

The Northstar Foundation

Trustees' report For the year ended 31 March 2022 (continued)

5. Risk Management

The Trustees are responsible for the management of risks faced by the charity.

The Trustees work to an established risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks faced, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The key controls used and mitigating actions undertaken include:

- appointing an experienced Board of Trustees, and use of an experienced investment panel to approve all Growth and Resilience Fund grant awards made.

Going concern basis

The charity is dependent upon its existing unrestricted cash reserves of £645,526 at 31 March 2022 (2021: £709,278) and receiving funding from Northstar Ventures Limited and NEL Fund Managers Limited. Existing reserves will enable the charity to continue to make grants for the foreseeable future. Grants will not be made unless there are adequate cash reserves to cover current proposals and future commitments. The Trustees believe the charity is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Trustees have further assessed the potential impact to the business from the effects of the current pandemic (Covid-19) however due to the nature of the charity's activities, no significant impact on its going concern position is expected. The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

6. Plans for future periods

The Trustees are exploring several activities to see how best to further the Foundation's mission and impact.

Structure, Governance and Management

1. Charity organisation

The Northstar Foundation is a public benefit entity, registered charity (registered Charity Number 1158262) and a company limited by guarantee (Company Registration number 09035820). The liability of a member in the event of the Trust being wound up whilst a member, or within one year of ceasing to be a member, is not to exceed £10.

2. Governance and Management

The Trust is governed by its Memorandum and Articles of Association which provide for a minimum of two Trustees and no maximum number of Trustees.

The Chair of Trustees, together with the Company Secretary, is responsible for the recruitment and induction of any new Trustees. Trustee induction involves raising awareness of Trustees to their duties and responsibilities under both the Charities Act 2011 and the Companies Act 2006 as well as an introduction to the governing documents of the Trust and the internal policies adopted. New Trustees receive an Induction Pack in which copies of the following are included:

1. The Trust's latest annual report and financial statements;
2. The Trust's internal governing documents;
3. The Trust's Memorandum and Articles of Association; and
4. The Charity Commission publications 'The Essential Trustee: What You Need to Know' and 'The Hallmarks of an Effective Charity'.

When appropriate, Trustees receive regular Charity Commission updates and information about issues facing the voluntary sector locally.

The Northstar Foundation

Trustees' report For the year ended 31 March 2022 (continued)

The Trustees meet approximately twice per year to agree the strategic direction of the Foundation, to review applications and award grants. Grants are awarded in line with the Trust's Giving Criteria. Whilst there is no maximum award, grants to individual organisations are generally awarded for £50,000 or less.

The Trust does not have any direct employees. On a day to day basis, the Trust is administered by members within the Corporate Social Responsibility team of Northstar Ventures Limited, and associated costs are borne by Northstar Ventures Limited.

3. Relationships with related parties

Details of transactions with related parties are set out in note 12 to the financial statements.

The Foundation has one wholly-owned subsidiary, NSF Holdings Limited, which is a 20% shareholder in NEL Fund Managers Limited, a venture capital fund manager, and a 30% associate of Northstar Ventures Holdings Limited, which is the sole shareholder of Northstar Ventures Limited, a venture capital fund manager.

The Trustees have taken the exemption in section 398 of the Companies Act to not prepare group accounts, on the basis that The Northstar Foundation qualifies as a small company and a small group.

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office as auditor. Accordingly a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The Trustees' Report was approved by the Board and signed on its behalf by:

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A W Henfrey
Chairman/Trustee
23 September 2022

The Northstar Foundation

Statement of Trustees' responsibilities For the year ended 31 March 2022

Statement of trustees' responsibilities

The Trustees (who are also directors of The Northstar Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and 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 UK 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safe-guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHSTAR FOUNDATION

Opinion

We have audited the financial statements of The Northstar Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHSTAR FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHSTAR FOUNDATION (CONTINUED)

material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

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

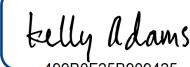
As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006 and the Charities Act 2011. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Kelly Adams (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Third Floor, 2 Semple Street

Edinburgh

EH3 8BL

Date 23 September 2022

The Northstar Foundation

Statement of financial activities (incorporating the income and expenditure account) For the year ended 31 March 2022

	Note	2022 Unrestricted £	2021 Total £
Income from:			
Donations, legacies and grants	2	58,013	58,014
Investments	3	360	1,826
Total income		<u>58,373</u>	<u>59,840</u>
Expenditure on:			
Charitable activities	4	(27,590)	(232,649)
Total expenditure		<u>(27,590)</u>	<u>(232,649)</u>
Net income/(expenditure) for the year		<u>30,783</u>	<u>(172,809)</u>
Net movement in funds		30,783	(172,809)
Reconciliation of funds:			
Total funds brought forward		656,950	829,759
Net movement in funds for the year		30,783	(172,809)
Total funds carried forward	9	<u>687,733</u>	<u>656,950</u>

All the above results derive from continuing operations. All gains and losses recognised in the year are included above.

The notes on pages 13 to 20 form part of these financial statements.

There was no unrestricted income or expenditure in the current year.

The Northstar Foundation

Balance sheet At 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	6	7,298	7,298
Current assets			
Debtors	7	49,972	44,574
Cash and cash equivalents		645,526	709,278
		<hr/>	<hr/>
Creditors: amounts falling due within one year	8	695,498 (15,063)	753,852 (104,200)
		<hr/>	<hr/>
Net current assets		680,435	649,652
		<hr/>	<hr/>
Total assets less current liabilities		687,733	656,950
		<hr/>	<hr/>
Net assets		687,733	656,950
		<hr/>	<hr/>
Funds			
Unrestricted funds	9	687,733	656,950
Restricted funds	9	-	-
		<hr/>	<hr/>
Total funds		687,733	656,950
		<hr/>	<hr/>

The notes on pages 13 to 20 form part of these financial statements.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of The Northstar Foundation, company number 09035820 and charity number 1158262, were approved by the Trustees and authorised for issue on 20 September 2022.

Signed on their behalf by:

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A W Henfrey
 Chairman
 23 September 2022

The Northstar Foundation

Cash flow statement For the year ended 31 March 2022

	Note	2022 £	2021 £
Net cash flows from operating activities	10	(64,112)	(77,678)
Cash flows from investing activities:			
Interest received	3	360	1,826
Net cash flows from investing activities:		360	1,826
Net decrease in cash and cash equivalents		(63,752)	(75,852)
Cash and cash equivalents at the beginning of the year		709,278	785,130
Cash and cash equivalents at the end of the year		645,526	709,278
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		145,526	709,278
Cash equivalents		500,000	-
Cash and cash equivalents		645,526	709,278

The notes on pages 13 to 20 form part of these financial statements.

The Northstar Foundation

Notes to the financial statements For the year ended 31 March 2022

1. Accounting policies

Company and charitable status

The Northstar Foundation, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are currently three Trustees who are also the members and directors of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1. The principal activity of the charity is the making of grants to charities and other not-for-profit organisations to support social enterprise and entrepreneurship, primarily in the North East of England.

Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102); and the Companies Act 2006. Its functional currency is considered to be pounds sterling because that is the currency of the primary economic environment in which the charity operates.

The charity has net assets and expects this to continue in future periods. Based on this, the Trustees have assessed that there is no material uncertainty surrounding the going concern of the charity as further noted in the Trustees' report. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidation

The directors have taken the exemption in section 398 of the Companies Act to not prepare group accounts, on the basis that The Northstar Foundation qualifies as a small company and a small group.

Income

All income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

The following accounting policies are applied to income:

Donations receivable

Voluntary income is accounted for on the date when it becomes receivable.

Investment income

Investment income is accounted for when receivable.

Donated goods and services

Gifts in kind and donated services are included at the lower of their value to charity and their estimated market value.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable activities - grants payable

Grants are included in the Statement of Financial Activities when approved by the Trustees and agreed with the recipient organisation. If a grant is awarded that is dependent on certain conditions being met, it is treated as expenditure and a liability of the Trust if those conditions fall outside of the control of the charity.

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

1. Accounting policies (continued)

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

Restricted funds represent grants and donations received which are provided by the donor for specific purposes. Any costs of raising or administering such funds are charged against the specific funds.

Unrestricted funds

General unrestricted funds represent funds which are expendable at the discretion of Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Taxation

The company is a registered Charity and has no liability to corporation tax on its charitable activities.

Fixed asset investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and cash in hand includes cash and equivalents being short term treasury deposits.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Concessionary loans

Concessionary loans made or received are initially recognised in the statement of financial position at the amount paid or received. To the extent that a loan that has been made is irrecoverable, an impairment loss shall be recognised in income and expenditure.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

2. Income from donations, legacies and grants

	2022 £	2021 £
Donation from Northstar Ventures Limited	40,000	40,000
Donation from NEL Fund Managers Limited	18,000	18,000
Income from Amazon Smile	13	13
Income from PayPal	-	1
	<u>58,013</u>	<u>58,014</u>

3. Income from investments

	2022 £	2021 £
Bank interest received	<u>360</u>	<u>1,826</u>

4. Analysis of expenditure on charitable activities

	2022 £	2021 £
Supporting entrepreneurship and social enterprises		
Grant funding of activities		
Grants to beneficiaries	<u>21,484</u>	<u>227,406</u>
Support costs		
Bank charges	30	134
Annual return fee	26	39
Information Commissioner's Office annual fee	35	
Trustees' out-of-pocket expenses and Board meeting costs	-	1,185
Governance costs (note 5)	<u>6,015</u>	<u>3,885</u>
	<u>27,590</u>	<u>232,649</u>

Grants which relate to applications requesting funding of £100,000 (2021: £100,000), are dealt with under delegated powers. During the year there were no major grants made (2021: £100,000), though the final payment was made to the Growth & Resilience Fund (2021: one major grant) which is a fund combining resources from The Northstar Foundation, the Community Foundation Tyne & Wear and Northumberland (CFTWN, commitment of £150,000 per year for three years, subject to annual confirmation), County Durham Community Foundation (commitment of £100,000 per year for three years, subject to annual confirmation) and The Mercers' Company, commitment of £99,000 over three years). The commitment from the Foundation was £100,000 per annum for three years, subject to annual confirmation. The third instalment of £100,000 was committed during the previous year and paid in April 2021. The Growth & Resilience Fund is administered by CFTWN.

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

4. Analysis of expenditure on charitable activities (continued)

Other grants which relate to applications requesting funding of £40,000 or less are also dealt with under delegated powers. Under such delegated authority, awards totalling £21,484 (2021: £127,406) were made to 5 (2021: 10) beneficiaries, comprising registered charities, community interest companies and not-for-profit organisations. A summary of the awards made during the year ended 31 March 2022 is shown on page 2. All awards are ratified at regular Trustees' meetings.

	2022 £	2021 £
Grants to institutions		
Fresh Ideas Fund – Cumbria	-	33,150
Fresh Ideas Fund – North East	-	38,625
Donation to Beamish	-	2,000
Donation to the Growth & Resilience Fund	-	100,000
Donation to The Prince's Trust	10,000	10,000
Donation to Durham University (accrued as at 31 March 2022)	10,000	-
Donation to Skill Mill	-	30,000
Donation to Special iApps CIC	-	13,230
Staff matching	1,484	401
	<u>21,484</u>	<u>227,406</u>

5. Governance costs

	2022 £	2021 £
Governance costs	<u>6,015</u>	<u>5,070</u>

Governance costs include audit fees which are amounts payable for the audit of the charity's financial statements (2022: £4,500 (2021: £3,885)). A tax return was not required for the year ended 31 March 2022 (2021: no return required).

6. Investments held as fixed assets

Cost:	2022 £	2021 £
Shares in group undertakings		
Subsidiary	1	1
Associate	7,286	7,286
Other investments	11	11
	<u>7,298</u>	<u>7,298</u>

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

6. Investments held as fixed assets (continued)

Details of subsidiary and associated undertakings owned by the company which are registered in England and Wales are as follows:

Name	Share capital	Ownership	Activity
NSF Holdings Limited (formerly NEL Fund Management Group Limited) (owner of 20% of the ordinary shares in NEL Fund Managers Limited, a venture capital fund manager)	£600 ordinary	100%	Intermediate holding company, non-trading
Northstar Ventures Holdings Limited (owner of 100% of the ordinary shares in Northstar Ventures Limited, a venture capital fund manager)	£35 B ordinary and £500,000 redeemable preference shares	30%	Intermediate holding company, non-trading

At 31 March 2022, the aggregates of capital and reserves and the profits of the above-named companies are shown below:

	Profit £	Capital and reserves £
NSF Holdings Limited	-	860
Northstar Ventures Holdings Limited	-	511,287
	<u> </u>	<u> </u>

Other investments are as follows:

	2022 £	2021 £
Capital contribution to the North East Social Investment Fund Limited Partnership	11	11
	<u> </u>	<u> </u>

7. Debtors

	2022 £	2021 £
Concessionary loans made	49,756	44,574
Prepayments and accrued income	216	-
	<u>49,972</u>	<u>44,574</u>

Concessionary loans made are unsecured, bear no interest and have no fixed repayment date.

A commitment of £100,000 was made on 7 July 2017 to the North East Social Investment Fund Limited Partnership, which is an investment fund making loans to charities and social enterprises. The Northstar Foundation is a limited partner in the fund. The commitment will be drawn down between 7 July 2017 and 9 December 2024, as required by the fund in order to make investments and finance fund management fees. The fund is managed by Northstar Ventures Limited. The commitment is being funded by the charity's unrestricted reserves.

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Accrued grants	10,000	100,000
Accruals	5,063	4,200
	<u>15,063</u>	<u>104,200</u>

9a. Analysis of net assets between funds

The only restricted fund related to the Fresh Ideas Fund which originated from two grants totalling £3.5 million received from The Northern Rock Foundation during 2015-16 to enable the Fresh Ideas Fund, previously run by The Northern Rock Foundation, to continue to operate in the North East and Cumbria. The final payments were made during the previous year.

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Fixed asset investments	7,298	-	7,298	7,298
Debtors	49,972	-	49,972	44,574
Cash and cash equivalents	645,526	-	645,526	709,278
Current liabilities	(15,063)	-	(15,063)	(104,200)
At 31 March 2022	<u>687,733</u>	<u>-</u>	<u>687,733</u>	<u>656,950</u>

9b. Analysis of net assets between funds – prior year

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fixed asset investments	7,298	-	7,298
Debtors	44,574	-	44,574
Cash and cash equivalents	709,278	-	709,278
Current liabilities	(104,200)	-	(104,200)
At 31 March 2021	<u>656,950</u>	<u>-</u>	<u>656,950</u>

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

10. Reconciliation of net income to net cash generated from operations

	2022 £	2021 £
Net income/(expenditure)	30,783	(172,809)
Interest receivable	(360)	(1,826)
(Increase) in debtors	(5,398)	(1,948)
Increase/(decrease) in creditors	(89,137)	98,905
Net cashflows from operating activities	<u>(64,112)</u>	<u>(77,678)</u>

11. Trustees

None of the trustees received any remuneration in the current or prior year. Dr AW Henfrey was reimbursed for out-of-pocket travel expenses of £nil (2021: £295) during the year. Mr A D Ross was reimbursed for out-of-pocket travel expenses of £nil (2021: £890) during the year.

12. Related party transactions

During the year, the charity received donation income of £40,000 (2021: £40,000) from a related company, Northstar Ventures Limited. The charity indirectly owns 30% of the ordinary share capital of Northstar Ventures Limited.

During the year, the charity received donation income of £18,000 (2021: £18,000) from a related company, NEL Fund Managers Limited. The charity indirectly owns 20% of the ordinary share capital of NEL Fund Managers Limited.

The charity has no direct key management or other personnel. The charity is administered by members within the Corporate Social Responsibility team of Northstar Ventures Limited, and associated costs are borne by Northstar Ventures Limited although their value cannot be reliably estimated.

During the year ended 31 March 2022 the charity made concessionary loans of £5,182 (2021: £1,948) to the North East Social Investment Fund Limited Partnership. The balance of the concessionary loan outstanding at 31 March 2022 was £49,756 (2021: £44,574). During the year ended 31 March 2017 the charity made a capital contribution of £11 to the North East Social Investment Fund Limited Partnership, a venture capital investment fund which is managed by Northstar Ventures Limited.

The Northstar Foundation

Notes to the financial statements (continued) For the year ended 31 March 2022

13. Prior year statement of financial activities

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income from:			
Donations, legacies and grants	58,014	-	58,014
Investments	1,811	15	1,826
Total income	59,825	15	59,840
Expenditure on:			
Charitable activities	(160,874)	(71,775)	(232,649)
Total expenditure	(160,874)	(71,775)	(232,649)
Net income/(expenditure) for the year	(101,049)	(71,760)	(172,809)
Net movement in funds	(101,049)	(71,760)	(172,809)
Reconciliation of funds:			
Total funds brought forward	758,222	71,537	829,759
	(223)	223	-
Net movement in funds for the year	(101,049)	(71,760)	(172,809)
Total funds carried forward	656,950	-	656,950