

THE BERNICIA FOUNDATION

England & Wales · Charity number 1190094

Details

Status	Registered
Legal form	Charitable company
Company number	12107517
Registered	2020-06-24
Register	View on the Charity Commission register

Contact

Address	Bernicia Oakwood Way Ashwood Business Park Ashington NE63 0XF
Phone	03448003800
Email	jenny.allinson@bernicia.com
Website	berniciafoundation.com

Activities

Objects: FOR THE PUBLIC BENEFIT TO:1. PROVIDE AND MANAGE HOUSING, INCLUDING SOCIAL HOUSING, AND PROVIDE ASSISTANCE TO HELP HOUSE PEOPLE AND ASSOCIATED FACILITIES, AMENITIES AND SERVICES FOR POOR PEOPLE OR FOR THE RELIEF OF AGED, DISABLED (WHETHER PHYSICAL OR MENTALLY) OR CHRONICALLY SICK PEOPLE; AND / OR2. DEVELOP THE CAPACITY AND SKILLS OF THE MEMBERS OF ANY SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITY IN SUCH A WAY THAT THEY ARE BETTER ABLE TO IDENTIFY, AND HELP MEET, THEIR NEEDS AND TO PARTICIPATE MORE FULLY IN SOCIETY; AND / OR3. PREVENT OR RELIEVE POVERTY OR FINANCIAL HARDSHIP; AND / OR4. PROMOTE SOCIAL INCLUSION FOR THE PUBLIC BENEFIT BY PREVENTING PEOPLE FROM BECOMING SOCIALLY EXCLUDED, RELIEVING THE NEEDS OF THOSE PEOPLE WHO ARE SOCIALLY EXCLUDED AND ASSISTING THEM TO INTEGRATE INTO SOCIETY; AND / OR5. PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC; AND / OR6. ADVANCE THE EDUCATION OF THE PUBLIC IN SUBJECTS RELATING TO SUSTAINABLE DEVELOPMENT AND THE PROTECTION, ENHANCEMENT AND REHABILITATION OF THE ENVIRONMENT AND TO PROMOTE STUDY AND RESEARCH IN SUCH SUBJECTS PROVIDED THAT THE USEFUL RESULTS OF SUCH STUDY ARE DISSEMINATED TO THE PUBLIC AT LARGE; AND / OR7. PROMOTE FOR THE BENEFIT OF THE PUBLIC URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION; AND / OR8. SUPPORT ANY CHARITABLE REGISTERED PROVIDER OF SOCIAL HOUSING IN ACHIEVING ITS CHARITABLE OBJECTS; AND / OR9. ANY OTHER CHARITABLE OBJECT THAT CAN BE CARRIED OUT FROM TIME TO TIME BY A CHARITY REGISTERED AS A REGISTERED PROVIDER OF SOCIAL HOUSING WITH THE REGULATOR OF SOCIAL HOUSING.

Activities: The objects of the Foundation are to provide for the relief of those in need by reason of poverty, homelessness, old age, mental or physical disability or ill health by the provision of grants, items and services to individuals in need and/or organisations working to relieve such needs.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** Disability, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£213,108	£198,808	-	-
2024-03-31	£200,011	£202,686	-	-
2023-03-31	£200,000	£259,000	-	-
2022-03-31	£300,000	£221,586	-	-
2021-03-31	£502,600	£508,462	£-5,862	0

Trustees

Name	Role	Appointed
Lesley Moody	Chair	2024-09-17
AVRIL GIBSON		2019-11-22
Carol Meredith		2019-11-22
Teri Ann Bayliss		2024-09-17

THE BERNICIA FOUNDATION

England & Wales - Charity number 1190094

Accounts

Charity No. 1190094

Company Registration No. 12107517

THE BERNICIA FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2025

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Company Information

Board of Trustees

Claire-Jane Rewcastle (Chair – resigned 17 September 2024)

Terri Bayliss (appointed 17 September 2024)

Avril Gibson

Beth Hazon (resigned 17 September 2024)

Lesley Moody (Chair - appointed 17 September 2024)

Carol Meredith (resigned 19 June 2025)

Bernicia Group Executive Team

John Johnston, Group Chief Executive

Andrea Malcolm, Deputy Chief Executive and Director

Janette Longstaff, Executive Director, Finance

Michael Farr, Executive Director, Asset & Growth

Jenny Allinson, Company Secretary

Registered Office

Oakwood Way
Ashwood Business Park
Ashington
Northumberland
NE63 0XF

Independent Auditor

Beever and Struthers
One Express
1 George Leigh Steet
Manchester
M4 5DL

Principal Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Principal Bankers

Barclays Bank plc
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Registered Charity Number 1190094

Company Number 12107517

Trustees Report

The Trustees are pleased to present their annual report and financial statements for the year ended 31 March 2025. This report also serves as the Directors' report.

Legal and administrative details

The Foundation is registered with the Charity Commission as a Registered Charity (No.1190094) and is incorporated under the Companies Act 2006 (No. 12107517).

Details of the Trustees currently holding office, registered office, auditor, and principal bankers are shown on page 2. The Trustees' report has been prepared in accordance with the Statement of Recommended Practice for charitable organisations (Charity SORP FRS102). The Trustees are also the Directors of the company for the purposes of Company Law.

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a sum not exceeding £10.

Structure, governance and management

Governance

The Foundation is managed by the Trustees for the purposes of meeting the aims and objectives of the charity which are set out below. The Foundation has adopted the Small Charities Code of Governance and has four Trustees including the chair (2024:4) who meet at regular intervals throughout the period.

Appointment and Training

The statutory power of appointing new Trustees is vested in Bernicia Group (the Group). Trustee training is made available to all new members on appointment and at regular intervals.

Organisation

The Foundation is controlled by its Board of Trustees. The Foundation is a member of the Bernicia Group of companies. The Bernicia Group executive team is responsible for day to day management of the Foundation.

Related parties

Bernicia Group provides company secretarial, administration and accounting services to the Foundation. The Group does not make a surplus on these transactions with the Foundation. Further information on related party transactions is set out in note 10.

Risk Management

A key element in the care and diligence expected of the Foundation, and therefore one of the main responsibilities of the Trustees, is to assess the risks affecting the Foundation as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the Foundation's assets, its financial position, and its results. The Trustees have in place a risk management system to identify significant risks in order to ensure that they are taken into account in the context of all relevant decisions affecting the Foundation's activities.

Trustees' Report (continued)

The Bernicia Foundation engages with the Community Foundation Tyne & Wear and Northumberland to provide due diligence on applicant organisations and assess applications prior to their consideration by the Board of Trustees.

Reserves

Reserves held are expended for charitable purposes; a number of schemes have been identified that will benefit and the Foundation welcomes applications from worthwhile causes which can also benefit from the funding which is available. The reserve policy is reviewed annually, and the restricted reserves balances are reported at the quarterly Committee meetings. As the Foundation's objective is to make grants each year which, when added to running costs, broadly equal its income, the Trustees do not intend that there should be a significant balance of reserves held. It is envisaged that these balances will be spent over the next period on suitable projects as identified. As at the period end the available restricted reserves amounted to £12,127 (2024: £10,936) and unrestricted reserves amounted to £13,108.

Objectives and activities for the public benefit

The Foundation was registered as a charity on 24 June 2020. It aims to improve the quality of life for people living in our communities. It allocates non-repayable grants to worthwhile causes that make a difference to people and communities where Bernicia Group operates.

The objects of the Foundation are to provide for the relief of those in need by reason of poverty, homelessness, old age, mental or physical disability or ill health by the provision of grants, items and services to individuals in need and/or individuals, charities or other organisations working to relieve such needs, and the provision of education, training, advice and assistance to those involved or engaged in or benefitting from the provision of such grants, items and services.

Achievements and performance

The Board of Trustees considers that substantial progress has been made in terms of supporting charitable objectives during the period and achieving its business planning targets for the period.

During the period, the Foundation was donated £213,108 (2024: £200,011) and allocated grants totaling £169,500 (2024: £177,059).

Funding was primarily from the Bernicia Group (£200,000) with an additional amount (£13,108) from the Bernicia Group subsidiary, Kingston Property Services. The Bernicia Group has set out an expectation to provide funding of a further £200,000 for the period from April 2025 to March 2026 within its 2022/26 Corporate Strategy.

Applications are invited from individuals, community groups and organisations, which address the annual funding themes. In the period, these were:

- Reducing isolation and loneliness
- Promoting independence
- Building citizenship, confidence, and aspiration
- Removing barriers to employment, training, and volunteering
- Tackling poverty (including fuel poverty)
- Improving financial wellbeing

Trustees' Report (continued)

The Foundation makes two types of grant to organisations and people across Tyne and Wear, County Durham, Teesside and Northumberland:

- **Inspiration Grants** valued at up to £1,000 target inspirational young people aged 24 and under or organisations helping young people.
- **Inclusion Grants** of between £5,000 and £10,000 are made to voluntary or community groups, registered charities, social enterprises, and co-operatives with an annual income under £750,000 per period.

Projects funded during the period were as follows:

Inspiration Grants

Two individuals c/o Blyth Juno Michi Judo Club	£2,000
Individual c/o Blyth Running Club	£1,000
Individual c/o Butokokan Judo Club	£1,000
Three individuals c/o Hexham Rowing Club	£3,000
Two individuals c/o Middlesbrough Judo Club	£2,000
Individual c/o Precision Climbing	£1,000
Individual c/o South Tyneside Gymnastics Club	£2,000
Individual c/o The City of Newcastle Gymnastics Academy	£1,000
Individual c/o The Friends of Marron Theatre	£1,000
Individual c/o Ironfist Kickboxing	£1,000
Other grants to individuals of not more than £1,000	£500

Inclusion Grants

Acorns Project	£10,000
Baby Equipment Loan Service and Toy Library	£10,000
Blythe Resource and Initiative Centre	£6,000
Bringing Words to Life Limited	£10,000
Building Self Belief CIO	£10,000
Cleveland Housing Advice Centre	£8,000
Community@NE66 Charitable Trust	£10,000
Friends Action North East	£5,000
Meadow Well Connected	£10,000
Newsham and New Delaval Youth Forum	£10,000
Northumberland Community Bank	£10,000
Peace of Mind CIO	£10,000
People and Drugs (SILX)	£10,000
Readeasy Newcastle and North Tyneside	£5,000
Recyke y'Bike	£10,000
Shiney Advice and Resource Project	£10,000
Young Women's Film Academy	£10,000

Trustees' Report (continued)

Going concern

The Foundation generated a surplus of £14,300 (2024: £2,674 deficit) for the period and at the financial year end date had total net assets of £25,236 (2024: £10,936), including cash of £30,448 (2024: £17,812). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Grants are only made where funding is already in place.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Auditor

A resolution to reappoint Beever and Struthers as auditor will be put to the Trustee Board before the end of the next financial year.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

Trustees' Report (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

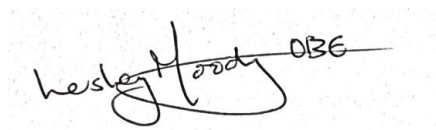
Statement on internal controls

Certain central functions including finance and accounting, together with company secretarial services are provided to the Foundation by its Parent Company (Bernicia Group). The Parent Company includes statements in its own Annual Report relating to its procedures in relation to governance and internal control. The last Annual Report of Bernicia Group confirmed that it had adopted a Code of Governance and had complied with the Code's principal recommendations.

Statement as to disclosure of information to auditor

So far as each person who is a Trustee is aware, there is no relevant audit information of which the Company's auditor is unaware. Each Trustee has taken all steps that they ought to have taken in his duty as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Trustees and signed and dated on their behalf by

A handwritten signature in black ink that reads "Lesley Moody OBE". The signature is written in a cursive style with a horizontal line extending to the right.

Lesley Moody
Chair

5 August 2025

Independent auditor's report to the members of The Bernicia Foundation

Opinion

We have audited the financial statements of The Bernicia Foundation ("the charitable company") for the year ended 31 March 2025 which comprise the Statement of Financial Activities (including income and expenditure account), the Statement of Financial Position, the Statement of Changes in Reserves and the related notes, including the accounting policies in note 1. 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 2025 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent auditor's report to the members of The Bernicia Foundation (continued)

We have nothing to report in this regard.

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 in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 6-7, 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.

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

Independent auditor's report to the members of The Bernicia Foundation (continued)

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to Charities.
- We enquired of the Trustees and reviewed Board meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)

**For and on behalf of
Beever and Struthers**

Statutory Auditor
One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 27 August 2025

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

For year ended 31 March 2025

			2025	2024
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Income:				
Donations and gifts	3	13	200	213
Income from charitable activities:				
Fundraising	3	-	-	-
Income from other trading activities:				
Governance activities	3	-	-	-
Total income		13	200	213
Expenditure				
Costs of raising funds:				
Governance costs	3	-	29	29
Expenditure on charitable activities:	3	-	170	170
Total expenditure		-	199	199
Net (expenditure)/ income/ and net movement in funds		13	1	14
Reconciliation of funds:				
Total Funds brought forward		-	11	11
Total Funds carried forward	8	13	12	25

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

The notes at pages 14 to 18 form part of these financial statements.

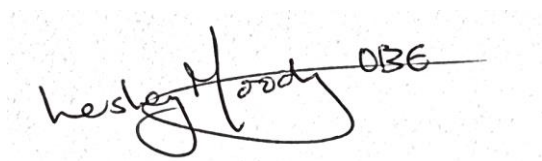
STATEMENT OF FINANCIAL POSITION
At 31 March 2025

	Note	2025 £000	2024 £000
Current assets			
Cash	-	30	18
Creditors: amounts falling due within one year	7	<u>(5)</u>	<u>(7)</u>
Net current assets		<u>25</u>	<u>11</u>
Total assets less current liabilities		<u>25</u>	<u>11</u>
The funds of the charity:			
Unrestricted income funds	8	13	-
Restricted income funds	8	<u>12</u>	<u>11</u>
Total charity funds		<u><u>25</u></u>	<u><u>11</u></u>

The trustees have prepared these accounts in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 14 to 18 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 5 August 2025 and signed on its behalf by:



Lesley Moody

Chair

Company number: 12107517.

STATEMENT OF CHANGES IN RESERVES

For year ended 31 March 2025

	Unrestricted income funds £000	Restricted income funds £000	Total £000
Balance at 31 March 2023	-	14	14
Total comprehensive income for the period	-	(3)	(3)
Balance at 31 March 2024	-	11	11
Total comprehensive income for the period	13	1	14
Balance at 31 March 2025	13	12	25

The notes at pages 14 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2025

1. Accounting policies

The principal accounting policies of the Foundation are set out in the following paragraphs:

1.1. Introduction and accounting basis

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Foundation meets the definition of a Public Benefit Entity under FRS102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The Bernicia Foundation was formed, and is registered, in the UK. Assets and Liabilities are originally recognised at historical cost or transactional value unless otherwise stated.

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's trustees. The Company is included in the consolidated financial statements of its parent undertaking, Bernicia Group Limited.

In preparing the financial statements, the Company has taken advantage of the following disclosure exemptions:

Cash Flow Statement and related notes.

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

1.2. Going concern

The Foundation generated a surplus of £14,300 (2024: £2,674 deficit) for the period and at the financial year end had total net assets of £25,235 (2024: £10,936), including cash of £30,448 (2024: £17,812). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period. Grants are allocated to match available funding.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia Group has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.3. Income

Donations and gifts are credited to income on a receivable basis. Monies received relating to the next financial year are carried forward in the statement of financial position.

1.4. Operating costs

Expenditure is accounted for on an accruals basis. Grant expenditure is recognised when the grant is approved by the Trustees. Operating costs comprise of:

Costs of Generating fund raising income - These include costs incurred as part of fundraising activities.

Governance costs - Governance costs comprise of all costs incurred in the governance of the Trust, including costs relating to statutory audit, professional fees, and management charges payable to the parent.

Charitable Activities - Costs of charitable activities flow from the Foundation's vision and purpose. These costs include donations and expenditure in line with grant funding. Costs of expenditure are recognised when incurred; costs of grants are recognised when the grant is approved by the Board of Trustees.

1.5. Unrestricted funds

Unrestricted funds, comprising general funds, are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Foundation.

1.6. Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders.

1.7. Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

If the arrangement constitutes a financial transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled, or expires.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial year end date and the amounts reported for income and expenditure during the period.

During the period there were no judgements or estimates which had a significant effect on amounts recognised in the financial statements.

3. Income and operating costs

3.1 Charitable activities

	Unrestricted funds	Restricted funds	2025 Total £000	2024 Total £000
Fundraising	-	-	-	-
Donations and gifts	13	200	213	200
Total income	13	200	213	200

3.2 Operating costs

	2025 Total £000	2024 Total £000
Donations	170	177
Governance costs comprise:		
Legal and professional fees	24	23
Audit fees	5	3
	199	203

Audit fees comprise amounts charged by the Bernicia Foundation's auditors (including VAT) in respect of the audit of these financial statements (Fees charged excluding VAT: 2025: £2,542; 2024: £2,500)

The grants in the year were in relation to Inspiration Grants and Inclusion Grants as outlined on page 5.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Employee information

There were no employees of the Foundation during the period.

5. Trustees' remuneration

The Foundation is administered by a Board of Trustees who are considered to be the key management personnel of the charity. The Board of Trustees received no remuneration during the year (2024: £nil).

6. Taxation

As a charity, The Bernicia Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

7. Creditors: Amounts falling due within one year

	2025 £000	2024 £000
Accruals and deferred income	5	7
	<u>5</u>	<u>7</u>

8. Restricted income funds

	2025 £000	2024 £000
Balance at beginning of period	11	14
Donations and gifts	200	200
Charitable activities	(170)	(177)
Governance costs	(29)	(26)
Surplus at period end	<u>12</u>	<u>11</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.a Unrestricted income funds

	2025 £000	2024 £000
Balance at beginning of period	-	-
Donations and gifts	13	-
Surplus at period end	13	-

9. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	£000	£000
Current assets	13	17	30	18
Current liabilities	-	(5)	(5)	(7)
	13	12	25	11

10. Related party transactions

The Trustees who acted during the financial period are shown on page 2.

The Bernicia Foundation is a member of Bernicia Group. During the year donations of £200,000 were made to The Bernicia Foundation by Bernicia Group and donations of £13,000 were made to The Bernicia Foundation by Kingston Property Services Limited.

There were no amounts owing to or from The Bernicia Foundation to group members at the period end (2024: £nil).

11. Group information

The Board considers that the immediate and ultimate parent undertaking and controlling party is Bernicia Group, a housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 7711 and registered with the Regulator pursuant to sections 111 and 112 of the Housing and Regeneration Act 2008 (Registration No. 4868). Details of the companies that form the Bernicia Group are contained in the accounts of Bernicia Group.

Copies of Group accounts can be obtained from the registered office at Bernicia, Oakwood Way, Ashwood Business Park, Northumberland, NE63 0XF and from www.bernicia.com/corporate.

THE BERNICIA FOUNDATION

England & Wales - Charity number 1190094

Accounts

Charity No. 1190094

Company Registration No. 12107517

THE BERNICIA FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2024

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Company Information

Board of Trustees

Claire-Jane Rewcastle (Chair)

Avril Gibson

Beth Hazon

Carol Meredith

Bernicia Group Executive Team

John Johnston, Group Chief Executive

Janette Longstaff, Executive Director, Finance

Michael Farr, Executive Director, Asset & Growth

Andrea Malcolm, Executive Director, People, Homes & Communities

Jenny Allinson, Company Secretary

Registered Office

Oakwood Way
Ashwood Business Park
Ashington
Northumberland
NE63 0XF

Independent Auditor

Beever and Struthers
One Express
1 George Leigh Steet
Manchester
M4 5DL

Principal Solicitors

Trowers & Hamblins LLP
3 Bunhill Row
London
EC1Y 8YZ

Principal Bankers

Barclays Bank plc
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Registered Charity Number 1190094

Company Number 12107517

Trustees Report

The Trustees are pleased to present their annual report and financial statements for the year ended 31 March 2024. This report also serves as the Directors' report.

Legal and administrative details

The Foundation is registered with the Charity Commission as a Registered Charity (No.1190094) and is incorporated under the Companies Act 2006 (No. 12107517).

Details of the Trustees currently holding office, registered office, auditor and principal bankers are shown on page 2. The Trustees' report has been prepared in accordance with the Statement of Recommended Practice for charitable organisations (Charity SORP FRS102). The Trustees are also the Directors of the company for the purposes of Company Law.

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a sum not exceeding £10.

Structure, governance and management

Governance

The Foundation is managed by the Trustees for the purposes of meeting the aims and objectives of the charity which are set out below. The Foundation has adopted the Small Charities Code of Governance and has four Trustees including the chair (2023:4) who meet at regular intervals throughout the period.

Appointment and Training

The statutory power of appointing new Trustees is vested in Bernicia Group (the Group). Trustee training is made available to all new members on appointment and at regular intervals.

Organisation

The Foundation is controlled by its Board of Trustees. The Foundation is a member of the Bernicia Group of companies. The Bernicia Group executive team is responsible for day to day management of the Foundation.

Related parties

Bernicia Group provides company secretarial, administration and accounting services to the Foundation. The Group does not make a surplus on these transactions with the Foundation. Further information on related party transactions is set out in note 10.

Risk Management

A key element in the care and diligence expected of the Foundation, and therefore one of the main responsibilities of the Trustees, is to assess the risks affecting the Foundation as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the Foundation's assets, its financial position, and its results. The Trustees have in place a risk management system to identify significant risks in order to ensure that they are taken into account in the context of all relevant decisions affecting the Foundation's activities.

Trustees' Report (continued)

The Bernicia Foundation engages with the Community Foundation Tyne & Wear and Northumberland to provide due diligence on applicant organisations and assess applications prior to their consideration by the Board of Trustees.

Reserves

Reserves held are expended for charitable purposes; a number of schemes have been identified that will benefit and the Foundation welcomes applications from worthwhile causes which can also benefit from the funding which is available. The reserve policy is reviewed annually, and the restricted reserves balances are reported at the quarterly Committee meetings. It is envisaged that these balances will be spent over the next period on suitable projects as identified. As at the period end the available restricted reserves amounted to £10,936 (2023: £13,610).

Objectives and activities for the public benefit

The Foundation was registered as a charity on 24 June 2020. It aims to improve the quality of life for people living in our communities. It allocates non-repayable grants to worthwhile causes that make a difference to people and communities where Bernicia Group operates.

The objects of the Foundation are to provide for the relief of those in need by reason of poverty, homelessness, old age, mental or physical disability or ill health by the provision of grants, items and services to individuals in need and/or individuals, charities or other organisations working to relieve such needs, and the provision of education, training, advice and assistance to those involved or engaged in or benefitting from the provision of such grants, items and services.

Achievements and performance

The Board of Trustees considers that substantial progress has been made in terms of supporting charitable objectives during the period and achieving its business planning targets for the period.

During the period the Foundation was donated £200,011 (2023: £200,000) and allocated grants totaling £177,059 (2023: £226,979).

Funding was primarily from the Bernicia Group (£200,000). The Bernicia Group has set out an expectation to provide funding of a further £400,000 for the period from April 2024 to March 2026 within its 2022/26 Corporate Strategy.

Applications are invited from individuals, community groups and organisations, which address the annual funding themes. In the period, these were:

- Reducing isolation and loneliness
- Promoting independence
- Building citizenship, confidence and aspiration
- Removing barriers to employment, training and volunteering
- Tackling poverty (including fuel poverty)
- Improving financial wellbeing

The Foundation makes two types of grant to organisations and people across Tyne and Wear, County Durham, Teesside and Northumberland:

- **Inspiration Grants** valued at up to £1,000 target inspirational young people aged 24 and under or organisations helping young people.
- **Inclusion Grants** of between £5,000 and £10,000 are made to voluntary or community groups, registered charities, social enterprises and co-operatives with an annual income under £750,000 per period.

Trustees' Report (continued)

Projects funded during the period were as follows:

Inspiration Grants

Individual c/o Blyth Running Club	£1,000
Individual c/o Blyth Juno Minchi Judo Club	£1,000
Three individuals c/o Budo for Change CIC	£3,000
Individual c/o City of Newcastle Gymnastics Academy	£1,000
Individual c/o Excel Race Academy	£1,000
Individual c/o The Glasshouse	£1,000
Individual c/o Marden Amateur Boxing	£1,000
Individual c/o North East Cheer	£1,000
Individual c/o Tyne Youth & Community Centre – The Parks Judo	£1,000
Other grants to individuals of not more than £1,000	£4,500

Inclusion Grants

Border Links Ltd	£10,000
Cowpen Quay Communication Association	£10,000
Emmaus North East	£9,900
GAP Supported Housing	£10,000
Headliners	£10,000
Impact Family Services	£10,000
International Community Organisation of Sunderland	£8,041
Love, Amelia	£9,420
Minerva Arts	£10,000
North Tyneside Disability Forum	£9,992
Northumberland Federation of YMCA	£10,000
Northumberland Pride	£9,548
Search: Services for Older People CIO	£10,000
Stakeford and Bomarsund Miners' Welfare Scheme	£10,000
Success4All	£5,000
Tyneside Vineyard	£9,700
Waffling On	£9,958

Trustees' Report (continued)

Going concern

The Foundation generated a deficit of £2,674 (2023: £58,941 deficit) for the period and at the financial year end date had total net assets of £10,936 (2023: £13,610), including cash of £17,812 (2023: £105,532). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Grants are only made where funding is already in place.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Auditor

A resolution to reappoint Beever and Struthers as auditor will be put to the Trustee Board before the end of the next financial year.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

Trustees' Report (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Statement on internal controls

Certain central functions including finance and accounting, together with company secretarial services are provided to the Foundation by its Parent Company (Bernicia Group). The Parent Company includes statements in its own Annual Report relating to its procedures in relation to governance and internal control. The last Annual Report of Bernicia Group confirmed that it had adopted a Code of Governance and had complied with the Code's principal recommendations.

Statement as to disclosure of information to auditor

So far as each person who is a Trustee is aware, there is no relevant audit information of which the Company's auditor is unaware. Each Trustee has taken all steps that they ought to have taken in his duty as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Trustees and signed and dated on their behalf by



Claire-Jane Rewcastle
Chair

6 August 2024

Independent auditor's report to the members of The Bernicia Foundation

Opinion

We have audited the financial statements of The Bernicia Foundation ("the charitable company") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves and the related notes, including the accounting policies in note 1. 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 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 6-7, 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to Charities.
- We enquired of the Trustees and reviewed Board meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

One Express

1 George Leigh Street

Manchester

M4 5DL

Date: 17 September 2024

STATEMENT OF COMPREHENSIVE INCOME

For year ended 31 March 2024

			2024	2023
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Income:				
Donations and gifts	3	-	200	200
Income from charitable activities:				
Fundraising	3	-	-	-
Income from other trading activities:				
Commercial trading operations	3	-	-	-
Total income		-	200	200
Expenditure				
Costs of raising funds:				
Commercial trading operations	3	-	26	32
Expenditure on charitable activities:	3	-	177	227
Total expenditure		-	203	259
Net (expenditure)/ income/ and net movement in funds		-	(3)	(59)
Reconciliation of funds:				
Total Funds brought forward		-	14	73
Total Funds carried forward	8	-	11	14

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

The notes at pages 14 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
At 31 March 2024

	Note	2024 £000	2023 £000
Current assets			
Cash	-	18	106
Creditors: amounts falling due within one year	7	(7)	(92)
Net current assets		11	14
Total assets less current liabilities		11	14
The funds of the charity:			
Unrestricted income funds	8	-	-
Restricted income funds	8	11	14
Total charity funds		11	14

The trustees have prepared these accounts in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 14 to 18 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 6 August 2024 and signed on its behalf by:



Claire-Jane Rewcastle, Chair of trustees

Company number: 12107517.

STATEMENT OF CHANGES IN RESERVES

For year ended 31 March 2024

	Unrestricted income funds £000	Restricted income funds £000	Total £000
Balance at 31 March 2022	-	73	73
Total comprehensive income for the period	-	(59)	(59)
Balance at 31 March 2023	-	14	14
Total comprehensive income for the period	-	(3)	(3)
Balance at 31 March 2024	-	11	11

The notes at pages 14 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2024

1. Accounting policies

The principal accounting policies of the Foundation are set out in the following paragraphs:

1.1. Introduction and accounting basis

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Foundation meets the definition of a Public Benefit Entity under FRS102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The Bernicia Foundation was formed, and is registered, in the UK. Assets and Liabilities are originally recognised at historical cost or transactional value unless otherwise stated.

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's trustees. The Company is included in the consolidated financial statements of its parent undertaking, Bernicia Group Limited.

In preparing the financial statements, the Company has taken advantage of the following disclosure exemptions:

- Cash Flow Statement and related notes; and
- key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

1.2. Going concern

The Foundation generated a deficit of £2,674 (2023: £58,941 deficit) for the period and at the financial year end had total net assets of £10,936 (2023: £13,610), including cash of £17,812 (2023: £105,532). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period. Grants are allocated to match available funding.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia Group has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.3. Income

Donations and gifts are credited to income on a receivable basis. Monies received relating to the next financial year are carried forward in the statement of financial position.

1.4. Operating costs

Expenditure is accounted for on an accruals basis. Grant expenditure is recognised when the grant is approved by the Trustees. Operating costs comprise of:

Costs of Generating fund raising income - These include costs incurred as part of fundraising activities.

Governance costs - Governance costs comprise of all costs incurred in the governance of the Trust, including costs relating to statutory audit, professional fees and management charges payable to the parent.

Charitable Activities - Costs of charitable activities flow from the Foundation's vision and purpose. These costs include donations and expenditure in line with grant funding.

1.5. Unrestricted funds

Unrestricted funds, comprising general funds, are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Foundation.

1.6. Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders.

1.7. Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

If the arrangement constitutes a financial transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial year end date and the amounts reported for income and expenditure during the period.

During the period there were no judgements or estimates which had a significant effect on amounts recognised in the financial statements.

3. Income, operating costs and operating deficit

3.1 Charitable activities

	Unrestricted funds	Restricted funds	2024 Total £000	2023 Total £000
Fundraising	-	-	-	-
Donations and gifts	-	200	200	200
Total income	-	200	200	200

3.2 Operating costs

	2024 Total £000	2023 Total £000
Donations	177	227
Governance costs comprise:		
Legal and professional fees	23	22
Audit and accountancy	3	10
	203	32

The grants in the year were in relation to Inspiration Grants and Inclusion Grants as outlined on pages 4 and 5.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Employee information

There were no employees of the Foundation during the period.

5. Trustees' remuneration

The Foundation is administered by a Board of Trustees who received no remuneration during the year (2023: £nil).

6. Taxation

As a charity, The Bernicia Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

7. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Accruals and deferred income	7	92
	<u>7</u>	<u>92</u>

8.a Restricted income funds

	2024 £000	2023 £000
Balance at beginning of period	14	73
Donations and gifts	200	200
Charitable activities	(177)	(227)
Governance costs	(26)	(32)
Surplus at period end	<u>11</u>	<u>14</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.b Unrestricted income funds

	2024 £000	2023 £000
Balance at beginning and end of period	-	-

9. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	£000	£000
Current assets	-	18	18	106
Current liabilities	-	(7)	(7)	(92)
	-	11	11	14

10. Related party transactions

The Trustees who acted during the financial period are shown on page 2.

As The Bernicia Foundation is a member of Bernicia Group, which prepares consolidated financial statements, the Foundation has taken advantage of the exemption in Section 33 of FRS 102 not to disclose transactions with entities which are wholly owned within the Group.

There are no other related party transactions to report.

11. Group information

The Board considers that the immediate and ultimate parent undertaking and controlling party is Bernicia Group, a housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 7711 and registered with the Regulator pursuant to sections 111 and 112 of the Housing and Regeneration Act 2008 (Registration No. 4868). Details of the companies that form the Bernicia Group are contained in the accounts of Bernicia Group.

Copies of Group accounts can be obtained from the registered office at Bernicia, Oakwood Way, Ashwood Business Park, Northumberland, NE63 0XF and from www.bernicia.com/corporate.

THE BERNICIA FOUNDATION

England & Wales - Charity number 1190094

Accounts

Charity No. 1190094

Company Registration No. 12107517

THE BERNICIA FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2023

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Company Information

Board of Trustees

Claire-Jane Rewcastle (Chair) appointed Chair 15 September 2022

Carol Meredith

Beth Hazon

Avril Gibson, resigned as Chair 15 September 2022

Bernicia Group Executive Team

John Johnston, Group Chief Executive

Janette Longstaff, Executive Director, Finance

Michael Farr, Executive Director, Asset & Growth

Andrea Malcolm, Executive Director, People, Homes & Communities

Jenny Allinson, Company Secretary

Registered Office

Oakwood Way
Ashwood Business Park
Ashington
Northumberland
NE63 0XF

Independent Auditor

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Principal Solicitors

Trowers & Hamblins LLP
3 Bunhill Row
London
EC1Y 8YZ

Principal Bankers

Barclays Bank plc
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Registered Charity Number 1190094

Company Number 12107517

Trustees Report

The Trustees are pleased to present their annual report and financial statements for the year ended 31 March 2023. This report also serves as the Directors' report.

Legal and administrative details

The Foundation is registered with the Charity Commission as a registered Charity (No.1190094) and is incorporated under the Companies Act 2006 (No. 12107517).

Details of the Trustees currently holding office, registered office, auditor and principal bankers are shown on page 2. The Trustees' report has been prepared in accordance with the Statement of Recommended Practice for charitable organisations (Charity SORP FRS102). The Trustees are also the Directors of the company for the purposes of Company Law.

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a sum not exceeding £10.

Structure, governance and management

Governance

The Foundation is managed by the Trustees for the purposes of meeting the aims and objectives of the Charity which are set out below. The Foundation has adopted the Small Charities Code of Governance and has four Trustees including the chair (2022:4) who meet at regular intervals throughout the period. The Trustees are noted on page 1.

Appointment and Training

The Board of Trustees of the Foundation consists of four members and the statutory power of appointing new Trustees is vested in Bernicia Group (the Group). The Trustees who held office during the financial period are shown on page 1. Trustee training is made available to all new members on appointment and at regular intervals.

Organisation

The Foundation is controlled by its Board of Trustees. The Foundation is a member of the Bernicia Group of companies.

Related parties

Bernicia Group provides company secretarial, administration and accounting services to the Foundation. The Group does not make a surplus on these transactions with the Foundation. See note 10.

Risk Management

A key element in the care and diligence expected of the Foundation, and therefore one of the main responsibilities of the Trustees, is to assess the risks affecting the Foundation as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the Foundation's assets, its financial position, and its results. The Trustees have in place a risk management system to identify significant risks in order to ensure that they are taken into account in the context of all relevant decisions affecting the Foundation's activities.

Trustees' Report (continued)

The Bernicia Foundation engages with the Community Foundation Tyne & Wear and Northumberland to provide due diligence on applicant organisations and assess applications prior to their consideration by the Board of Trustees.

Reserves

Reserves held are expended for charitable purposes; a number of schemes have been identified that will benefit and the Foundation welcomes applications from worthwhile causes which can also benefit from the funding which is available. The reserve policy is reviewed annually, and the restricted reserves balances are reported at the quarterly Committee meetings. It is envisaged that these balances will be spent over the next period on suitable projects as identified. As at the period end the available reserves within the Trust amounted to £13,610 (2022: £72,551).

Objectives and activities for the public benefit

The Foundation was registered as a charity on 24 June 2020. It aims to improve the quality of life for people living in our communities. It allocates non-repayable grants to worthwhile causes that make a difference to people and communities where Bernicia Group operates.

The objects of the Foundation are to provide for the relief of those in need by reason of poverty, homelessness, old age, mental or physical disability or ill health by the provision of grants, items and services to individuals in need and/or individuals, charities or other organisations working to relieve such needs, and the provision of education, training, advice and assistance to those involved or engaged in or benefitting from the provision of such grants, items and services.

Achievements and performance

The Board of Trustees considers that substantial progress has been made in terms of supporting charitable objectives during the period and achieving its business planning targets for the period.

During the period the Foundation was donated £200,000 (2022: £300,000) and allocated grants totaling £226,979 (2022: £192,534).

Funding was from the Bernicia Group (£200,000). The Bernicia Group has set out an expectation to provide funding of a further £600,000 for the period from April 2023 to March 2026 within its 2022/26 Corporate Strategy.

Applications are invited from individuals, community groups and organisations, which address the annual funding themes. In the period, these were:

- Reducing isolation and loneliness
- Promoting independence
- Building citizenship, confidence and aspiration
- Removing barriers to employment, training and volunteering
- Tackling poverty (including fuel poverty)
- Improving financial wellbeing

The Foundation makes two types of grant to organisations and people across Tyne and Wear, County Durham, Teesside and Northumberland:

- **Inspiration Grants** valued at up to £1,000 target inspirational young people aged 24 and under or organisations helping young people.
- **Inclusion Grants** of between £5,000 and £10,000 are made to voluntary or community groups, registered charities, social enterprises and co-operatives with an annual income under £750,000 per period.

Trustees' Report (continued)

Projects funded during the period were as follows:

Inspiration Grants

PGA Professional – Cocken Lodge Golf Club	£480
Individual c/o NE Youth	£940
National Rink Hockey Assoc	£1,000
Two individuals c/o Blyth Michi Judo Club	£2,000
Other grants to individuals	£3,000

Inclusion Grants

Beyond Limits	£8,000
Pennywell Neighbourhood Centre	£7,494
Parker Trust	£10,000
Wheels2Work County Durham	£10,000
Chopwell Regeneration	£10,000
Triangular	£5,000
Gateshead Older People's Assembly	£10,000
Three13 Training and Enterprise Ltd	£9,489
Gateshead Council (Covid projects)	£7,500
Compact for Race Equality in South Tyneside	£10,000
West End Refugee Service	£10,000
Pallion Action Group	£5,000
Jewish Community Council of Gateshead	£9,675
FFG Foundation	£10,000
Berwick Youth Project	£10,000
Let's Get Growing	£8,900
Patchwork Project	£10,000
WAVES Additional Needs Support Group	£10,000
Key (the)	£7,937
ESCAPE Family Support Ltd	£10,000
HTH Teamwork CIO	£5,914
Mortal Foods	£10,000
St Chads Community Project	£5,550
Trinity Youth Association	£9,100
Choysez	£10,000

Trustees' Report (continued)

Going concern

The Foundation generated a deficit of £58,941 (2022: £78,414 surplus) for the period and at the balance sheet date had total net assets of £13,610 (2022: £72,551), including cash of £105,532 (2022: £79,751). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

Trustees' Report (continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Statement on internal controls

Certain central functions including finance and accounting, together with company secretarial services are provided to the Foundation by its Parent Company (Bernicia Group). The Parent Company includes statements in its own Annual Report relating to its procedures in relation to governance and internal control. The last Annual Report of Bernicia Group confirmed that it had adopted a Code of Governance and had complied with the Code's principal recommendations.



Claire-Jane Rewcastle
Chair

7th September 23

KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of The Bernicia Foundation

Opinion

We have audited the financial statements of The Bernicia Foundation ("the charitable company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, and related notes, including the accounting policies in note 1.

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 2023 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result

Independent Auditor's Report (continued)

in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees and management as to the charitable company's high-level policies and procedures to prevent and detect fraud, and the charitable company's channel for whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud and,
- Reading Board meeting minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the lack of opportunities due to the nature of the income streams.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to cash accounts with corresponding entries into unexpected accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation and the charity SORP), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of charitable company legislation. Auditing standards limit the

Independent Auditor's Report (continued)

required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Independent Auditor's Report (continued)

Trustees' responsibilities

As explained more fully in their statement set out on page 3, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



*Tara Stonehouse (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor*

Chartered Accountants

Quayside House

110 Quayside

Newcastle upon Tyne

NE1 3DX

22/09/2023

STATEMENT OF COMPREHENSIVE INCOME

For year ended 31 March 2023

				2023	2022
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Total Funds £000
Income:					
Donations and gifts	3	-	200	200	300
Income from charitable activities: Fundraising	3	-	-	-	-
Income from other trading activities: Commercial trading operations	3	-	-	-	-
Total income		-	200	200	300
Expenditure					
Costs of raising funds: Commercial trading operations	3	-	32	32	29
Expenditure on charitable activities:	3	-	227	227	192
Total expenditure		-	259	259	221
Net (expenditure)/ income/ and net movement in funds		-	(59)	(59)	79
Reconciliation of funds:					
Total Funds brought forward			73	73	(6)
Total Funds carried forward	8		14	14	73

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

The notes at pages 15 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 March 2023

	Note	2023 £000	2022 £000
Current assets			
Cash	-	106	80
Creditors: amounts falling due within one year	7	(92)	(7)
Net current assets		14	73
Total assets less current liabilities		14	73
The funds of the charity:			
Unrestricted income funds	8	-	-
Restricted income funds	8	14	73
Total charity funds		14	73

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 15 to 18 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 7th September 2023 and signed on its behalf by:



Claire-Jane Rewcastle, Chair of trustees

Company number: 12107517.

STATEMENT OF CHANGES IN RESERVES

For year ended 31 March 2023

	Unrestricted income funds £000	Restricted income funds £000	Total £000
Balance at 31 March 2021			
Total comprehensive income for the period	-	(6) 79	(6) 79
Balance at 31 March 2022	<u>-</u>	<u>73</u>	<u>73</u>
Year ended 31 March 2023			
Total comprehensive income for the period	-	(59)	(59)
Reserve transfer	-	-	-
Balance at 31 March 2023	<u>-</u>	<u>14</u>	<u>14</u>

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2023

1. Accounting policies

The principal accounting policies of the Foundation are set out in the following paragraphs:

1.1. Introduction and accounting basis

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Foundation meets the definition of a Public Benefit Entity under FRS102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The Bernicia Foundation was formed, and is registered, in the UK. Assets and Liabilities are originally recognised at historical cost or transactional value unless otherwise stated.

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's trustees. The Company is included in the consolidated financial statements of its parent undertaking, Bernicia Group Limited.

In preparing the financial statements, the Company has taken advantage of the following disclosure exemptions:

- Cash Flow Statement and related notes; and
- key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

1.2. Going concern

The Foundation generated a deficit of £58,941 (2022: £78,414 surplus) for the period and at the balance sheet date had total net assets of £13,610 (2022: £72,551), including cash of £105,532 (2022: £79,751). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia Group has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.3. Income

Donations and gifts are credited to income on a receivable basis. Monies received relating to the next financial year are carried forward in the balance sheet.

1.4. Operating costs

Expenditure is accounted for on an accruals basis. Operating costs comprise of:

Costs of Generating fund raising income - These include costs incurred as part of fundraising activities.

Governance costs - Governance costs comprise of all costs incurred in the governance of the Trust, including costs relating to statutory audit, professional fees and management charges payable to the parent.

Charitable Activities - Costs of charitable activities flow from the Foundation's vision and purpose. These costs include donations and expenditure in line with grant funding.

1.5. Unrestricted funds

Unrestricted funds, comprising general funds, are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Foundation.

1.6. Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders. These include funds raised in response to specific appeals.

1.7. Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

If the arrangement constitutes a financial transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period.

During the period there were no judgements or estimates which had a significant effect on amounts recognised in the financial statements.

3. Income, operating costs and operating deficit

3.1 Charitable activities

	Unrestricted funds	Restricted funds	2023 Total £000	2022 Total £000
Fundraising	-	-	-	-
Donations and gifts	-	200	200	300
Total income	<u>-</u>	<u>200</u>	<u>200</u>	<u>300</u>

3.2 Operating costs

	2023 Total £000	2022 Total £000
Donations	227	192
Governance costs comprise:		
Legal and professional fees	22	22
Audit and accountancy	10	7
	<u>32</u>	<u>29</u>

The grants in the year were in relation to Inspiration Grants and Inclusion Grants as outlined on pages 4 and 5.

4. Employee information

There were no employees of the Foundation during the period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Trustees' remuneration

The Foundation is administered by a Board of Trustees who received no remuneration during the year (2022: £nil).

6. Taxation

As a charity, The Bernicia Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

7. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Accruals and deferred income	92	7
	<u>92</u>	<u>7</u>

8.a Restricted income funds

	2023 £000	2022 £000
Balance at beginning of period	73	(6)
Donations and gifts	200	300
Charitable activities	(227)	(192)
Governance costs	(32)	(29)
Surplus at period end	<u>14</u>	<u>73</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.b Unrestricted income funds

	2023	2022
	£000	£000
Balance at beginning and end of period	-	-

9. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2023	2022
			£000	£000
Current assets	-	106	106	80
Current liabilities	-	(92)	(92)	(7)
	-	14	14	73

10. Related party transactions

The Trustees who acted during the financial period are shown on page 2.

As The Bernicia Foundation is a member of Bernicia Group, which prepares consolidated financial statements, the Foundation has taken advantage of the exemption in Section 33 of FRS 102 not to disclose transactions with entities which are wholly owned within the Group.

There are no other related party transactions to report.

11. Group information

The Board considers that the immediate and ultimate parent undertaking and controlling party is Bernicia Group, a housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 7711 and registered with the Regulator pursuant to sections 111 and 112 of the Housing and Regeneration Act 2008 (Registration No. 4868). Details of the companies that form the Bernicia Group are contained in the accounts of Bernicia Group.

Copies of Group accounts can be obtained from the registered office at Bernicia, Oakwood Way, Ashwood Business Park, Northumberland, NE63 0XF.

THE BERNICIA FOUNDATION

England & Wales - Charity number 1190094

Accounts

Company Registration No. 12107517

**THE BERNICIA FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2022**

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Company Information

Board of Trustees

John Holmes (Chair), resigned 14 September 2021
Avril Gibson, (appointed Chair) 14 September 2021
Carol Meredith
Beth Hazon
Claire-Jane Rewcastle, appointed 14 September 2021

Bernicia Group Executive Team

John Johnston, Group Chief Executive
Janette Longstaff, Executive Director, Finance
Michael Farr, Executive Director, Asset & Growth
Andrea Malcolm, Executive Director, People, Homes & Communities
Michael Axe, Company Secretary (resigned 30 September 2021)
Jenny Allinson, Company Secretary (appointed 30 September 2021)

Registered Office

Oakwood Way
Ashwood Business Park
Ashington
Northumberland
NE63 0XF

Independent Auditor

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Principal Solicitors

Trowers & Hamlin LLP
3 Bunhill row
London
EC1Y 8YZ

Principal Bankers

Barclays Bank plc
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Registered Charity Number 1190094

Company Number 12107517

Trustees Report

The Trustees are pleased to present their annual report and financial statements for the year ended 31 March 2022. This report also serves as the Directors report.

Legal and administrative details

The Foundation is registered with the Charity Commission as a registered Charity (No.1190094) and is incorporated under the Companies Act 2006 (12107517).

Details of the Trustees currently holding office, registered office, auditor and principal bankers are shown on page 1. The Trustees' report has been prepared in accordance with the Statement of Recommended Practice for charitable organisations (Charity SORP 2015) and the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) requirements. The Trustees are also the Directors of the company for the purposes of Company Law.

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a sum not exceeding £10.

Structure, governance and management

Governance

The Foundation is managed by the Trustees for the purposes of meeting the aims and objectives of the Charity which are set out below. The Foundation has adopted the Small Charities Code of Governance and has four Trustees including the chair (2021:4) who meet at regular intervals throughout the period. The Trustees are noted on page 1.

Appointment and Training

The Board of Trustees of the Foundation consists of four members and the statutory power of appointing new Trustees is vested in Bernicia Group (the Group). The Trustees who held office during the financial period are shown on page 1. Trustee training is made available to all new members on appointment and at regular intervals.

Organisation

The Foundation is controlled by its Board of Trustees. The Foundation is a member of Bernicia Group of companies.

Related parties

Bernicia Group provides company secretarial, administration and accounting services to the Foundation. The Group does not make a surplus on these transactions with the Foundation. See note 10.

Risk Management

A key element in the care and diligence expected of the Foundation, and therefore one of the main responsibilities of the Trustees, is to assess the risks affecting the Foundation as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the Foundation's assets, its financial position, and its results. The Trustees have in place a risk management system to identify significant risks in order to ensure that they are taken into account in the context of all relevant decisions affecting the Foundation's activities.

The Bernicia Foundation engages with the Community Foundation Tyne & Wear and Northumberland to provide due diligence on applicant organisations and assess applications prior to their consideration by the Board of Trustees.

Trustees Report (cont)

Reserves

Reserves held are expended for charitable purposes; a number of schemes have been identified that will benefit and the Foundation welcomes applications from worthwhile causes which can also benefit from the funding which is available. The reserve policy is reviewed annually, and the restricted reserves balances are reported at the quarterly Committee meetings. It is envisaged that these balances will be spent over the next period on the specific projects to which they relate. As at the period end the available reserves within the Trust amounted to £72,551 (2021: (£5,862)).

Objectives and activities for the public benefit

The Foundation was registered as a charity on 24 June 2020. It aims to improve the quality of life for people living in our communities. It allocates non-repayable grants to worthwhile causes that make a difference to people and communities where Bernicia Group operates.

The objects of the Foundation are to provide for the relief of those in need by reason of poverty, homelessness, old age, mental or physical disability or ill health by the provision of grants, items and services to individuals in need and/or individuals, charities or other organisations working to relieve such needs, and the provision of education, training, advice and assistance to those involved or engaged in or benefitting from the provision of such grants, items and services.

Achievements and performance

The Board of Trustees considers that substantial progress has been made in terms of supporting charitable objectives during the period and achieving its business planning targets for the period.

During the period the Foundation was donated £300,000 (2021: £502,600) and allocated grants totaling £192,534 (2021: £468,429).

Funding was from the Bernicia Group (£300,000). The Bernicia Group has committed to provide funding of a further £800k for the period from April 2022 to March 2026.

Applications are invited from individuals, community groups and organisations, which address the annual funding themes. In the period, these were:

- Reducing isolation and loneliness
- Promoting independence
- Building citizenship, confidence and aspiration
- Removing barriers to employment, training and volunteering
- Tackling poverty (including fuel poverty)
- Improving financial wellbeing

The Foundation makes two types of grant to organisations and people across Tyne and Wear, County Durham, Teesside and Northumberland:

- **Inspiration Grants** valued at up to £1,000 target inspirational young people aged 24 and under or organisations helping young people.
- **Inclusion Grants** of between £5,000 and £10,000 are made to voluntary or community groups, registered charities, social enterprises and co-operatives with an annual income under £750,000 per period.

Trustees Report (cont)

Projects funded during the period were as follows:

Inspiration Grants

Hartlepool Gymnastics Club	£660
Northumberland Badminton Association	£1,000
Renaissance Arts	£1,000
Real Lives Real Choices	£600
Young Person engaged in competitive Skiing	£750
Young Person engaged in Motor Sport	£350
Young Person engaged in football training	£500

Inclusion Grants

Rape & Sexual abuse Counselling	£5,000
NE Youth Ltd	£5,000
Hextol Foundation	£5,000
YMCA Newcastle	£5,000
Fareshare North East	£9,000
The Comfrey Project	£9,000
Action Station South Tyneside Ltd	£9,512
Clean Slate Solutions	£10,000
Gateway into the Community	£5,000
Barnabas Safe and Sound	£7,457
Disability North	£8,800
Blyth resources Initiative Centre	£9,004
Hartlepool Carers	£9,440
The Recruitment Junction	£10,000
Southwick Neighbourhood Youth Project	£10,000
Skills for people	£6,050
Sunderland North Family Zone	£10,000
Young Women's Film Academy	£5,000
Bright Futures	£9,989
Young Women's outreach project	£9,578
More than Grandparents	£5,000
WM Morrison Darlington Enterprise Trust	£5,000
Fenham Association of Residents	£10,000
Northern Engagement into recovery from addiction	£9,844

Trustees Report (cont)

Going concern

The Foundation generated a surplus of £78,414 (2021: (£5,862)) for the period and at the balance sheet date had total net assets of £72,551 (2021: (£5,862)), including cash of £79,751 (2021: £3,138). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

Trustees Report (cont)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Statement on internal controls

Certain central functions including finance and accounting, together with company secretarial services are provided to the Foundation by its Parent Company (Bernicia Group). The Parent Company includes statements in its own Annual Report relating to its procedures in relation to governance and internal control. The last Annual Report of Bernicia Group confirmed that it had adopted a Code of Governance and had complied with the Code's principal recommendations.

.....A. Gibson.....

Chair

KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of The Bernicia Foundation

Opinion

We have audited the financial statements of The Bernicia Foundation ("the charitable company") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

T. Stonehouse

16/09/2022

Tara Stonehouse (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

STATEMENT OF COMPREHENSIVE INCOME

For year ended 31 March 2022

				16 months 1 December 2019 to 31 2022	March 2021
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Total Funds £000
Income:					
Donations and gifts	3	-	300	300	503
Income from charitable activities:					
Fundraising	3	-	-	-	-
Income from other trading activities:					
Commercial trading operations	3	-	-	-	-
Total income		-	300	300	503
Expenditure					
Costs of raising funds:					
Commercial trading operations	3	-	29	29	41
Expenditure on charitable activities:	3	-	192	192	468
Total expenditure		-	221	221	509
Net income/(expenditure) and net movement in funds		-	79	79	(6)
Reconciliation of funds:					
Total Funds brought forward			(6)	(6)	0
Total Funds carried forward	8		73	73	(6)

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.


STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	Note	2022 £000	2021 £000
Current assets			
Cash	-	80	3
Creditors: amounts falling due within one year	7	<u>(7)</u>	<u>(9)</u>
Net current assets/(liabilities)		73	(6)
		<hr/>	<hr/>
Total assets less current liabilities		73	(6)
The funds of the charity:			
Unrestricted income funds	8	-	-
Restricted income funds	8	73	(6)
		<hr/>	<hr/>
Total charity funds		73	(6)
		<hr/> <hr/>	<hr/> <hr/>

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 13 to 17 form part of these accounts



Name Avril Gibson, Chair of trustees

Signed on behalf of the trustees.

Approved by the trustees on 23rd June 2022

STATEMENT OF CHANGES IN RESERVES

For year ended 31 March 2022

	Unrestricted income funds £000	Restricted income funds £000	Total £000
Balance at 30 November 2019			
Total comprehensive income for the period	-	(6)	(6)
Balance at 31 March 2021	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Year ended 31 March 2022			
Total comprehensive income for the period	-	79	79
Reserve transfer	-	-	-
Balance at 31 March 2022	<u>-</u>	<u>73</u>	<u>73</u>

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 March 2022

1. Accounting policies

The principal accounting policies of the Trust are set out in the following paragraphs:

1.1. Introduction and accounting basis

These financial statements are prepared in accordance with the FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS102').

The Foundation meets the definition of a Public Benefit Entity under FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The Bernicia Foundation was formed, and is registered, in the UK. Assets and Liabilities are originally recognised at historical cost or transactional value unless otherwise stated.

FRS 102 allows a qualifying entity certain disclosure exemptions subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's trustees. The Company is included in the consolidated financial statements of its parent undertaking, Bernicia Group Limited.

In preparing the financial statements, the Company has taken advantage of the following disclosure exemptions:

- Cash Flow Statement and related notes; and
- key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

1.2. Going concern

The Foundation generated a surplus of £78,414 (2021: (£5,862)) for the period and at the balance sheet date had total net assets of £72,551 (2021: (£5,862)), including cash of £79,751 (2021: £3,138). The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds, through its cash resources and funding from its immediate parent company, Bernicia Group, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bernicia Group providing additional financial support during that period. Bernicia has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (cont)

1.3. Income

Donations and gifts are credited to income on a receivable basis. Monies received relating to the next financial year are carried forward in the balance sheet.

1.4. Operating costs

Expenditure is accounted for on an accruals basis. Operating costs comprise of:

Costs of Generating fund raising income - These include costs incurred as part of fundraising activities.

Governance costs - Governance costs comprise of all costs incurred in the governance of the Trust, including costs relating to statutory audit, professional fees and management charges payable to the parent.

Charitable Activities - Costs of charitable activities flow from the Foundation's vision and purpose. These costs include donations and expenditure in line with grant funding.

1.5. Unrestricted funds

Unrestricted funds, comprising general funds are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Foundation.

1.6. Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders. These include funds raised in response to specific appeal.

1.7. Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

If the arrangement constitutes a financial transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS (cont)

2. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period.

During the period there were no judgements or estimates which had a significant effect on amounts recognised in the financial statements.

3. Income, operating costs and operating deficit

3.1 Charitable activities

	Unrestricted funds	Restricted funds	2022 Total £000	2021 Total £000
Fundraising	-	-	-	-
Donations and gifts	-	300	300	503
Total income	-	300	300	503

3.2 Operating Costs

	2022 Total £000	16 months from 1 December 2019 to 31 March 2021 Total £000
Donations	192	468
Governance costs comprise:		
Legal and professional costs	22	32
Audit and accountancy	7	9
	29	41

The grants in the year were in relation to Inspiration Grants and Inclusion Grants as outlined on page 3 and 4.

4. Employee information

There were no employees of the Foundation during the period.

NOTES TO THE FINANCIAL STATEMENTS (cont)

5. Trustees' remuneration

The Foundation is administered by a Board of Trustees who received remuneration of £nil during the current period (2021: £nil).

6. Taxation

The Bernicia Foundation is registered with charitable status with HMRC and benefits from Corporation Tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for Corporation Tax is made.

7. Creditors: Amounts falling due within one year

	2022 £000	16 months from 1 December 2019 to 31 March 2021 £000
Accruals and deferred income	7	9
	<u>7</u>	<u>9</u>

8.a Restricted income funds

	2022 £000	16 months from 1 December 2019 to 31 March 2021 £000
Balance at beginning of period	(6)	-
Donations and gifts	300	503
Charitable activities	(192)	(468)
Governance costs	(29)	(41)
Surplus / (Deficit) for the period	<u>73</u>	<u>(6)</u>

NOTES TO THE FINANCIAL STATEMENTS (cont)

8.b Unrestricted income funds

	2022 £000	16 months from 1 December 2019 to 31 March 2021 £000
Balance at beginning of period	-	-
(Deficit)/surplus for the period	-	-

9. Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total 2022 £000	16 months from 1 December 2019 to 31 March 2021 £000
Current assets	-	80	80	3
Current liabilities	-	(7)	(7)	(9)
	-	73	73	(6)

10. Related party transactions

The Trustees who acted during the financial period are shown on page 1.

As The Bernicia Foundation is a member of Bernicia Group, which prepares consolidated financial statements, the Foundation has taken advantage of the exemption in Section 33 of FRS 102 not to disclose transactions with entities which are wholly owned within the Group.

There are no other related party transactions to report.

11. Post balance sheet event

There are no Post Balance Sheet events to report. The board acknowledge their responsibility to continuously monitor the situation and evaluate the impact, including whether the entities within the Group remain a going concern.

NOTES TO THE FINANCIAL STATEMENTS (cont)

12. Group information

The Board considers that the immediate and ultimate parent undertaking and controlling party is Bernicia Group, a housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 7711 and registered with the Regulator pursuant to sections 111 and 112 of the Housing and Regeneration Act 2008 (Registration No. 4868). Details of the companies that form the Bernicia Group are contained in the accounts of Bernicia Group.

Copies of Group accounts can be obtained from the registered office at Oakwood Way, Ashwood Business Park, Northumberland, NE63 0XF.

THE BERNICIA FOUNDATION

England & Wales - Charity number 1190094

Accounts

Company Registration No. 12107517

**THE BERNICIA FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE SIXTEEN MONTH PERIOD ENDED 31
MARCH 2021**

THE BERNICIA FOUNDATION

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THE BERNICIA FOUNDATION

Board

Chair

John Holmes

Trustees

Carol Meredith

Avril Gibson

Beth Hazon

Andrew Murray

Resigned 31 July 2020

Bernicia Group Executive Team

John Johnston

Group Chief Executive

Janette Longstaff

Executive Director, Finance

Michael Farr

Executive Director, Asset

Andrea Malcolm

Executive Director, People, Homes & Communities

Michael Axe

Company Secretary

THE BERNICIA FOUNDATION

Registered Office	Oakwood Way Ashwood Business Park Northumberland NE63 0XF
Auditor	KPMG LLP Quayside House 110 Quayside Newcastle Upon Tyne NE1 3DX
Principal Banker	Barclays Bank Plc Barclays House 5 St Ann's Street Quayside Newcastle Upon Tyne NE1 3DX
Principal Solicitor	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB3
Registered Charity Number	1190094
Company Number	12107517

THE BERNICIA FOUNDATION

TRUSTEE'S REPORT

FOR THE SIXTEEN MONTH PERIOD ENDED 31 MARCH 2021

The Trustees are pleased to present their annual report and financial statements for the sixteen month period ended 31 March 2021. This report also serves as the Directors report.

Legal and administrative details

The Foundation is registered with the Charity Commission as a registered Charity (No.1190094) and is incorporated under the Companies Act 2006 (12107517).

Details of the Trustees currently holding office, registered office, auditor and principal bankers are shown on pages 1 and 2 respectively. The Trustees' report has been prepared in accordance with the Statement of Recommended Practice for charitable organisations (Charity SORP 2015) the financial reporting standard applicable in the UK and Republic of Ireland (FRS102) requirements. The Trustees are also the Directors of the company for the purposes of Company Law.

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to a sum not exceeding £10.

Structure, governance and management

Governance

The Foundation is managed by the Trustees for the purposes of meeting the aims and objectives of the Charity which are set out below. The Foundation has three Trustees (2019: 5) who meet at regular intervals throughout the period. The Trustees are noted on page 1.

Appointment and Training

The Board of Trustees of the Foundation consists of four members and the statutory power of appointing new Trustees is vested in Bernicia Group (the Group). The Trustees who held office during the financial period are as shown on page 1. Trustee training is made available to all new members on appointment and at regular intervals.

Organisation

The Foundation is controlled by its Board of Trustees. The Foundation is a member of Bernicia Group of companies.

Related parties

Bernicia Group provides company secretarial, administration and accounting services to the Foundation. The parent Association does not make a surplus on these transactions with the Foundation. See note 10.

Risk Management

A key element in the care and diligence expected of the Foundation, and therefore one of the main responsibilities of the Trustees, is to assess the risks affecting the Foundation as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the Foundation's assets, its financial position, and its results. The Trustees have in place a risk management system to identify significant risks in order to ensure that they are taken into account in the context of all relevant decisions affecting the Foundation's activities.

The Bernicia Foundation employs the Community Foundation Tyne & Wear and Northumberland to provide due diligence on applicant organisations and assess applications prior to their consideration by the Board of Trustees.

THE BERNICIA FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

Reserves

Reserves held are expended for charitable purposes; a number of schemes have been identified that will benefit and the Foundation welcomes applications from worthwhile causes which can also benefit from the funding which is available. The reserve policy is reviewed annually, and the restricted reserves balances are reported at the quarterly Committee meetings. It is envisaged that these balances will be spent over the next period on the specific projects to which they relate. As at the period end the free reserves within the Trust amounted to £(5,862) (2019 : £nil).

Objectives and activities for the public benefit

The Foundation was registered as a charity on 24 June 2020. It aims to improve the quality of life for people living in our communities. It allocates non-repayable grants to worthwhile causes that make a difference to people and communities where Bernicia Group operates.

The objects of the Foundation are to provide for the relief of those in need by reason of poverty, homelessness, old age, mental or physical disability or ill health by the provision of grants, items and services to individuals in need and/or individuals, charities or other organisations working to relieve such needs, and the provision of education, training, advice and assistance to those involved or engaged in or benefitting from the provision of such grants, items and services.

Achievements and performance

The Board of Trustees considers that substantial progress has been made in terms of supporting charitable objectives during the period and achieving its business planning targets for the period.

During the period the Foundation was donated £502,600 (2019: £nil) and allocated grants totaling £468,429, of which £274,929 has been awarded directly to 34 projects. In addition, as part of its response to the pandemic £193,500 was fast tracked to help charities and organisations tackle hardship caused by the Coronavirus crisis. The funding was distributed in collaboration with eight local authorities across the region, utilising local knowledge to ensure the money went quickly to those able to deliver real help to people in need.

Funding was primarily from the Bernicia Group (£500,000) together with a single private donation from Bernicia Group's Chief Executive of (£2,600). The Bernicia Group has committed to provide funding of a further £500k over the period to 2023.

Applications are invited from individuals, community groups and organisation, which address the annual funding themes. In the period, these were:

- Reducing isolation and loneliness
- Promoting independence
- Building citizenship, confidence and aspiration
- Removing barriers to employment, training and volunteering
- Tackling poverty (including fuel poverty)
- Improving financial wellbeing

The Foundation makes two types of grant to organisations and people across Tyne and Wear, County Durham, Teesside and Northumberland:

- **Inspiration Grants** of between £5,000 and £10,000 are made to voluntary or community groups, registered charities, social enterprises and co-operatives with an annual income under £750,000 per period.
- **Inclusion Grants** valued at up to £1,000 target inspirational young people aged 24 and under or organisations helping young people.

THE BERNICIA FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

Projects funded during the period:

Inspiration Grants

Pathways 4 All	£9,767
Pallion Action Group	£9,984
Age Concern Tyneside South (ACTS)	£8,179
Teams and Bensham Community Care	£6,139
South Tyneside Citizens Advice Bureau	£10,000
Real Lives: Real Choices	£10,000
Sunderland Women's Centre	£10,000
Northumbria Coalition Against Crime	£10,000
Northumberland Community Voluntary Action	£10,000
Bright Futures	£9,989
Southwick Neighbourhood Youth Project	£10,000
SomeOne Cares	£8,540
Chrysalis Club Tynedale	£7,470
Reviving the Heart of the West End (RHWE)	£9,993
NE Youth	£9,200
Pendower Good Neighbour Project	£9,815
North Tyneside Disability Forum Ltd	£9,869
The Hextol Foundation	£10,000
Escape Intervention Services Ltd	£9,000
International Community Organisation of Sunderland	£9,734
Chester-le-Street Community Association	£10,000
YMCA Northumberland	£10,000
SEARCH CIO (services for older people)	£10,000
Meadow Well Connected	£10,000
Pennywell Neighbourhood Centre	£5,000
Northumberland Domestic Abuse Services	£10,000
Gateshead & South Tyneside Sight Service	£9,000
Tees Valley Women's Centre Ltd	£5,000
Gateshead Older People's Assembly	£10,000
Cleveland Housing Advice Centre (CHAC)	£5,000

Inclusion Grants

Young Person engaged in competitive Climbing	£1,000
Young Person engaged in Motor Sport	£500
Young Person engaged in competitive Skiing	£750
Young Person engaged in football coaching	£1,000

In addition, the Foundation supported community organisations and projects via North East Local Authorities as emergency Covid support during the first lockdown in Spring 2020 in the sum of £193,500.

THE BERNICIA FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

At the date of signing the financial statements the Group has been dealing with the effects of the Coronavirus pandemic and trying to mitigate any financial effects. As all spend within The Foundation is discretionary, there is limited impact to its operating activities.

Going concern

The Foundation has generated a deficit surplus of £5,862 (2019: £nil) for the period and at the balance sheet date has total net negative asset of £5,862 (2019: £nil), including cash of £3,138 (2019: £nil). The Trustees also note that the Foundation has no external borrowing, all expenditure is discretionary and the commitment of a further £500k in grant funding over the next two years. Therefore, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

THE BERNICIA FOUNDATION

TRUSTEE'S REPORT (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

Statement on internal controls

Certain central functions including finance and accounting, together with company secretarial services are provided to the Foundation by its Parent Association (Bernicia Group). The Parent Association includes statements in its own Annual Report relating to its procedures in relation to governance and internal control. The last Annual Report of Bernicia Group confirmed that it had adopted a Code of Governance and had complied with the Code's principal recommendations.



Chair

23 September 2021

THE BERNICIA FOUNDATION

INDEPENDENT AUDITOR'S REPORT FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of The Bernicia Foundation

Opinion

We have audited the financial statements of The Bernicia Foundation ("the charitable company") for the period ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

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 2021 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

THE BERNICIA FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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

We have nothing to report in these respects.

THE BERNICIA FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

Trustees' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

T. Stonehouse

Tara Stonehouse (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

12 October 2021

THE BERNICIA FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

			16 months from 1 December 2019 to 31 March 2021	17 June 2019 to 30 November 2019
	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Income:				
Donations and gifts	3	-	503	503
<i>Income from charitable activities:</i>				
Fundraising	3	-	-	-
<i>Income from other trading activities:</i>				
Commercial trading operations	3	-	-	-
Total income		-	503	503
Expenditure				
<i>Costs of raising funds:</i>				
Commercial trading operations	3	-	41	41
<i>Expenditure on charitable activities:</i>				
		-	468	468
Total expenditure		-	509	509
Net expenditure and net movement in funds for the period				
Total Funds carried forward		-	(6)	(6)

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

THE BERNICIA FOUNDATION

STATEMENT OF FINANCIAL POSITION FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

		As at 31 March 2021	As at 30 November 2019
	Note	£000	£000
Current assets			
Cash	-	3	-
Creditors: amounts falling due within one year	7	<u>(9)</u>	<u>-</u>
Net current liability / assets		(6)	-
		<hr/>	<hr/>
Total assets less current liabilities		(6)	(6)
The funds of the charity:	8		
Unrestricted income funds	-	-	-
Restricted income funds	-	<u>(6)</u>	<u>-</u>
Total charity funds		(6)	-
		<hr/>	<hr/>

THE BERNICIA FOUNDATION

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 14 to 18 form part of these accounts



Name John Holmes, Chair of trustees

Signed on behalf of the trustees.

Approved by the trustees on 23 September 2021

THE BERNICIA FOUNDATION

STATEMENT OF CHANGES IN RESERVES FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

	Unrestricted income funds £000	Restricted income funds £000	Total £000
Balance at 17 June 2019	-	-	-
Period ended 30 November 2019			
Total comprehensive income for the period	-	-	-
Balance at 30 November 2019	<hr/> -	<hr/> -	<hr/> -
Period ended 31 March 2021			
Total comprehensive income for the period	-	(6)	(6)
Reserve transfer	-	-	-
Balance at 31 March 2021	<hr/> -	<hr/> (6)	<hr/> (6)

THE BERNICIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

1. Accounting policies

The principal accounting policies of the Trust are set out in the following paragraphs:

1.1. Introduction and accounting basis

These financial statements are prepared in accordance with the FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS102').

The Foundation meets the definition of a Public Benefit Entity under FRS102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102. The Bernicia Foundation was formed, and is registered, in the UK. Assets and Liabilities are originally recognised at historical cost or transactional value unless otherwise stated.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's trustees. The Company is included in the consolidated financial statements of its parent undertaking, Bernicia Group Limited.

In preparing the financial statements, the Company has taken advantage of the following disclosure exemptions:

- Cash Flow Statement and related notes; and
- key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures

On the basis that equivalent disclosures are given in the consolidated accounts of the parent company, the Company has also taken advantage of the exemption not to provide certain disclosures as required by Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues.

1.2. Going concern

The Foundation has generated a deficit of £5,862 (2020: £nil) for the period and at the balance sheet date has total net liability assets of £5,862 (2020: £nil), including cash of £3,138 (2020: £nil) and investments of £nil (2020: £nil). The Trustees also note that the Foundation has no external borrowing and all expenditure is discretionary. Following the year-end the Foundation received £250,000 cash from the parent undertaking. Therefore, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3. Income

Donations and gifts are credited to income on a receivable basis. Monies received relating to the next financial year are carried forward in the balance sheet.

1.4. Operating costs

Expenditure is accounted for on an accruals basis. Operating costs comprise of:

Costs of Generating fund raising income - These include costs incurred as part of fundraising activities.

Governance costs - Governance costs comprise of all costs incurred in the governance of the Trust, including costs relating to statutory audit, professional fees and management charges payable to the parent.

Charitable Activities - Costs of charitable activities flow from the Foundation's vision and purpose. These costs include donations and expenditure in line with grant funding.

THE BERNICIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

1.5. Unrestricted funds

Unrestricted funds, comprising general funds are those which are expendable at the discretion of the Trustees in furtherance of the objectives of the Foundation.

1.6. Restricted funds

Restricted funds are those which are only expendable with the wishes of the funders. These include funds raised in response to specific appeal.

1.7. Financial instruments

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise trade and other receivables and cash and cash equivalents. Financial assets are initially recognized at transaction value plus directly attributable transaction costs. After initial recognition, they are measured at amortised costs using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and rewards are transferred.

If the arrangement constitutes a financial transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

2. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the period.

During the period there were no judgements or estimates which had a significant effect on amounts recognised in the financial statements.

THE BERNICIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

3. Income, operating costs and operating deficit

3.1 Charitable activities

	Unrestricted funds	16 months from 1 December 2019 to 31March Restricted funds
Fundraising	-	-
Donations and gifts	-	503
Total income	<u>-</u>	<u>503</u>

There was no income in the previous period.

3.2 Operating Costs

	16 months from 1 December 2019 to 31March 2021 Total £000
Donations	468
Governance costs comprise:	
Legal and professional costs	32
Audit and accountancy	9
	<u>41</u>

The grants in the year were in relation to Inspiration Grants, Inclusion Grants and Covid support as outlined on page 4 and 5. There was no expenditure in the previous period.

4. Employee information

There were no employees of the Foundation during the period.

5. Trustees' remuneration

The Foundation is administered by a Board of Trustees who received remuneration of £nil during the current period (2019 : £nil).

THE BERNICIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

6. Taxation

The Bernicia Foundation is registered with charitable status with HMRC and benefits from Corporation Tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for Corporation Tax is made.

7. Creditors: Amounts falling due within one year

	16 months from 1 December 2019 to 31 March 2021 £000	17 June 2019 to 30 November 2019 £000
Accruals and deferred income	9	-
	<hr/> 9 <hr/>	<hr/> - <hr/>

8. a Restricted income funds

	16 months from 1 December 2019 to 31 March 2021 £000	17 June 2019 to 30 November 2019 £000
Balance at beginning of period	-	-
Donations and gifts	503	
Charitable activities	(468)	
Governance costs	(41)	
(Deficit)/surplus for the period	<hr/> (6) <hr/>	<hr/> - <hr/>

8.b Unrestricted income funds

	16 months from 1 December 2019 to 31 March 2021 £000	17 June 2019 to 30 November 2019 £000
Balance at beginning of period	-	-
(Deficit)/surplus for the period	<hr/> - <hr/>	<hr/> - <hr/>

THE BERNICIA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE SIXTEEN MONTHS ENDED 31 MARCH 2021

9. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
			16 months from 1 December 2019 to 31 March 2021
	£000	£000	£000
Current assets	-	3	3
Current liabilities	-	(9)	(9)
	<u>-</u>	<u>(6)</u>	<u>(6)</u>

10. Related party transactions

The Trustees who acted during the financial period are shown on page 1.

As The Bernicia Foundation is a member of Bernicia Group, which prepares consolidated financial statements, the Foundation has taken advantage of the exemption in Section 33 of FRS 102 not to disclose transactions with entities which are wholly owned within the Group.

Bernicia Group's Chief Executive made a private donation to the Foundation of £2,600.

There are no other related party transactions to report.

11. Post balance sheet event

There are no Post Balance Sheet events to report. The board acknowledge their responsibility to continuously monitor the situation and evaluate the impact, including whether the entities within the Group remain a going concern.

12. Group information

The Board considers that the immediate and ultimate parent undertaking and controlling party is Bernicia Group, a housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 7711 and registered with the Regulator pursuant to sections 111 and 112 of the Housing and Regeneration Act 2008 (Registration No. 4868). Details of the companies that form the Bernicia Group are contained in the accounts of Bernicia Group.

Copies of Group accounts can be obtained from the registered office at Oakwood Way, Ashwood Business Park, Northumberland, NE63 0XF.