

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 & 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 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](http://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<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>Funds<br>£000 | Total<br>Funds<br>£000 |
| <b>Income:</b>   |      |                               |                             |                        |                        |
| Donations and gifts  | 3    | -                             | 200                         | 200                    | 200                    |
| Income from charitable activities:<br>Fundraising                      | 3    | -                             | -                           | -                      | -                      |
| Income from other trading activities:<br>Commercial trading operations | 3    | -                             | -                           | -                      | -                      |
| <b>Total income</b>  |      | -                             | 200                         | 200                    | 200                    |
| <b>Expenditure</b>   |      |                               |                             |                        |                        |
| Costs of raising funds:<br>Commercial trading operations               | 3    | -                             | 26                          | 26                     | 32                     |
| Expenditure on charitable activities:                                  | 3    | -                             | 177                         | 177                    | 227                    |
| <b>Total expenditure</b>   |      | -                             | 203                         | 203                    | 259                    |
| <b>Net (expenditure)/ income/ and net<br/>movement in funds</b>        |      | -                             | (3)                         | (3)                    | (59)                   |
| <b>Reconciliation of funds:</b>  |      |                               |                             |                        |                        |
| Total Funds brought forward  |      | -                             | 14                          | 14                     | 73                     |
| Total Funds carried forward  | 8    | -                             | 11                          | 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<br>£000 | 2023<br>£000 |
|---|------|--------------|--------------|
| <b>Current assets</b>                                 |      |              |              |
| Cash  | -    | 18           | 106          |
| <b>Creditors:</b> amounts falling due within one year | 7    | (7)          | (92)         |
| <b>Net current assets</b>                             |      | <b>11</b>    | <b>14</b>    |
| <b>Total assets less current liabilities</b>          |      | <b>11</b>    | <b>14</b>    |
| <b>The funds of the charity:</b>                      |      |              |              |
| Unrestricted income funds                             | 8    | -            | -            |
| Restricted income funds                               | 8    | 11           | 14           |
| <b>Total charity funds</b>                            |      | <b>11</b>    | <b>14</b>    |

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<br>income<br>funds<br>£000 | Restricted<br>income<br>funds<br>£000 | Total<br><br>£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<br>funds | Restricted<br>funds | 2024<br>Total<br>£000 | 2023<br>Total<br>£000 |
|---------------------|-----------------------|---------------------|-----------------------|-----------------------|
| Fundraising         | -                     | -                   | -                     | -                     |
| Donations and gifts | -                     | 200                 | 200                   | 200                   |
| Total income        | -                     | 200                 | 200                   | 200                   |

#### 3.2 Operating costs

|                                   | 2024<br>Total<br>£000 | 2023<br>Total<br>£000 |
|-----------------------------------|-----------------------|-----------------------|
| Donations                         | 177                   | 227                   |
| <b>Governance costs comprise:</b> |                       |                       |
| Legal and professional fees       | 23                    | 22                    |
| Audit and accountancy             | 3                     | 10                    |
|                                   | <b>203</b>            | <b>32</b>             |

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<br>£000 | 2023<br>£000 |
|------------------------------|--------------|--------------|
| Accruals and deferred income | 7            | 92           |
|                              | <u>7</u>     | <u>92</u>    |

### 8.a Restricted income funds

|                                | 2024<br>£000 | 2023<br>£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<br>£000 | 2023<br>£000 |
|--|--------------|--------------|
| Balance at beginning and end of period | -            | -            |

### 9. Analysis of net assets between funds

|                     | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>2024<br>£000 | Total<br>2023<br>£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](http://www.bernicia.com/corporate).