

The Halifax Foundation for Northern Ireland

Northern Ireland · Charity number 101763

Details

Status Received

Registered 2015-06-01

Register [View on the Charity Commission for Northern Ireland register](#)

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Activities

Purposes: The Foundation is established to do anything which is a charitable purpose according to the law of Northern Ireland from time to time principally in but not limited to Northern Ireland including in particular (but without prejudice to the generality of the foregoing):- To advance education & training in all aspects of knowledge by means of (but not limited to) the making of grants, including the establishment of scholarships and prizes, and other like awards. To advance scientific or medical research, on the condition that all useful results of such scientific or medical research are published, and education in scientific or medical research by means of (but not limited to) the making of grants including the establishment of scholarships and prizes, and other like awards. To promote the provision of facilities in the interest of social and community welfare for recreation and leisure time occupation and enjoyment of the arts with the object of improving the conditions of life of people who are disadvantaged by youth, age, infirmity or disablement, poverty or social and economic circumstances.

What the charity does: The prevention or relief of poverty, The advancement of education, The advancement of health or the saving of lives, The advancement of citizenship or community development, The advancement of the arts, culture, heritage or science, The advancement of amateur sport, The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity, The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, Other charitable purposes

How the charity works: Grant making

Who the charity helps: Addictions (drug/solvent/alcohol abuse), Adult training, Asylum seekers/refugees, Carers, Children (5-13 year olds), Community safety/crime prevention, Ethnic minorities, Ex-offenders and prisoners, Hiv/aids, Homelessness, Interface communities, Language community, Learning disabilities, Men, Mental health, Older people, Overseas/developing countries, Parents, Physical disabilities, Preschool (0-5 year olds), Sensory disabilities, Sexual orientation, Specific areas of deprivation, Travellers, Unemployed/low income, Victim support, Voluntary and community sector, Volunteers, Women, Youth (14-25 year olds)

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,158,434	£2,014,483	£37,200	6

Trustees

Name	Role	Appointed
Mr Aidan Bennett		
Mr Danny Mcquillan		
Mr Melvin Slaine		
Mr Michael Prendergast		
Mr Niall Parfitt		
Mrs Brenda Kelly		
Ms Angela Hodkinson		
Ms Clare Kennedy		
Ms Jennifer Burnside		
Ms Jennifer Ebbage		
Ms Louise Boyd		
Ms Rebecca Hume		

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Accounts

The Halifax Foundation for Northern Ireland

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2024

	Not e	Unrestricted funds 2024 £	Total funds 2024 £	Unrestricted funds 2023 £	Total funds 2023 £
Income from					
Donations	5.1	2,119,569	2,119,569	1,495,685	1,495,685
Grants returned		7,637	7,637	28,889	28,889
Investments income	5.2	31,228	31,228	68,191	68,191
Total Income		2,158,434	2,158,434	1,592,765	1,592,765
Expenditure on					
Charitable activities					
- Education and training	4	526,567	526,567	492,232	492,232
- Social and community welfare	4	1,393,148	1,393,148	1,282,118	1,282,118
Matched giving	4	86,400	86,400	80,161	80,161
- Raising funds					
Investment management costs		8,368	8,368	10,465	10,465
- Total Expenditure		2,014,483	2,014,483	1,864,976	1,864,976
Net Income/(Expenditure) before investment gains/(losses)		143,951	143,951	(272,211)	(272,211)
Net gains on investments	17	18,840	18,840	27,619	27,619
Net Income/(Expenditure) for the year/Net movement of funds	17	162,791	162,791	(244,592)	(244,592)
Reconciliation of funds					
Total funds brought forward		2,113,519	2,113,519	2,358,111	2,358,111
Total funds carried forward	15	2,276,309	2,276,309	2,113,519	2,113,519

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

The accounting policies and notes on pages 17 to 28 form part of these accounts.

The Halifax Foundation for Northern Ireland

Balance sheet as at 31 December 2024

	Notes	2024 £	2023 £
Fixed assets			
Intangible assets	10	3,540	5,900
Tangible assets	11	1,153	2,410
Investments	12	1,847,521	1,695,285
Total fixed assets		1,852,214	1,703,595
Current assets			
Debtors	13	1,579	860
Cash at bank and in hand		459,714	663,969
Total current assets		461,293	664,829
Creditors: amounts falling due within one year	14	(37,200)	(254,905)
Net current assets		424,093	409,924
Net assets		2,276,309	2,113,519
The funds of the Foundation:			
Unrestricted general funds	15	2,276,309	2,113,519
Total charity funds		2,276,309	2,113,519

The accounting policies and notes on pages 17 to 28 form part of these financial statements.

These financial statements of Halifax Foundation for Northern Ireland registered number NI 019019 were approved by the Board of Trustees and authorised for issue on 11 June 2025. They were signed on its behalf by:



Mrs Brenda Kelly
Chair/ Trustee
11 June 2025

The Halifax Foundation for Northern Ireland

Statement of cash flows for the year ended 31 December 2024

	Notes	2024 £	2023 £
Cash (used in) operating activities	17	(102,086)	(340,295)
Cash flows from investing activities			
Dividend income	5.2	31,228	68,191
Purchase of tangible and intangible assets	10, 11	-	(8,902)
Purchase of investments	12	(3,335,482)	(970,410)
Proceeds received from sale of investments	12	3,222,085	957,601
Net cash flows from investing activities		(102,169)	46,480
Net (decrease) in cash and cash equivalents		(204,255)	(293,815)
Cash and cash equivalents at the beginning of the year		663,969	957,784
Total cash and cash equivalents at the end of the year		459,714	663,969

There were no cash equivalents at 31 December 2024 (2023: none)

The accounting policies and notes on pages 17 to 28 form part of these financial statements.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Company and charitable legal status

The Halifax Foundation for Northern Ireland, a public benefit entity, is incorporated in Northern Ireland as a company limited by guarantee in and not having a share capital. There are currently 10 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The Foundation is a registered charity. The registered office is given on page 1.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 Charities Act (Northern Ireland) 2008, (As amended by the charities Act (Northern Ireland) 2022) and the Companies Act 2006.

The Trustees have taken advantage of the small companies' exemption, in accordance with section 414B of the Companies Act 2006, from including a separate Strategic Report in these financial statements.

The Halifax Foundation for Northern Ireland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value with investments at fair market value unless otherwise stated in the relevant accounting policy notes.

Preparation of financial statements - going concern basis

The Trustees are able to take a long-term view of investments and the covenant with the Lloyds Banking Group provides a significant degree of protection. The funding for 2025 has been received in full (£1,993,019) and for future years the agreement, which requires nine years notice to be given, provides for a minimum payment of £1,070,000 to be paid each year and that the actual sum paid is based on the profits of the three prior years. The Trustees are therefore confident that they are able to fully fund their operating costs, meet all existing grant commitments and continue grant funding activities for the remainder of the year and throughout 2026 and therefore that the Foundation will be a going concern for at least 12 months from the date of approval of these financial statements.

The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

Income

Covenanted donation income

The Foundation derives its income from Lloyds Banking Group Plc. Income received from Lloyds Banking Group plc is recognised on an accrual basis. The income is recognised when the Foundation has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Interest income and dividends

Interest income and dividends are included in the financial statements in the period in which it is receivable by the Foundation.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

Donated services

Donated services and facilities are valued and included as income and expenditure at the price the Foundation estimates it would pay in the open market for an equivalent service or facility.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably, a liability is recognised.

Charitable Activities - Grants payable

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Allocation of support costs

Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll, and governance costs, all of which support the Foundation's activities. These costs have been allocated to expenditure on charitable activities. The basis on which support costs have been allocated is the amount of grants payable in each category ('education and training' and 'social and community welfare').

Value added tax

The Foundation is not registered for VAT, and accordingly, all expenditure is recorded inclusive of any VAT incurred.

Pension Costs

The Foundation operates a defined contribution scheme for its employees. Contributions are charged to the statement of financial activities in the period to which they relate.

Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of three years, on a straight-line basis.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible assets

Assets with a cost below £100 are not capitalised.

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation and residual values

Depreciation is calculated using the straight-line method, to allocate the cost to their residual values over their estimated useful lives as follows:

Office equipment	33%
Computer equipment	33%

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies (continued)

Tangible assets (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Investments

Investments are stated at Bid Price value at the balance sheet date. Any realised and unrealised gains and losses on revaluation are shown separately in the statement of financial activities.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Cash at bank and in hand

Cash and cash equivalents include cash and short-term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

Fund accounting

Unrestricted funds are amounts which are expendable at the discretion of the Trustees in furtherance of the aims of the Foundation.

2 Critical accounting judgements and estimation uncertainty

In the application of the Foundation's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

3 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The average monthly number of Employees was:

	2024	2023
	Number	Number
Average monthly number of persons employed during the year, excluding Trustees, by activity:		
Administration	6	7

The average monthly number of Trustees was:

	2024	2023
	Number	Number
The number of Trustees at the year-end	10	12

Their aggregated remuneration comprised:

	2024	2023
	£	£
This is stated after charging		
Wages and salaries	208,782	190,297
Social security costs	12,328	11,791
Other pension costs	19,052	27,493
Staff Costs	240,162	229,581

None of the Trustees received remuneration during the year (2023: Nil).

Trustees' expenses relate to the payment or reimbursement of expenses in respect of recruitment, training, travel, accommodation, and other incidental costs. £4,475.30 was paid by the Foundation on behalf of 12 Trustees who served during the year including recruitment, training, travel, accommodation, and other incidental costs (2023: 11 Trustees: £3,383). No Trustees received out of pocket expenses (2023: nil)

Indemnity insurance costing £1,608 (2023: £1,712) has been taken out on behalf of the Trustees.

Key management compensation

Key management included the Trustees and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2024	2023
	£	£
Key management compensation	122,560	109,211

The key management personnel of the Foundation comprise of the full time Chief Executive and the part time Grants Manager.

1 employee received employee remuneration of more than £60,000, (excluding employer pension costs) during the year (2023: 1). This employee's emoluments fell between the band £70,000 – 80,000.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

4 Charitable activities

	Matched Giving £	Education and Training £	Social and Community Welfare £	2024 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2023 £
Grants payable (note 6)	70,106	427,262	1,130,415	1,627,783	66,132	406,088	1,057,738	1,529,958
Support costs (note 7)	16,079	97,993	259,261	373,333	13,813	84,817	220,923	319,553
Support costs - Governance costs (note 7)	215,	1,312	3,472	4,999	216	1,327	3,457	5,000
	86,400	526,567	1,393,148	2,006,115	80,161	492,232	1,282,118	1,854,511

5.1 Donations

	2024 £	2023 £
Donations from Lloyds Banking Group		
- Covenant income	1,935,749	1,321,019
- Operating costs contribution	150,000	150,000
- Additional income (cost of living grants)	-	-
Donated services		
- External audit fees paid by Lloyds Banking Group	5,000	5,000
- Other services	28,820	19,666
	2,119,569	1,495,685

The auditors were remunerated with an allocation from the Lloyds Banking Group audit fee. As a result, the external audit fee has been treated as a benefit in kind from the Lloyds Banking Group. The amount recognised is the fair value that the Foundation believes they would pay for external audit services if the Lloyds Banking Group did not pay for the amounts on their behalf.

Other donated services income includes the cost of secondee Administration Officer whose role is solely dedicated to Foundation and is reimbursed by Lloyds Banking Group.

5.2 Investment income

	2024 £	2023 £
Dividends received	31,228	68,191
Total investment income	31,228	68,191

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

6 Grants payable

Region	2024		2023	
	Number	£	Number	£
Belfast	128	621,213	129	398,720
County Derry/Londonderry	37	186,129	66	288,753
County Antrim	51	168,866	61	202,998
County Armagh	22	97,720	27	106,092
County Down	53	263,726	71	225,203
County Fermanagh	11	42,088	18	67,088
County Tyrone	30	164,663	37	150,973
	332	1,544,405	409	1,439,827
Headquartered outside Northern Ireland	82	37,825	77	58,339
Collaboration		45,552		31,792
Total	414	1,627,782	486	1,529,958

All grants are payable directly to organisations. No individual beneficiary is noted.

Collaboration refers to costs relating to the achievement of strategic objective: *To collaborate with others and encourage those we support and work with to collaborate, so as to maximise the impact of the resources available .*

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

7 Analysis of support costs including governance costs

Governance costs

	Matched Giving £	Education And Training £	Social and Community Welfare £	2024 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2023 £
Audit fees	215	1,312	3,472	5,000	216	1,327	3,457	5,000

Support costs

	Matched Giving £	Education and Training £	Social and Community Welfare £	2024 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2023 £
Establishment costs	782	4,766	12,611	18,159	778	4,778	12,444	18,000
Salaries and pension contributions	11,687	71,229	188,452	271,368	9,924	60,936	158,721	229,581
Trustee related costs	193	1,175	3,108	4,476	146	898	2,339	3,383
Promotion of the Foundation	700	4,263	11,280	16,243	428	2,626	6,841	9,895
Professional fees	1,028	6,264	16,572	23,864	820	5,037	13,120	18,977
Other administrative expenses	1,689	10,296	27,239	39,224	1,717	10,542	27,458	39,717
	16,079	97,993	259,262	373,333	13,813	84,817	220,923	319,553

Support costs are allocated on a basis consistent with the use of resources.

8 Net (expenditure) for the year

Net (expenditure) is stated after charging:

	2024 £	2023 £
Depreciation of owned assets	3,616	3,110
Rentals under operating leases	18,000	18,000
Fees payable to the Foundation's auditor for the audit of the Foundation's annual financial statements	5,000	5,000
Total Net (expenditure) is stated after charging	26,616	26,110

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

9 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Foundation is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

10 Intangible assets

	Computer software £
Cost	
As at 01 January 2024	42,069
Additions	-
As at 31 December 2024	42,069
Amortisation and impairments	
As at 01 January 2024	36,169
Charge for the year	2,360
As at 31 December 2024	38,529
Net book value as at 01 January 2024	5,900
Net book value as at 31 December 2024	3,540

11 Tangible assets

	Office Equipment £	Computer equipment £	Total £
Cost			
As at 01 January 2024	25,791	37,492	63,283
Additions	-	-	-
As at 31 December 2024	25,791	37,492	63,283
Depreciation and impairments			
As at 01 January 2024	25,580	35,293	60,873
Charge for the year	27	1,230	1,257
As at 31 December 2024	25,607	36,523	62,129
Net book value as at 01 January 2024	211	2,199	2,410
Net book value as at 31 December 2024	185	969	1,154

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

12 Investments

	2024	2023
	£	£
Market Value as at 01 January 2024	1,695,285	1,654,857
Additions in the year	3,355,482	970,410
Disposals in the year	(3,222,085)	(957,600)
Net revaluation gain / (loss)	18,840	27,618
Market Value as at 31 December 2024	1,847,522	1,695,285

Long term investments are held within the United Kingdom and exist primarily to provide an investment return for the Foundation.

Investment Breakdown by type of investment

Listed Investments

The historic cost of listed fixed asset investments at 31st December 2024 £1,847,521 (2023: £1,943,816). The investments are managed by an external fund manager. The UK Equities held totaling £606,000 were held with JP Morgan Liquidity Fund. The funds can be analysed as follows:

	2024	2023
	£	£
Fixed interest	-	925,636
Overseas Fixed Interest	-	127,599
UK Equities	606,000	134,209
Far East & Australasian Equities	-	6,662
Overseas Equities	-	74,034
Emerging Economies	-	9,555
Money Market Instruments	1,241,521	100,000
UK Property	-	77,284
International Property	-	39,368
Alternative Assets	-	200,938
Market Value as at 31 December 2024	1,847,521	1,695,285

13 Debtors

	2024	2023
	£	£
Amounts falling due within one year		
Prepayments	1,579	860

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	8,251	5,775
Grant creditors	8,500	237,191
Accruals	20,449	11,939
	37,200	254,905

There are no specific commitments and no conditions to be recognised in these financial statements.

15 Analysis of charitable funds

Analysis of movement in unrestricted funds 2024

Fund name	Fund balances brought forward	Income	Expenditure	Gains and losses	Transfers	Fund balances carried forward
	2023					2024
	£	£	£	£	£	£
General funds	2,113,519	2,158,434	(2,014,483)	18,840	-	2,276,310
Unrestricted funds	2,113,519	2,158,434	(2,014,483)	18,840	-	2,276,310

Previous year comparative analysis of movement in unrestricted funds 2023

Fund name	Fund balances brought forward	Income	Expenditure	Gains and losses	Transfers	Fund balances carried forward
	2022					2023
	£	£	£	£	£	£
General funds	2,358,111	1,592,765	(1,864,976)	27,619	-	2,113,519
Unrestricted funds	2,358,111	1,592,765	(1,864,976)	27,619	-	2,113,519

16 Financial commitments

The total future minimum lease payments under non-cancellable operating leases:

	Land and buildings	
	2024	2023
	£	£
In one year or less	18,000	18,000
	18,000	18,000

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

17 Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net income	162,790	(244,592)
(Losses) / Gain on investments	(18,840)	(27,619)
Depreciation	3,616	3,109
Dividend income	(31,228)	(68,191)
Increase in debtors	(719)	7
(Decrease) / Increase in creditors	(217,705)	(3,009)
Net cash generated (used in) operating activities	(102,086)	(340,295)

18 Related party transactions and ultimate controlling party

The Board of Trustees are considered to be the Foundation's ultimate controlling party.

During the year, a number of grants and payments were made where a Trustee or staff member of the Foundation is affiliated to a connected organisation:

Trustee, Aidan Bennett is a Trustee of Belfast Charitable Society. Belfast Charitable Society owns Clifton House, where the Halifax Foundation for Northern Ireland's office is situated. They were paid £19,835 during 2024 (2023: £20,168.65).

Trustee, Jenny Ebbage is a former employee and consultant for Edwards & Company solicitors' firm. In 2022, Edwards & Company were appointed as solicitors for Halifax Foundation for Northern Ireland. They were paid £2,641.80 during 2024 (2023: £2,013).

Trustee, Niall Parfitt is a Trustee of Children's Heartbeat Trust. They received a Community FLEX Grant of £8,694 in 2024 (2023: £2,700).

Grants Manager, Joanne Byrne is a volunteer for Friends of Edenderry. They received £500 under the Matched Giving Scheme (2023: £640).

Grants Officer, Caroline Fulton is a Trustee of Friends of Carniny Primary School. They received a Community FLEX Grant of £4,000 and a Matched Giving award of £600 (2023: Nil)

A relative of Grants Officer, Caroline Fulton is a Trustee of Cullybackey Community Partnership. They received a Community FLEX Grant of £4,700 (2023: Nil).

Halifax Foundation for Northern Ireland are members of NICVA. They received an EMPOWER grant of £11,835, and Collaboration support of £7,880.15.

Halifax Foundation for Northern Ireland are members of CO3. They received an EMPOWER grant of £9,043.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2024 (continued)

18 Related party transactions and ultimate controlling party (continued)

Connected companies

Lloyds Banking Group plc

The Foundation derives its income primarily from Lloyds Banking Group plc. The Foundation received £2,119,569 (2023: £1,495,685) under deed of covenant of which £33,820 relates to Gifts in Kind (2023: £24,666). There are no shares held in Lloyds Banking Group (2023: £113,295).

At 31 December 2024, the balance owed by Lloyds Banking Group plc is £nil (2023: £nil)

Northern Bank Limited (trading as Danske Bank)

The Foundation's principal bank is Danske Bank. At 31 December 2024, the Foundation held a bank account with a balance of £453,578 with Danske Bank. At 31 December 2023, the Foundation held a cash balance of £547,289."

Connected Foundations

The following Foundations have common and related objectives: -

Lloyds Bank Foundation for England & Wales (LBFEW)

Society Building
8 All Saints Street
LONDON
N1 9RL

There was one transaction with LBFEW of £472.79 in 2024 (2023: Nil)

Lloyds Bank Foundation for the Channel Islands (LBFCI)

PO Box 70
25 New Street
St Helier
Jersey
JE4 8RG

There were no transactions with LBFCI in 2024 or 2023

Bank of Scotland Foundation (BOSF)

The Mound
Edinburgh
EH1 1YZ

There were no transactions with BOSF in 2024 or 2023

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Accounts

The Halifax Foundation for Northern Ireland

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Total funds 2022 £
Income from					
Donations	5.1	1,495,685	1,495,685	1,375,206	1,375,206
Grants returned		28,889	28,889	23,044	23,044
Investments income	5.2	68,191	68,191	70,037	70,037
Total Income		1,592,765	1,592,765	1,468,286	1,468,286
Expenditure on					
Charitable activities					
- Education and training	4	492,232	492,232	455,206	455,206
- Social and community welfare	4	1,282,118	1,282,118	1,155,939	1,155,939
Matched giving	4	80,161	80,161	66,018	66,018
- Raising funds					
Investment management costs		10,465	10,465	11,166	11,166
- Total Expenditure		1,864,976	1,864,976	1,688,329	1,688,329
Net (expenditure) before investment gains/(losses)		(272,211)	(272,211)	(220,043)	(220,043)
Net gains/(losses) on investments	17	27,619	27,619	(255,531)	(255,531)
Net (expenditure) for the year/Net movement of funds	17	(244,592)	(244,592)	(475,574)	(475,574)
Reconciliation of funds					
Total funds brought forward		2,358,111	2,358,111	2,833,686	2,833,686
Total funds carried forward	15	2,113,519	2,113,519	2,358,111	2,358,111

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

The accounting policies and notes on pages 16 to 27 form part of these accounts.

The Halifax Foundation for Northern Ireland

Balance sheet as at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	10	5,900	-
Tangible assets	11	2,410	2,517
Investments	12	1,695,285	1,654,857
Total fixed assets		1,703,595	1,657,374
Current assets			
Debtors	13	860	867
Cash at bank and in hand		663,969	957,784
Total current assets		664,829	958,651
Creditors: amounts falling due within one year	14	(254,905)	(257,914)
Net current assets		409,924	700,737
Net assets		2,113,519	2,358,111
The funds of the charity:			
Unrestricted general funds	15	2,113,519	2,358,111
Total charity funds		2,113,519	2,358,111

The accounting policies and notes on pages 16 to 27 form part of these financial statements.

These financial statements of Halifax Foundation for Northern Ireland registered number NI019019 were approved by the Board of Trustees and authorised for issue on 13th June 2024. They were signed on its behalf by:



Mrs Gillian Boyd
Chair/ Trustee
13 June 2024

The Halifax Foundation for Northern Ireland

Statement of cash flows for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash (used in) operating activities	17	(340,295)	(263,540)
Cash flows from investing activities			
Dividend income	5.2	68,191	70,037
Purchase of tangible and intangible assets	10, 11	(8,902)	-
Purchase of investments	12	(970,410)	(372,266)
Proceeds received from sale of investments	12	957,601	518,528
Net cash flows from investing activities		46,480	216,299
Net (decrease) in cash and cash equivalents		(293,815)	(47,241)
Cash and cash equivalents at the beginning of the year		957,784	1,005,025
Total cash and cash equivalents at the end of the year		663,969	957,784

There were no cash equivalents at 31 December 2023 (2022: none)

The accounting policies and notes on pages 16 to 27 form part of these financial statements.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Company and charitable legal status

The Halifax Foundation for Northern Ireland, a public benefit entity, is incorporated in Northern Ireland as a company limited by guarantee in and not having a share capital. There are currently 12 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 Charities Act (Northern Ireland) 2008, (As amended by the charities Act (Northern Ireland) 2022) and the Companies Act 2006.

The Trustees have taken advantage of the small companies' exemption, in accordance with section 414B of the Companies Act 2006, from including a separate Strategic Report in these financial statements.

The Halifax Foundation for Northern Ireland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value with investments at fair market value unless otherwise stated in the relevant accounting policy notes.

Preparation of financial statements - going concern basis

The Trustees are able to take a long-term view of our investments and the covenant with the Lloyds Banking Group provides a significant degree of protection. The funding for 2024 has been received in full (£2,035,749) and for future years the agreement, which requires nine years notice to be given, provides for a minimum payment of £1,070,000 to be paid each year and that the actual sum paid is based on the profits of the three prior years. The Trustees are therefore confident that they are able to fully fund their operating costs, meet all existing grant commitments and continue grant funding activities for the remainder of the year and throughout 2025 and therefore that the Foundation will be a going concern for at least 12 months from the date of approval of these financial statements.

The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

Income

Covenanted donation income

The Foundation derives its income from Lloyds Banking Group plc. Revenue received from Lloyds Banking Group plc is recognised on an accruals basis. The income is recognised when the Foundation has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Interest income and dividends

Interest income and dividends are included in the financial statements in the period in which it is receivable by the Foundation.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Accounting policies (continued)

Donated services

Donated services and facilities are valued and included as income and expenditure at the price the Foundation estimates it would pay in the open market for an equivalent service or facility.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably, a liability is recognised.

Charitable Activities - Grants payable

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Allocation of support costs

Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Foundation's activities. These costs have been allocated to expenditure on charitable activities. The basis on which support costs have been allocated is the amount of grants payable in each category ('education and training' and 'social and community welfare').

Value added tax

The Foundation is not registered for VAT and accordingly all expenditure is recorded inclusive of any VAT incurred.

Pension Costs

The charity operates a defined contribution scheme for its employees. Contributions are charged to the statement of financial activities in the period to which they relate.

Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of three years, on a straight-line basis.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible assets

Assets with a cost below £100 are not capitalised.

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation and residual values

Depreciation is calculated using the straight-line method, to allocate the cost to their residual values over their estimated useful lives as follows:

Office equipment	33%
Computer equipment	33%

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Accounting policies (continued)

Tangible assets (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Investments

Investments are stated at Bid Price value at the balance sheet date. Any realised and unrealised gains and losses on revaluation are shown separately in the statement of financial activities.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Cash at bank and in hand

Cash and cash equivalents include cash and short-term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

The foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

Fund accounting

Unrestricted funds are amounts which are expendable at the discretion of the trustees in furtherance of the aims of the Foundation.

2 Critical accounting judgements and estimation uncertainty

In the application of the Foundation's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

3 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The average monthly number of Employees was:

	2023	2022
	Number	Number
Average monthly number of persons employed during the year, excluding trustees, by activity:		
Administration	7	7

The average monthly number of Trustees was:

	2023	2022
	Number	Number
The number of trustees at the year-end	12	11

Their aggregated remuneration comprised:

	2023	2022
	£	£
This is stated after charging		
Wages and salaries	190,297	189,528
Social security costs	11,791	13,301
Other pension costs	27,493	17,239
Staff Costs	229,581	220,068

None of the trustees received remuneration during the year (2022: Nil).

Trustees' expenses relate to the payment or reimbursement of expenses in respect of recruitment, training, travel, accommodation, and other incidental costs. £3,383 was paid by the Foundation on behalf of 11 trustees including recruitment, training, travel, accommodation and other incidental costs (2022: 11 Trustees : £1,552). No Trustees received out of pocket expenses (2021: nil)

Indemnity insurance costing £1,712 (2022: £1,504) has been taken out on behalf of the Trustees.

Key management compensation

Key management included the trustees and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2023	2022
	£	£
Key management compensation	109,211	105,893

The key management personnel of the charity comprise of the full time Chief Executive and the part time Grants Manager.

1 employee received employee remuneration of more than £60,000, (excluding employer pension costs) during the year (2022: 1). This employee's emoluments fell between the band £60,000 - £70,000.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

4 Charitable activities

	Matched Giving £	Education and Training £	Social and Community Welfare £	2023 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2022 £
Grants payable (note 6)	66,132	406,088	1,057,738	1,529,958	54,081	372,900	946,932	1,373,913
Support costs (note 7)	13,813	84,817	220,923	319,553	11,740	80,949	205,561	298,250
Support costs - Governance costs (note 7)	216	1,327	3,457	5,000	197	1,357	3,446	5,000
	80,161	492,232	1,282,118	1,854,511	66,018	455,206	1,155,939	1,677,163

5.1 Donations

	2023 £	2022 £
Donations from Lloyds Banking Group		
- Covenant income	1,321,019	1,092,105
- Operating costs contribution	150,000	150,000
- Additional income (cost of living grants)	-	107,000
Donated services		
- External audit fees paid by Lloyds Banking Group	5,000	5,000
- Other services	19,666	21,101
	1,495,685	1,375,206

The auditors were remunerated with an allocation from the Lloyds Banking Group audit fee. As a result, the external audit fee has been treated as a benefit in kind from the Lloyds Banking Group. The amount recognised is the fair value that the Foundation believes they would pay for external audit services if the Lloyds Banking Group did not pay for the amounts on their behalf.

Other donated services income includes the cost of secondee administration officer whose role is solely dedicated to Foundation and is reimbursed by Lloyds Banking Group.

5.2 Investment income

	2023 £	2022 £
Dividends received	68,191	70,037
Total investment income	68,191	70,037

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

6 Grants payable

Region	2023		2022	
	Number	£	Number	£
Belfast	129	398,720	206	498,408
County Derry/Londonderry	66	288,753	72	188,235
County Antrim	61	202,998	53	124,092
County Armagh	27	106,092	39	94,313
County Down	71	225,203	97	202,882
County Fermanagh	18	67,088	10	25,019
County Tyrone	37	150,973	50	155,948
	409	1,439,827	527	1,288,897
Headquartered outside Northern Ireland	77	58,339	80	51,931
Collaboration		31,792		33,085
Total	486	1,529,958	607	1,373,913

All grants are payable directly to organisations. No individual beneficiary is noted.

Collaboration refers to costs relating to our IT equipment recycling and our charity mentoring programme. Please refer to page 2 Chair's Report for further detail.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

7 Analysis of support costs including governance costs

Governance costs

	Matched Giving £	Education And Training £	Social and Community Welfare £	2023 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2022 £
Audit fees	216	1,327	3,457	5,000	197	1,357	3,446	5,000

Support costs

	Matched Giving £	Education and Training £	Social and Community Welfare £	2023 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2022 £
Establishment costs	778	4,778	12,444	18,000	709	4,885	12,406	18,000
Salaries and pension contributions	9,924	60,936	158,721	229,581	8,662	59,730	151,676	220,068
Trustee related costs	146	898	2,339	3,383	61	421	1,070	1,552
Promotion of the Foundation	428	2,626	6,841	9,895	257	1,775	4,508	6,540
Professional fees	820	5,037	13,120	18,977	697	4,805	12,203	17,705
Other administrative expenses	1,717	10,542	27,458	39,717	1,353	9,333	23,699	34,385
	13,813	84,817	220,923	319,553	11,740	80,949	205,561	298,250

Support costs are allocated on a basis consistent with the use of resources.

8 Net (expenditure) for the year

	2023 £	2022 £
Net (expenditure) is stated after charging		
Depreciation of owned assets	3,110	1,685
Rentals under operating leases	18,000	18,000
Total	21,110	19,985

Fees payable to the charity's auditor for the audit of the charity's annual financial statements

Current year fees	5,000	5,000
Total Auditors Fees	5,000	5,000

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

9 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

10 Intangible assets

	Computer software £
Cost	
As at 01 January 2023	34,989
Additions	7,080
As at 31 December 2023	42,069
Amortisation and impairments	
As at 01 January 2023	34,989
Charge for the year	1,180
As at 31 December 2023	36,169
Net book value as at 01 January 2023	-
Net book value as at 31 December 2023	5,900

11 Tangible assets

	Office Equipment £	Computer equipment £	Total £
Cost			
As at 01 January 2023	25,791	35,670	61,461
Additions	-	1,822	1,822
As at 31 December 2023	25,791	37,492	63,283
Depreciation and impairments			
As at 01 January 2023	25,555	33,389	58,944
Charge for the year	25	1,904	1,929
As at 31 December 2023	25,580	35,293	60,873
Net book value as at 01 January 2023	236	2,281	2,517
Net book value as at 31 December 2023	211	2,199	2,410

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

12 Investments

	2023	2022
	£	£
Market Value as at 01 January 2023	1,654,857	2,056,650
Additions in the year	970,410	372,266
Disposals in the year	(957,600)	(518,528)
Net revaluation gain / (loss)	27,618	(255,531)
Market Value as at 31 December 2023	1,695,285	1,654,857

Long term investments which include ordinary shares in Lloyds Banking Group of £113,295 (2022: £350,622) are held within the United Kingdom and exist primarily to provide an investment return for the charity.

Investment Breakdown by type of investment

Listed Investments

The historic cost of listed fixed asset investments at 31st December 2023 £1,943,816 (2022: £2,026,687). The investments are managed by an external fund manager. The funds can be analysed as follows:

	2023	2022
	£	£
Fixed interest	925,636	431,304
Overseas Fixed Interest	127,599	436,066
UK Equities	134,209	378,744
European Equities	-	15,001
North American Equities	-	49,413
Far East & Australasian Equities	6,662	6,726
Overseas Equities	74,034	-
Emerging Economies	9,555	9,195
Money Market Instruments	100,000	-
UK Property	77,284	58,256
International Property	39,368	11,425
Alternative Assets	200,938	258,727
Market Value as at 31 December 2023	1,695,285	1,654,857

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year		
Prepayments	860	867

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	5,775	3,996
Grant creditors	237,191	244,982
Accruals	11,939	8,936
	254,905	257,914

Our Large Grant Programme came to an end in 2023. Therefore, there are no specific commitments and no conditions to be recognised in these financial statements.

15 Analysis of charitable funds

Analysis of movement in unrestricted funds 2023

Fund name	Fund balances brought forward 2022 £	Income £	Expenditure £	Gains and losses £	Transfers £	Fund balances carried forward 2023 £
General funds	2,358,111	1,592,765	(1,864,976)	27,619	-	2,113,519
Unrestricted funds	2,358,111	1,592,765	(1,864,976)	27,619	-	2,113,519

Previous year comparative analysis of movement in unrestricted funds 2022

Fund name	Fund balances brought forward 2021 £	Income £	Expenditure £	Gains and losses £	Transfers £	Fund balances carried forward 2022 £
General funds	2,833,686	1,468,286	(1,688,329)	(255,531)	-	2,358,111
Unrestricted funds	2,833,686	1,468,286	(1,688,329)	(255,531)	-	2,358,111

16 Financial commitments

The total future minimum lease payments under non-cancellable operating leases:

	Land and buildings	
	2023	2022
	£	£
In one year or less	18,000	18,000
	18,000	18,000

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

17 Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net (expenditure)	(244,592)	(475,574)
(Losses) / Gain on investments	(27,619)	255,531
Depreciation	3,109	1,685
Dividend income	(68,191)	(70,037)
Decrease in debtors	7	236
(Decrease) / Increase in creditors	(3,009)	24,619
Net cash generated (used in) operating activities	(340,295)	(263,540)

18 Related party transactions and ultimate controlling party

The Board of Trustees are considered to be the Charity's ultimate controlling party.

During the year a number of grants and payments were made where a trustee or staff member of the Foundation is affiliated to a connected organisation:

Chair, Gillian Boyd is a committee member of Brownlee Primary School PTA. They received £500 under the Matched Giving Scheme and received a Community Grant of £3,400 (2022: Nil).

Trustee, Aidan Bennett is a Trustee of Belfast Charitable Society. Belfast Charitable Society own Clifton House, where The Halifax Foundation for Northern Ireland's office is situated. They were paid £20,168.65 during 2023 (2022: £19,704).

Trustee, Jenny Ebbage was a consultant for Edwards & Co. Solicitors' firm until October 2023. Edwards & Co. Solicitors act as solicitors for The Halifax Foundation for Northern Ireland. They were paid £2,013 during 2023 (2022: £1,700).

Trustee, Angela Hodkinson is a Trustee of WISPA. They received a Community Grant of £3,840 (2022: Nil).

Trustee, Niall Parfitt is a Trustee of Children's Heartbeat Trust. They received £2,700 under the Matched Giving Scheme (2022: Nil).

Trustee Melvin Slaine is a former mentor for Links Counselling. Link Counselling received a Community Grant of £7,000 (2022: £500).

Grants Manager, Joanne Byrne is Trustee of Friends of Edenderry. They received £640 under the Matched Giving Scheme (2022: £4,556).

Partner of Trustee, Jenny Ebbage is a Trustee of PIPs Suicide Prevention Ireland. They received £500 under the Matched Giving Scheme (2022: Nil).

Connected company

Lloyds Banking Group plc

The Foundation derives its income primarily from Lloyds Banking Group plc. The Foundation received £1,495,685 (2022: £1,375,206) under deed of covenant of which £24,666 relates to Gifts in Kind (2022: £26,101). Investments include ordinary shares in Lloyds Banking Group of £113,295 (2022: £350,622).

At 31 December 2023, the balance owed by Lloyds banking Group plc is nil (2022: nil)

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2023 (continued)

18 Related party transactions and ultimate controlling party (continued)

Connected Foundations

The following Foundations have common and related objectives: -

Lloyds Bank Foundation for England & Wales
Society Building
8 All Saints Street
LONDON
N1 9RL

There were no transactions with LBFEW in 2023 or 2022

Lloyds Bank Foundation for the Channel Islands
PO Box 70
25 New Street
St Helier
Jersey
JE4 8RG

There were no transactions with LBFCI in 2023 or 2022

Bank of Scotland Foundation
The Mound
Edinburgh
EH1 1YZ

There were no transactions with BOSF in 2023 or 2022

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Annual report

Registered number: NI019019
Charity number: 101763

The Halifax Foundation for Northern Ireland
(Company Limited by Guarantee)

Annual report and financial statements
for the year ended 31 December 2023

The Halifax Foundation for Northern Ireland

Annual report and financial statements for the year ended 31 December 2023

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The Halifax Foundation for Northern Ireland

References and administrative details of the Charity

Trustees/directors

Chair

Gillian Boyd (Appointed as chair 16 March 2023)
Barry Connolly (Resigned as chair 16 January 2023)

Deputy Chair

Brenda Kelly

Trustees

Gillian Boyd
Aidan Bennett (Appointed 29 June 2023)
Barry Connolly
Dionne Darragh (Resigned 17 April 2023)
Jenny Ebbage
Angela Hodkinson (Appointed 29 June 2023)
Rebecca Hume
Brenda Kelly
Aine McCoy
Michael Mulhern (Appointed 20 September 2023)
Niall Parfitt
Michael Prendergast
Melvin Slaine
Ken Simpson (Resigned 20 May 2023)

Finance, Audit, Investment & Risk Committee

Michael Prendergast (Chair)
Aidan Bennett
Barry Connolly
Rebecca Hume

Grants Committee

Niall Parfitt (Chair)
Angela Hodkinson
Brenda Kelly
Melvin Slaine

HR, Governance & Nominations Committee

Jenny Ebbage (Chair)
Gillian Boyd
Aine McCoy
Michael Mulhern

Company Secretary & Chief Executive

Brenda McMullan

Registered Office/Principal Office

2 North Queen Street
Belfast
Northern Ireland
BT15 1ES

Solicitors

Edwards & Co. Solicitors
28 Hill Street
Belfast
BT1 2LA

Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

Independent Auditors

Deloitte LLP
Abbots House, Abbey St
Reading, United Kingdom
RG1 3BD

The Halifax Foundation for Northern Ireland

Chair's report for the year ended 31 December 2023

I take great pleasure in giving my chair's report and I am delighted to report that the Foundation has had another successful year. As we embarked on the last year of our strategy, 'A Vision for the Future 2020 - 2023', the need for our support was evident. In 2023, applications received for support soared, with a 22% increase on the previous year. Our small team worked extremely hard to offer ongoing funding to many worthy charities in all parts of Northern Ireland.

In 2023, Lloyds Banking Group plc transferred to the Foundation £1,495,685 as part of its ongoing commitment to support our charitable activities. This figure includes a total of £24,666 in-kind income, supporting the audit and administration of the Foundation. The Board of the Foundation is most grateful to the directors, management, and staff of Lloyds Banking Group plc for the continuity and stability of this funding; funding which allowed us to continue to provide funding to the charity sector during an extremely pressured time.

Through our Community Grants platform, we continued to offer support to charities working specifically with people in greatest need. In keeping with Charity Commission guidance, we only accept applications from organisations that are formally registered as charities. During the year, we received 465 applications, and offered grants to 321 charities (2022: 231) totalling £1,432,034 (2022: £1,286,747). This exceeded our target set of 300 organisations supported and represents an increase on the previous year of 39% which we believe is evidence of the sector continuing to grapple with the cost-of-living crisis; the continued onset of COVID; the lack of a functioning executive and statutory cuts that were announced during the year. Grantees told us on their application forms that a total of 210,719 people would benefit from our funding (150,000 beneficiary target). A full list of our awarded grants can be found on our website: <https://www.halifaxfoundationni.org/impact>.

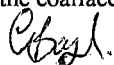
The Large Grants Programme entered its third and final year in 2023. This programme supported 10 charities with grants of approximately £50,000, whilst also providing charity leaders with mentoring, offered in partnership with Lloyds Banking Group. Through our strong partnership with Lloyds Banking Group, we have been fortunate to offer a range of initiatives aimed at helping charities thrive beyond the lifetime of their grant. Initiatives include mentoring, training, charity response forums and skills exchange programmes. We are extremely grateful to Lloyds Banking Group for helping us to provide support beyond funding alone.

Charities successful in obtaining funding available through our infrastructure support, the Special Initiatives Programme came to an end in 2023. The impact of this funding was far reaching with grants supporting coaching training for third sector leaders; financial management videos; volunteer management training and legacy fundraising support, to name but a few. Trustees of the Foundation recognise that financial support for third sector infrastructure is vital in maintaining a vibrant and resilience sector.

We continued to administer the Matched Giving Programme for Lloyds Banking Group/Halifax employees. In this arrangement, the Foundation matches both the cash sums raised for chosen charities of Bank staff as well as volunteering hours at the rate of £10 per hour. Colleagues were as creative as ever, finding innovative ways in which they could continue to support charities close to their hearts. We are most proud of their efforts. In 2023, 165 awards were made (2022:146), totalling £66,132 (2022: £54,081).

The success of the above programmes and initiatives during the year, is the result of the continuing dedication and hard work of the Officers of the Foundation. On behalf of all of the Trustees, I would like to express our great appreciation of their efforts. My own personal thanks must also go to all of our invaluable Trustees, who give unstintingly of their time and expertise to ensure that we maintain good governance standards, meet our objectives successfully, and also operate as efficiently and effectively as possible. This year, we welcomed three new Trustees – Aidan Bennett, Angela Hodkinson and Michael Mulhern who are already having an extremely positive impact on the Foundation. Our thanks goes to Dionne Darragh and Ken Simpson who stepped down in 2023. Sincere thanks also go to our outgoing Patron Jim McCooe. Jim supported the Foundation in building a strong relationship with the Bank and was an excellent ambassador for the Foundation. We wish Jim every happiness in his retirement.

In closing, it has been a very rewarding year for me, as Chair of the Foundation. As I embark on my seventh year with the Foundation, I look back over my tenure with pride and believe the Foundation has created a special space for itself in the funding community in Northern Ireland. I am all too aware of the challenges facing the community and voluntary sector and as such, we will embark on our new strategy, 'Better Together 2024 – 2028', which provides a suite of grant programmes funding charities on the coalface, supporting those in greatest need.



Mrs Gillian Boyd
Chair
13 June 2024

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2023

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, submit their Annual Report and the audited Financial Statements for the year ended 31 December 2023. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The trustees have adopted the provisions of the Companies Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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)), in preparing the annual report and financial statements of the charity. The Statement of Financial Activities (SOFA) shows the gross income from all sources.

Objectives and activities

The Foundation is established to support charitable activities, principally in, but not limited to, Northern Ireland, including in particular the provision of support for people in greatest need in order to:

- (a) advance education and training; and
- (b) promote the provision of facilities in the interest of social and community welfare.

The Foundation achieves this objective by awarding grants to charities on receipt of an official application form. All applications are then assessed against established criteria and awarded grants at the discretion of the Board of Trustees. The Community Grant Programme awards funding for a one-year period, although organisations may re-apply for future grants, providing monitoring and evaluation requirements have been met. Periodically, additional grant programmes are developed to respond to specific needs within the community. The Large Grants Programme awarded 3-year grant funding to 10 charities. The Special Initiatives Scheme was opened to groups supporting the third sector or large target group, supporting good governance. This scheme came to a close in 2023.

Public Benefit

In reviewing our aims, objectives and planning for future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of the Halifax Foundation for Northern Ireland.

'Public Benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate. In order for an organisation to be recognised, and registered, by the Charity Commission as a charity in Northern Ireland it must fulfil the requirements of the Public Benefit Test known as 'the public benefit requirement.'

The Foundation fulfils the following charitable purposes for the public benefit: the prevention or relief of poverty; the advancement of education; the advancement of health or the saving of lives; the advancement of citizenship or community development; the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity, and; the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The Foundation invites applications for the funding of grants from organisations with recognised charitable status. These applications are then reviewed against specific criteria and objectives which are set by the Trustees, in accordance with the objects of the Foundation. The Foundation was recognised, and registered, by the Charity Commission as a charity in Northern Ireland on 1st June 2015.

Achievements and performance

A review of the charity's achievements and performance is included in the Chair's report on page 2.

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2023 (continued)

Financial review

The company had net expenditure for the year of £244,592 (2022: net expenditure of £475,574) this is including gains on revaluation of investments held in shares of £27,619 (2022: loss of £255,531).

Grant making policy

The Foundation's grant programmes are approved by Trustees. The Foundation will only accept applications from registered charities. All programmes involve an application process. Applications are assessed by grants staff, including robust assessment of governance. Internal challenge meetings are held with the grants team and Chief Executive. A Grants Committee (made up of four trustees) meets to review recommendations from the Grants team. Final ratification of all recommendations is sought by the full Board of Trustees before decisions are shared with applicants. The applicant's Chairperson must sign up to Terms & Conditions before funding is released via bacs payment. All grantees must complete an evaluation report, outlining expenditure, performance, and impact. Grantees must demonstrate the direct benefits their work has on people in need via monitoring and evaluation which the grants team thoroughly review.

Results

Lloyds Banking Group plc shareholding

The Foundation is principally funded by annual donations received under deed of covenant from Lloyds Banking Group plc. Under the term of the covenant the Foundation was allocated 4,329,276 limited voting shares in Lloyds Banking Group, recognised as ordinary shares in 2017. The share portfolio has since been diversified and at the year-end, 237,490 shares in Lloyds Banking Group remained. No further limited voting shares are held by the Foundation and therefore no similar income is due from the Lloyds Banking Group plc.

The market value of the investments held at 31 December 2023 was £1,695,285 (2022 £1,654,857). During the financial year, the charity disposed of £957,600 (2022 £518,528), in line with our investment policy to obtain a low risk, diverse portfolio at our investment managements discretion.

The Foundation received £1,495,685 (2022: £1,375,206) under deed of covenant of which £24,666 relates to Gifts in Kind (2022: £26,101), dividend income of £68,191 (2022: £70,037).

After expenditure of £1,864,976 (2022: £1,688,329) the net outgoing resources before adjustment for movement in market value of shares amounted to (£272,211) (2022: (£220,043)). The net outgoing resources and increase in market value of shares have been added to the unrestricted funds brought forward giving a balance of £2,113,519 (2022: £2,358,111) at the balance sheet date.

The Foundation supported a total of 322 (2022: 231) organisations through the Community Grants Programme and Large Grants, with total direct beneficiaries of 350,745 (2022: 235,584).

The Foundation anticipates supporting in the region of 300 organisations in 2024, and approximately 150,000 beneficiaries.

Reserves policy and going concern

The Foundation is principally funded by an annual donation received under a deed of covenant from Lloyds Banking Group plc. The Board of Trustees approves applications for grants at its quarterly meetings, having regard to the level of reserves required to meet its administrative expenses over the period until the next year's income is received. The Foundation keeps its Reserves Policy under review.

The Trustees have reviewed the Foundation's projected budgets and are comfortable that adequate funding is in place to ensure the Foundation can continue its operations for at least 12 months and the financial statements can be signed off as a going concern.

The Foundation aims to maintain a reserve level of 3 months running costs of £79,753, 1 quarter budgeted grants of £244,820, totalling £324,573. Actual reserves held as of 31st December 2023 were £2,113,519 (2022: £2,358,111). Trustees plan to spend down surplus reserves held in investments over the next 5 years, as part of their new strategy, 'Better Together' 2024 – 2028.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2023 (continued)

Financial review (continued)

Reserves policy and going concern (continued)

Reserves will be utilised to support the community and voluntary sector with grant funding, as well as supportive initiatives to support and strengthen grantee's resilience.

Investment policy

The Board of Trustees continue to receive advice from Investec Wealth & Investment as Discretionary Fund Managers, on the basis of a low risk profile to achieve a balanced return objective.

The Investment Policy of the Foundation outlines the Trustees' desire to diversify the portfolio, with the ability to draw down funds annually over the next 5 years to align with the new Strategy of the Foundation and to top up the Foundations grant giving. Direct equity investments in tobacco, alcohol and gambling should be precluded. The Trustees accept that some exposure may exist within collective funds.

The objectives have been achieved by investing prudently in a range of government bonds.

Taxation status

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Structure, governance and management

Constitution

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The charity is governed by its Memorandum and Articles of Association.

Registration

The Halifax Foundation for Northern Ireland is the registered name of the charity. The Charity is registered with the Charity Commission for Northern Ireland. The Registered Charity Number is 101763 and the Company Registration Number is NI 019019. The Registered Office is 2 North Queen Street, Belfast, Northern Ireland, BT15 1ES.

Relationship with Lloyds Banking Group

The Trustees continued to work strategically with our Funder, Lloyds Banking Group. To ensure the ongoing success of the Foundation the Trustees were delighted to sign an agreement in 2017, which provided stability. The Trustees proposed to utilise an element of current reserves, and income from the sale of investments during 2023 to continue to provide grants to the local community.

Pay and remuneration of key management personnel

The key management personnel of the Foundation received remuneration of £105,893 (2022: £63,873).

The HR, Governance and Nominations (HRGN) Committee determines the remuneration packages and terms and conditions of both the Chief Executive and Grants Manager and recommends to Trustees the salary for the forthcoming year. Pay setting is calculated by research on market indicators.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2023 (continued)

Trustees

The Trustees who acted during the year and up to the date of signing these financial statements are shown on page 1.

Potential candidates for appointment as Trustees are considered by the HRGN Committee, which makes recommendations to the Board of Trustees for up to nine Trustees. A further three Trustees are appointed by Lloyds Banking Group. Appointments, once made, are notified to the Lloyds Banking Group Board. Appointments to the Board are made with due regard to maintaining a gender, geographical, social and skills mix in respect of its membership. New Trustees receive a formal Induction Programme as well as ongoing training to include GDPR, Cyber Security, and Safeguarding.

At the date of signing the Annual report there are currently 12 trustees.

The Board of Trustees meets quarterly to determine the Foundation's policies. In addition, a Board Meeting to focus on strategic planning takes place annually.

The Board is assisted by a number of sub-committees, which have Terms of Reference approved by the Board, to which they report on their meetings and other activities. The role of the **Finance, Audit, Investment & Risk Committee** is to satisfy themselves that any financial statements published by the Foundation follow approved accounting principles, to oversee the investments portfolio of the Foundation and give an accurate account of the Foundation's affairs. The Committee meets quarterly, or more often if required. The role of the **Human Resources, Governance and Nominations Committee** is to make recommendations to the Board on the appointment of new Trustees, makes recommendations to the Board for the remuneration of staff and HR matters that arise and ensure good governance arrangements are in place. The Committee meets quarterly, or more often if required. The **Grants Committee** along with the Foundation's Officers analyses all applications for grants and make funding recommendations to the Board. The committee meets on eight occasions per year.

Within an agreed strategic framework all operational issues fall within the remit of the Board of Trustees. Day to day operations are delegated to the Chief Executive.

Risk management

The Board of Trustees has assessed the principal risks to which the Foundation is potentially exposed in particular those relating to its operations and finances. It is recognised that risk management is an ongoing activity involving all Trustees and Officers, and it has been established as a quarterly agenda item for the Finance, Audit, Investment & Risk Committee, reviewed annually by the Board. Specific aspects of risk are reviewed by the Board of Trustees on a structured basis with a quarterly report to the Finance, Audit, Investment and Risk Committee. The Board is satisfied that systems are in place to mitigate these risks.

The principal risk facing the Foundation is that of the performance of Lloyds Banking Group. This could impact the level of donation received by the Foundation. This is mitigated by a minimum payment agreed by the bank and maintaining close communications with the bank.

The Trustees have assessed the going concern and have sufficient funding to continue for at least 12 months from the date of signing of these financial statements.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2023 (continued)

Reference and administrative details

Detail of these are included on page 1.

Funds held as custodian trustee on behalf of others

There are no funds held as custodian trustee on behalf of others.

Plans for future years

The Community Grants Programme continued in 2023. Launched in 2021, the Large Grants Programme entered its final year in 2023. This 3-year grant programme, awarded approximately £50,000 to 10 charity applicants.) All grants are awarded on the basis of evidence that the funding will have a positive impact on the beneficiaries. A review of the Foundation activities is detailed in the Chair's Report on page 2.

All organisations that receive a grant are required to demonstrate the direct benefits their work has on people in need via monitoring and evaluation which the assessment team thoroughly review. A review of the Foundation activities is detailed in the Chair's Report on page 2.

As the strategy period (2019 – 2023) drew to a close, the Trustees and Staff of the Foundation came together to plan the future direction of the Foundation. The strategy '*Better Together*' 2024 – 2028 was set and sees the launch of five exciting grant initiatives created in direct response to the community and voluntary sector needs. The Foundation will continue to award grants to charitable organisations for the benefit of people in Northern Ireland who are deemed as in greatest need.

Directors'/Trustees' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement of trustees' responsibilities

The trustees (who are also directors of The Halifax Foundations for Northern Ireland for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102 (second edition – October 2019);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Halifax Foundation for Northern Ireland

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

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2023 (continued)

Statement as to disclosure to our auditors

In so far as the trustees are aware at the timing of approving our trustees' report:

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

Small company exemption

The Trustees have prepared this report in accordance with special provisions relating to small sized companies with Part 15 of the Companies Act 2006.

The Trustees have taken advantage of the small companies' exemption, in accordance with section 414B of the Companies Act 2006, from including a separate Strategic Report in these financial statements.

Independent auditors

A resolution concerning the appointment of Deloitte LLP as auditors to the Foundation will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board on:



Mrs Gillian Boyd
Chair/Trustee
13 June 2024

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Annual return

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Halifax Foundation for Northern Ireland (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 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 United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements, which comprise:

- the statement of financial activities (incorporating income and expenditure account)
- the balance sheet
- the statement of cash flows; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland (continued)

Other information (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the charitable company for the purpose 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 FRC's website 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Trustees about their own identification and assessment of the risks of irregularities. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the charitable company's business.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and
- did not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for Northern Ireland (Charity Commission) regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland (continued)

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

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address it are described below:

- we identified a fraud risk related to the application of multi-year grant expenditure in line with charitable objectives, and the correct recognition of liabilities in respect of multi-year grant expenditure. We have addressed this risk by selecting a sample of multi-year grants recognised in the year and reviewing the grant agreements, Board minutes, cash payments and related information in order to understand the purpose of the grant, any conditions present and ascertain the correct level of expenditure and related liability to recognise.

In common with all audits under ISAs (UK), we are also required to perform procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the Directors' report included within the Trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 respect of these matters.

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland (continued)

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.



**Helen Perkins FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom**

13 June 2024

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Accounts

The Halifax Foundation for Northern Ireland

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

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Total funds 2021 £
Income from					
Donations	6.1	1,375,206	1,375,206	1,529,088	1,529,088
Grants returned		23,044	23,044	5,655	5,655
Investments	6.2	70,037	70,037	60,794	60,794
Total Income		1,468,286	1,468,286	1,595,537	1,595,537
Expenditure on					
Charitable activities					
- Education and training	5	455,206	455,206	353,519	353,519
- Social and community welfare	5	1,155,939	1,155,939	883,036	883,036
Matched giving	5	66,018	66,018	74,991	74,991
- Raising funds					
Investment management costs		11,166	11,166	13,354	13,354
- Total Expenditure		1,688,329	1,688,329	1,324,901	1,324,901
Net (expenditure)/income before investment (losses)/gains		(220,043)	(220,043)	270,636	270,636
Net (losses)/gains on investments	18	(255,531)	(255,531)	210,483	210,483
Net (expenditure)/income for the year/Net movement of funds	18	(475,574)	(475,574)	481,120	481,120
Reconciliation of funds					
Total funds brought forward		2,833,686	2,833,686	2,352,566	2,352,566
Total funds carried forward	16	2,358,111	2,358,111	2,833,686	2,833,686

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derives from continuing activities.

The accounting policies and notes on pages 16 to 27 form part of these accounts.

The Halifax Foundation for Northern Ireland

Balance sheet as at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	2,517	4,201
Investments	13	1,654,857	2,056,650
Total fixed assets		1,657,374	2,060,851
Current assets			
Debtors	14	867	1,104
Cash at bank and in hand		957,784	1,005,025
Total current assets		958,651	1,006,129
Creditors: amounts falling due within one year	15	(257,914)	(233,295)
Net current assets		700,737	772,834
Net assets		2,358,111	2,833,686
The funds of the charity:			
Unrestricted general funds	16	2,358,111	2,833,686
Total charity funds		2,358,111	2,833,686

The accounting policies and notes on pages 16 to 27 form part of these financial statements.

These financial statements of Halifax Foundation for Northern Ireland registered number NI019019 were approved by the Board of Trustees and authorised for issue on 9th June 2023. They were signed on its behalf by:



Mrs Gillian Boyd
Chair/ Trustee
09 June 2023

The Halifax Foundation for Northern Ireland

Statement of cash flows for the year ended 31 December 2022

	Notes	2022 £	2021 £
Cash (used in) / generated from operating activities	18	(263,540)	339,768
Cash flows from investing activities			
Dividend income	6.2	70,037	60,794
Purchase of tangible assets	12	-	(5,240)
Purchase of investments	13	(372,266)	(49,638)
Proceeds received from sale of investments	13	518,528	195,484
Net cash flows from investing activities		216,299	201,400
Net (decrease)/increase in cash and cash equivalents		(47,241)	541,168
Cash and cash equivalents at the beginning of the year		1,005,025	463,857
Total cash and cash equivalents at the end of the year		957,784	1,005,025

There were no cash equivalents at 31 December 2022 (2021: none)

The accounting policies and notes on pages 16 to 27 form part of these financial statements.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Company and charitable legal status

The Halifax Foundation for Northern Ireland, a public benefit entity, is incorporated in Northern Ireland as a company limited by guarantee in and not having a share capital. There are currently 10 Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 Charities Act (Northern Ireland) 2008 and the Companies Act 2006.

The Trustees have taken advantage of the small companies' exemption, in accordance with section 414B of the Companies Act 2006, from including a separate Strategic Report in these financial statements.

The Halifax Foundation for Northern Ireland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value with investments at fair market value unless otherwise stated in the relevant accounting policy notes.

Preparation of financial statements - going concern basis

The Trustees are able to take a long-term view of our investments and the covenant with the Lloyds Banking Group provides a significant degree of protection. The funding for 2023 has been received in full (£1,471,019) and for future years the agreement, which requires nine years notice to be given, provides for a minimum payment of £1,070,000 to be paid each year and that the actual sum paid is based on the profits of the three prior years. The Trustees are therefore confident that they are able to fully fund their operating costs, meet all existing grant commitments and continue grant funding activities for the remainder of the year and throughout 2024 and therefore that the Foundation will be a going concern for at least 12 months from the date of approval of these financial statements.

The Trustees, therefore, consider that the going concern assumption is an appropriate basis on which to prepare these financial statements.

Income

Covenanted donation income

The Foundation derives its income from Lloyds Banking Group plc. Revenue received from Lloyds Banking Group plc is recognised on an accruals basis. The income is recognised when the Foundation has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Interest income and dividends

Interest income and dividends are included in the financial statements in the period in which it is receivable by the Foundation.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Donated services

Donated services and facilities are valued and included as income and expenditure at the price the Foundation estimates it would pay in the open market for an equivalent service or facility.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably, a liability is recognised.

Charitable Activities - Grants payable

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.

Allocation of support costs

Support costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Foundation's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is the amount of grants payable in each category ('education and training' and 'social and community welfare').

Value added tax

The Foundation is not registered for VAT and accordingly all expenditure is recorded inclusive of any VAT incurred.

Pension Costs

The charity operates a defined contribution scheme for its employees. Contributions are charged to the statement of financial activities in the period to which they relate.

Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of three years, on a straight-line basis.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible assets

Assets with a cost below £100 are not capitalised.

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation and residual values

Depreciation is calculated using the straight-line method, to allocate the cost to their residual values over their estimated useful lives as follows:

Office equipment	33%
Computer equipment	33%

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

Tangible assets (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Investments

Investments are stated at Bid Price value at the balance sheet date. Any realised and unrealised gains and losses on revaluation are shown separately in the statement of financial activities.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Cash at bank and in hand

Cash at bank and in hand includes cash, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial instruments

The foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

Fund accounting

Unrestricted funds are amounts which are expendable at the discretion of the trustees in furtherance of the aims of the Foundation.

2 Critical accounting judgements and estimation uncertainty

In the application of the Foundation's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

4 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The average monthly number of Employees was:

	2022	2021
	Number	Number
Average monthly number of persons employed during the year, excluding trustees, by activity:		
Administration	7	7

The average monthly number of Trustees was:

	2022	2021
	Number	Number
The number of trustees at the year-end	11	11

Their aggregated remuneration comprised:

	2022	2021
	£	£
This is stated after charging		
Wages and salaries	189,528	161,163
Social security costs	13,301	14,093
Other pension costs	17,239	16,467
Staff Costs	220,068	191,723

None of the trustees received remuneration during the year (2021: Nil).

Trustees' expenses relate to the payment or reimbursement of expenses in respect of recruitment, training, travel, accommodation, and other incidental costs. £1,552 was paid by the Foundation on behalf of 11 trustees including recruitment, training, travel, accommodation and other incidental costs (2021: 11 Trustees : £1,774). No Trustees received out of pocket expenses (2021: nil)

Indemnity insurance costing £1,504 (2021: £1,504) has been taken out on behalf of the Trustees.

Key management compensation

Key management included the trustees and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2022	2021
	£	£
Key management compensation	105,893	63,873

The key management personnel of the charity comprise of the full time Chief Executive and the part time Grants Manager (appointed July 2021).

1 employee received employee remuneration of more than £60,000, (excluding employer pension costs) during the year (2021: Nil). This employee's emoluments fell between the band £60,000 - £70,000.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Charitable activities

	Matched Giving £	Education and Training £	Social and Community Welfare £	2022 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2021 £
Grants payable (note 7)	54,081	372,900	946,932	1,373,913	59,563	280,787	701,365	1,041,715
Support costs (note 8)	11,740	80,949	205,561	298,250	15,057	70,979	177,296	263,332
Support costs - Governance costs (note 8)	197	1,357	3,446	5,000	372	1,752	4,376	6,500
	66,018	455,206	1,155,939	1,677,163	74,991	353,519	883,036	1,311,547

6.1 Donations

	2022 £	2021 £
Donations from Lloyds Banking Group		
- Covenant income	1,092,105	1,366,933
- Operating costs contribution	150,000	150,000
- Additional income (cost of living grants)	107,000	-
Donated services		
- External audit fees paid by Lloyds Banking Group	5,000	5,600
- Other services	21,101	6,555
	1,375,206	1,529,088

The auditors were remunerated with an allocation from the Lloyds Banking Group audit fee. As a result, the external audit fee has been treated as a benefit in kind from the Lloyds Banking Group. The amount recognised is the fair value that the Foundation believes they would pay for external audit services if the Lloyds Banking Group did not pay for the amounts on their behalf.

Other donated services income includes the cost of secondee administration officer whose role is solely dedicated to Foundation and is reimbursed by Lloyds Banking Group.

6.2 Investment income and dividends

	2022 £	2021 £
Dividends received	70,037	60,794
Total investment income	70,037	60,794

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Grants payable

Region	2022		2021	
	Number	£	Number	£
Belfast	206	498,408	75	322,833
County Derry/Londonderry	72	188,235	38	197,627
County Antrim	53	124,092	32	144,880
County Armagh	39	94,313	16	64,255
County Down	97	202,882	24	105,864
County Fermanagh	10	25,019	5	16,022
County Tyrone	50	155,948	24	140,961
	527	1,288,897	214	992,442
Headquartered outside Northern Ireland	80	51,931	13	28,809
Collaboration		33,085		20,464
Total	607	1,373,913	227	1,041,715

All grants are payable directly to organisations. No individual beneficiary is noted.

Collaboration refers to costs relating to our IT equipment recycling and our charity mentoring programme. Please refer to page 2 chairs report for further detail.

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Analysis of support costs including governance costs

Governance costs

	Matched Giving £	Education And Training £	Social and Community Welfare £	2022 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2021 £
Audit fees	197	1,357	3,446	5,000	372	1,752	4,376	6,500

Support costs

	Matched Giving £	Education and Training £	Social and Community Welfare £	2022 £	Matched Giving £	Education and Training £	Social and Community Welfare £	2021 £
Establishment costs	709	4,885	12,406	18,000	772	3,639	9,089	13,500
Salaries and pension contributions	8,662	59,730	151,676	220,068	10,962	51,678	129,083	191,723
Trustee related costs	61	421	1,070	1,552	101	478	1,194	1,774
Promotion of the Foundation	257	1,775	4,508	6,540	350	1,652	4,126	6,129
Professional fees	697	4,805	12,203	17,705	468	2,205	5,509	8,182
Other administrative expenses	1,353	9,333	23,699	34,385	2,403	11,327	28,294	42,024
	11,740	80,949	205,561	298,250	15,057	70,979	177,296	263,332

Support costs are allocated on a basis consistent with the use of resources.

9 Net (expenditure)/income for the year

	2022 £	2021 £
Net (expenditure)/income is stated after charging		
Depreciation of owned assets	1,685	12,702
Rentals under operating leases	18,000	13,500
Total	19,985	26,202

Fees payable to the charity's auditor for the audit of the charity's annual financial statements

Current year fees	5,000	5,600
Adjustment for previous years fees	-	900

Total Auditors Fees	5,000	6,500
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The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

11 Intangible assets

	Computer software £
Cost	
As at 01 January 2022	34,989
As at 31 December 2022	34,989
Amortisation and impairments	
As at 01 January 2022	34,989
Charge for the year	-
As at 31 December 2022	34,989
Net book value as at 01 January 2022	-
Net book value as at 31 December 2022	-

12 Tangible assets

	Office Equipment £	Computer equipment £	Total £
Cost			
As at 01 January 2022	25,791	35,670	61,461
Additions	-	-	-
Disposals	-	-	-
As at 31 December 2022	25,791	35,670	61,461
Depreciation and impairments			
As at 01 January 2022	25,528	31,731	57,259
Charge for the year	27	1,658	1,685
As at 31 December 2022	25,555	33,389	58,944
Net book value as at 01 January 2022	263	3,939	4,202
Net book value as at 31 December 2022	236	2,281	2,517

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Investments

	2022	2021
	£	£
Market Value as at 01 January 2022	2,056,650	1,992,012
Additions in the year	372,266	49,638
Disposals in the year	(518,528)	(195,484)
Net revaluation (loss) / gain	(255,531)	210,483
Market Value as at 31 December 2022	1,654,857	2,056,650

Long term investments which include ordinary shares in Lloyds Banking Group of £350,622 (2021: £671,954) are held within the United Kingdom and exist primarily to provide an investment return for the charity.

Investment Breakdown by type of investment

Listed Investments

The historic cost of listed fixed asset investments at 31st December 2022 £2,026,687 (2021: £2,254,272). The investments are managed by an external fund manager. The funds can be analysed as follows:

	2022	2021
	£	£
Fixed interest	431,304	631,485
Overseas Fixed Interest	436,066	238,682
UK Equities	378,744	748,711
European Equities	15,001	16,743
North American Equities	49,413	49,567
Far East & Australasian Equities	6,726	7,046
Emerging Economies	9,195	10,548
UK Property	58,256	49,451
International Property	11,425	15,844
Alternative Assets	258,727	288,573
Market Value as at 31 December 2022	1,654,857	2,056,650

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year		
Prepayments	867	1,104

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,996	2,203
Grant creditors	244,982	222,262
Accruals	8,936	8,830
	257,914	233,295

In addition to the above grants payable, at 31 December 2022, the Trustees had approved grants totalling £110,000, relating to year 3 of the large and special initiatives commitments (2021 – £352,542). As the payment of these grants is subject to certain specific conditions, these have not been recognised in these financial statements.

16 Analysis of charitable funds

Analysis of movement in unrestricted funds

Fund name	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Transfers £	Fund balances carried forward £
General funds	2,833,686	1,468,286	(1,688,329)	(255,531)	-	2,358,111
Unrestricted funds	2,833,686	-	-	-	-	2,358,111

17 Financial commitments

The total future minimum lease payments under non-cancellable operating leases:

	Land and buildings	
	2022	2021
	£	£
In one year or less	18,000	18,000
Between one and two years	-	18,000
	18,000	36,000

The Halifax Foundation for Northern Ireland

Notes to the financial statements for the year ended 31 December 2022 (continued)

18 Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net(expenditure)/income	(475,574)	481,120
Losses/(Gains) on investments	255,531	(210,483)
Depreciation	1,685	12,702
Dividend income	(70,037)	(60,794)
Decrease/(Increase) in debtors	236	(360)
Increase in creditors	24,619	117,583
Net cash generated (used in) / from operating activities	(263,540)	339,768

19 Related party transactions and ultimate controlling party

The Board of Trustees are considered to be the Charity's ultimate controlling party.

During the year a number of grants and payments were made where a trustee or staff member of the Foundation is affiliated to a connected organisation.

Trustee, Jenny Ebbage is a consultant for Edwards & Co. Solicitors. In 2022, Edwards & Co. Solicitors were appointed as solicitors for The Halifax Foundation for Northern Ireland. They were paid £1,700 during 2022.

Trustee Barry Connolly is a Trustee of Victim Support Northern Ireland. They received a payment of £500 through the Matched Giving Scheme.

Trustee Melvin Slaine is a former mentor for Links Counselling and Replay Productions. Link Counselling received a Matched Giving award of £500, and Replay Productions received a Community Grant of £8,000.

Grants Manager, Joanne Byrne is Trustee of Friends of Edenderry. They received £556 under the Matched Giving Scheme and a Community Grant of £4,000.

A relation of former Trustee, Ken Simpson is a Trustee of Informing Choices, who received a Community Grant of £6,000.

The Halifax Foundation for Northern Ireland are members of CO3 and NICVA. Both received Special Initiatives payments of £8,900 and £9,975 respectively in 2022.

Connected company

Lloyds Banking Group plc

The Foundation derives its income primarily from Lloyds Banking Group plc. The Foundation received £1,471,019 (2021: £1,529,088) under deed of covenant of which £26,101 relates to Gifts in Kind (2021: £12,155). Investments include ordinary shares in Lloyds Banking Group of £350,622 (2021: £671,954).

At 31 December 2022, the balance owed by Lloyds banking Group plc is nil (2021: nil)

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Annual report

Registered number: NI019019
Charity number: 101763

The Halifax Foundation for Northern Ireland
(Company Limited by Guarantee)

**Annual report and financial statements
for the year ended 31 December 2022**

The Halifax Foundation for Northern Ireland

Annual report and financial statements for the year ended 31 December 2022

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The Halifax Foundation for Northern Ireland

References and administrative details of the Charity

Trustees/directors

Chair

Gillian Boyd (Appointed as chair 16 March 2023)

Barry Connolly (Appointed as chair 08 June 2022, Resigned as chair 16 January 2023)

Paula Leathem (Resigned as chair 08 June 2022)

Deputy Chair

Brenda Kelly

Trustees

Gillian Boyd

Barry Connolly

Dionne Darragh (Resigned 17 April 2023)

Jenny Ebbage

Rebecca Hume (Appointed 21 September 2022)

Brenda Kelly

Paula Leathem (Resigned 27 June 2022)

Aine McCoy

Niall Parfitt

Michael Prendergast

Melvin Slaine

Ken Simpson (Resigned 20 May 2023)

Finance, Audit, Investment & Risk Committee

Michael Prendergast (Chair)

Barry Connolly

Rebecca Hume

Grants Committee

Brenda Kelly (Chair)

Niall Parfitt

Melvin Slaine

HR, Governance & Nominations Committee

Jenny Ebbage (Chair)

Gillian Boyd

Aine McCoy

Company Secretary & Chief Executive

Brenda McMullan

Registered Office/Principal Office

2 North Queen Street

Belfast

Northern Ireland

BT15 1ES

Solicitors

Edwards & Co. Solicitors

28 Hill Street

Belfast

BT1 2LA

Bankers

Danske Bank

Donegall Square West

Belfast

BT1 6JS

Independent Auditors

Deloitte LLP

2 New Street Square

London, United Kingdom

EC4A 3BZ

The Halifax Foundation for Northern Ireland

Chair's report for the year ended 31 December 2022

The year began with an air of positivity as the impact of COVID-19 had started to loosen its grip on society, not least the community and voluntary sector here in Northern Ireland. However, another crisis was brewing that would deal another hammer blow to the Sector in the form of the cost-of-living crisis. Electricity and gas costs substantially increased for community venues, as well as increased rent costs for many. Once again, we highlighted our commitment to our grantees, flexing budgets to suit the soaring core costs. We were elated when having approached our sole donor, Lloyds Banking Group with our concerns, that they remained true to their aim of being 'by your side'. They donated an additional £107,000 in funding to directly support our groups with cost-of-living support, for which we are most grateful.

In 2022, Lloyds Banking Group plc transferred to the Foundation £1,375,206 as part of its ongoing commitment to support our charitable activities. This figure includes a total of £26,101 of in-kind income, supporting the audit and administration of the Foundation, as well as the cost-of-living support payment of £107,000. The Board of the Foundation is most grateful to the directors, management, and staff of Lloyds Banking Group plc for the continuity and stability of this funding; funding which allowed us to continue to provide funding to the charity sector during an extremely pressured time.

Through our Community Grants platform, we continued to offer support to charities working specifically with disadvantaged and disabled people. In keeping with Charity Commission guidance, we only accept applications from organisations that are either formally registered as charities or are in the process of doing so, the latter being included on the Charity Commission's "combined list". In addition, our broadened portfolio of grants also continued, including Large, three-year grants and Special Initiatives, two-year infrastructure awards as we planned to in our strategy 'A Vision for the Future' 2020 – 2023.

During the year, we received 360 applications, and offered grants to 231 organisations (2021: 176) totalling £1,286,747. This exceeded our target set of 200 organisations supported. The number of applications represents an increase on the previous year of 31% which we believe is evidence of the sector reigniting following on from the uncertainty brought about by the continuing COVID-19 restrictions, but also highlights the need for additional support due to the cost-of-living crisis. Grantees told us on their application forms that a total of 235,584 people would benefit from our funding (250,000 beneficiary target). A full list of our awarded grants can be found on our website at <https://www.halifaxfoundationni.org/recently-funded-grants-360-giving>.

We continued to administer the Matched Giving Programme for Bank employees. In this arrangement, the Foundation matches both the cash sums raised for chosen charities by Halifax Bank staff. As face-to-face fundraising continued to decrease for a second year, colleagues became more creative and innovative in finding ways they could continue to support charities close to their hearts during this turbulent time. They took part in wild water swimming, singing events, gaming tournaments, cycling, running and walking challenges, to name but a few. We are most proud of their efforts. In 2022, 146 awards were made under the Matched Giving Programme, totalling £54,081 for local charities.

The success of the above programmes and initiatives during the year, is the result of the continuing dedication and hard work of the Officers of the Foundation. On behalf of all of the Trustees, I would like to express our great appreciation of their efforts. My own personal thanks must also go to all of our invaluable Trustees, who give unstintingly of their time and expertise to ensure that we maintain good governance standards, meet our objectives successfully, and also operate as efficiently and effectively as possible. This year, we welcomed one new Trustee – Rebecca Hume who is already having an extremely positive impact on the Foundation. Our thanks also go to our outgoing Chair, Paula Leathem for her wise counsel over the past nine years serving as a Trustee. Our thanks also go to Dionne Darragh and Ken Simpson who stepped down recently. And to Barry Connolly, Chair of the Foundation from June 2022 – February 2023. We are delighted that Barry will remain a Trustee of the Foundation.

Sincere thanks go to our patron Jim McCooe, who served as a trustee of the Foundation from 2010 – 2019 and became our patron in 2022. Jim continues to support the Foundation in building a strong relationship with the Bank and is an excellent ambassador for the Foundation. We wish Jim every happiness as he retires from the Bank in June, and as patron.

In closing, it has been a very rewarding few months for me as I take the Chair of the Foundation. As I embark on my sixth year with the Foundation, I look back over my tenure with pride and believe the Foundation has created a special space for itself in the funding community in Northern Ireland. I am all too aware of the challenges facing the community and voluntary sector as they continue to face into the cost of living crisis, as well as the impact of the lack of a functioning executive. We aim to be bold in tackling sector issues and searching for innovative ways to alleviate disadvantage and disability in all their aspects.



Mrs Gillian Boyd
Chair
09 June 2023

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2022

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, submit their Annual Report and the audited Financial Statements for the year ended 31 December 2022. This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The trustees have adopted the provisions of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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)), in preparing the annual report and financial statements of the charity. The Statement of Financial Activities (SOFA) shows the gross income from all sources.

Objectives and activities

The Foundation is established to support charitable activities, principally in, but not limited to, Northern Ireland, including in particular the provision of support for disadvantaged or disabled people in order to:

- (a) advance education and training; and
- (b) promote the provision of facilities in the interest of social and community welfare.

The Foundation achieves this objective by awarding grants to charities on receipt of an official application form. All applications are then assessed against established criteria and awarded grants at the discretion of the Board of Trustees. The Community Grant Programme awards funding for a one-year period, although organisations may re-apply for future grants, providing monitoring and evaluation requirements have been met. Periodically, additional grant programmes are developed to respond to specific needs within the community. The Large Grants Programme awarded 3-year grant funding to 10 charities. The Special Initiatives Scheme was opened to groups supporting the third sector or large target group, supporting good governance

Public Benefit

In reviewing our aims, objectives and planning for future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of the Halifax Foundation for Northern Ireland.

'Public Benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate. In order for an organisation to be recognised, and registered, by the Charity Commission as a charity in Northern Ireland it must fulfil the requirements of the Public Benefit Test known as 'the public benefit requirement.'

The Foundation fulfils the following charitable purposes for the public benefit: the prevention or relief of poverty; the advancement of education; the advancement of health or the saving of lives; the advancement of citizenship or community development; the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity, and; the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The Foundation invites applications for the funding of grants from organisations with recognised charitable status. These applications are then reviewed against specific criteria and objectives which are set by the Trustees, in accordance with the objects of the Foundation. The Foundation was recognised, and registered, by the Charity Commission as a charity in Northern Ireland on 1st June 2015.

Achievements and performance

A review of the charity's achievements and performance is included in the Chair's report on page 2.

The Halifax Foundation for Northern Ireland

Trustees' Report (Incorporating the Directors' report) for the year ended 31 December 2022 (continued)

Financial review

The company had net expenditure for the year of £475,574 (2021: net income of £481,120) this is including a loss on revaluation of investments held in shares of £255,531 (2021: gain of £210,483).

Grant making policy

The Foundation's grant programmes are approved by Trustees. The Foundation will only accept applications from registered charities operating in Northern Ireland. All programmes involve an application process. Applications are assessed by grants staff, including robust assessment of governance. Internal challenge meetings are held with the grants team and Chief Executive. A Grants Committee (made up of four trustees) meets to review recommendations from the Grants team. Final ratification of all recommendations is sought by the full Board of Trustees before decisions are shared with applicants. The applicant's Chairperson must sign up to Terms & Conditions before funding is released via bacs payment. All grantees must complete an evaluation report, outlining expenditure, performance, and impact. Grantees must demonstrate the direct benefits their work has on people in need via monitoring and evaluation which the grants team thoroughly review.

Results

Lloyds Banking Group plc shareholding

The Foundation is principally funded by annual donations received under deed of covenant from Lloyds Banking Group plc. Under the term of the covenant the Foundation was allocated 4,329,276 limited voting shares in Lloyds Banking Group, recognised as ordinary shares in 2017. The share portfolio has since been diversified and at the year end, the Foundation held 1,404,000 shares in Lloyds Banking Group. No further limited voting shares are held by the Foundation and therefore no similar income is due from the Lloyds Banking Group plc.

The market value of the investments held at 31 December 2022 was £1,654,857 (2021 £2,056,650). During the financial year, the charity disposed of £518,528 (2021 £195,484), in line with our investment policy to obtain a low risk, diverse portfolio at our investment managements discretion.

The Foundation received £1,375,206 (2021: £1,529,088) under deed of covenant of which £26,101 relates to Gifts in Kind (2021: £12,155), dividend income of £70,037 (2021: £60,794) and a one off payment to support cost of living increases grantees were facing of £107,000.

After expenditure of £1,688,329 (2021: £1,324,901) the net outgoing resources before adjustment for movement in market value of shares amounted to £(255,531) (2021: £210,483). The net outgoing resources and decrease in market value of shares have been added to the unrestricted funds brought forward giving a balance of £2,358,111 (2021: £2,833,686) at the balance sheet date.

The Foundation supported a total of 231 (2021: 176) organisations through the Community Grants Programme, Large Grants and Special Initiatives Programmes, with total direct beneficiaries of 235,584 (2021: 289,168).

The Foundation anticipates supporting in the region of 300 organisations in 2023, and approximately 150,000 beneficiaries.

Reserves policy and going concern

The Foundation is principally funded by an annual donation received under a deed of covenant from Lloyds Banking Group plc. The Board of Trustees approves applications for grants at its quarterly meetings, having regard to the level of reserves required to meet its administrative expenses over the period until the next year's income is received. The Foundation keeps its Reserves Policy under review.

The Trustees have reviewed the Foundation's projected budgets and are comfortable that adequate funding is in place to ensure the Foundation can continue its operations and the financial statements can be signed off as a going concern.

The Foundation aims to maintain a reserve level of 6 months running costs of £173,525, 1 quarter budgeted grants of £385,000 including £110,000 of committed grants and wind-up costs £214,283 which amounts to £772,808. Actual reserves held as of 31st December 2022 were £2,358,111(2021: £2,833,686). Trustees plan to spend down investments over the next number of years.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2022 (continued)

Financial review (continued)

Reserves policy and going concern (continued)

Reserves will be utilised to support the community and voluntary sector with grant funding, as well as supportive initiatives to strengthen the third sector.

Investment policy

The Trustees have the power to invest in such assets as they see fit within their investment policy (e.g. ethical policy). The Board of Trustees have continued to diversify their investment portfolio and have engaged with independent financial advisers Investec to manage their portfolio with a discretionary mandate which is low risk. The Investment Policy outlines the Trustees' desire to diversify the portfolio, with the ability to draw down up to £450,000 per annum over the next 6 years to top up the Foundations grant giving. Direct equity investments in tobacco, alcohol and gambling should be precluded. The Trustees accept that some exposure may exist within collective funds.

On advice from external investment managers, the Board have continued to sell Lloyds Banking Group shares in tranches. As the market remains volatile, a holding of 771,700 shares in Lloyds Banking Group remains at year end.

Taxation status

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The charity is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

Structure, governance and management

Constitution

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The charity is governed by its Memorandum and Articles of Association.

Registration

The Halifax Foundation for Northern Ireland is the registered name of the charity. The Charity is registered with the Charity Commission for Northern Ireland. The Registered Charity Number is 101763 and the Company Registration Number is NI 019019. The Registered Office is 2 North Queen Street, Belfast, Northern Ireland, BT15 1ES.

Relationship with Lloyds Banking Group

The Trustees continued to work strategically with our Funder, Lloyds Banking Group. To ensure the ongoing success of the Foundation the Trustees were delighted to sign an agreement in 2017, which provided stability. The Trustees proposed to utilise an element of current reserves, and income from the sale of investments during 2022 to continue to provide grants to the local community.

Pay and remuneration of key management personnel

The key management personnel of the Foundation received remuneration of £105,893 (2021: £63,873).

The HR, Governance and Nominations (HRGN) Committee determines the remuneration packages and terms and conditions of both the Chief Executive Director on appointment and recommends to Trustees the salary for the forthcoming year. Pay setting is calculated by research on market indicators.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2022 (continued)

Trustees

The Trustees who acted during the year and up to the date of signing these financial statements are shown on page 1.

Potential candidates for appointment as Trustees are considered by the HRGN Committee, which makes recommendations to the Board of Trustees for up to nine Trustees. A further three Trustees are appointed by Lloyds Banking Group. Appointments, once made, are notified to the Lloyds Banking Group Board. Appointments to the Board are made with due regard to maintaining a gender, geographical, social and skills mix in respect of its membership. New Trustees receive a formal Induction Programme as well as ongoing training to include GDPR, Cyber Security, Diversity and Safeguarding training.

At the date of signing the Annual report there are currently 9 trustees.

The Board of Trustees meets quarterly to approve grants and to determine the Foundation's policies. In addition, a Board Meeting to focus on strategic planning takes place annually.

The Board is assisted by a number of sub-committees, which have Terms of Reference approved by the Board, to which they report on their meetings and other activities. The role of the **Finance, Audit, Investment & Risk Committee** is to satisfy themselves that any financial statements published by the Foundation follow approved accounting principles, to oversee the investments portfolio of the Foundation and give an accurate account of the Foundation's affairs. The Committee meets quarterly, or more often if required. The role of the **Human Resources, Governance and Nominations Committee** is to make recommendations to the Board on the appointment of new Trustees, makes recommendations to the Board for the remuneration of staff and HR matters that arise and ensure great governance arrangements are in place. The Committee meets quarterly, or more often if required. The **Grants Committee** along with the Foundation's Officers analyses all applications for grants and make funding recommendations to the Board. All sub-committees meet on eight occasions per year.

Within an agreed strategic framework all operational issues fall within the remit of the Board of Trustees. Day to day operations are delegated to the Chief Executive.

Risk management

The Board of Trustees has assessed the principal risks to which the Foundation is potentially exposed in particular those relating to its operations and finances. It is recognised that risk management is an on-going activity involving all Trustees and Officers, and it has been established as a quarterly agenda item for the Finance, Audit, Investment & Risk Committee, reviewed annually by the Board. Specific aspects of risk are reviewed by the Board of Trustees on a structured basis with a quarterly report to the Finance, Audit, Investment and Risk Committee. The Board is satisfied that systems are in place to mitigate these risks.

The principal risk facing the Foundation is that of the performance of Lloyds Banking Group. This could impact the level of donation received by the Foundation. This is mitigated by a minimum payment agreed by the bank and maintaining close communications with the bank.

Another principal risk facing the Foundation is the performance of its investment portfolio. This could impact on the level of funds available in future years. This is mitigated by appointing an investment manager, tasked with diversifying the portfolio and a low risk investment strategy.

Impact of Cost-of-Living Crisis

Halifax Foundation for Northern Ireland have seen an increase in applications for support which may be attributed to charities facing increased core costs brought on by the cost-of-living crisis. Furthermore, many grantees reported that funding received by the Foundation no longer covered budget items as estimated due to increased core costs.

In response, Lloyds Banking Group committed an additional £107,000 to support current grantees of the Foundation. The team distributed an additional £500 payment to all live grants to cover additional costs brought about by the cost-of-living crisis.

The Trustees have assessed the going concern and have sufficient funding to continue for at least 12 months from the date of signing.

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2022 (continued)

Reference and administrative details

Detail of these are included on page 1.

Funds held as custodian trustee on behalf of others

There are no funds held as custodian trustee on behalf of others.

Plans for future years

The Foundation will continue to award grants to charitable organisations for the benefit of people in Northern Ireland who are disabled or disadvantaged. 2021 saw the launch of two new grant initiatives, the Large Grants Programme (3-year grant programme, awarding £50,000 to 10 charity applicants) and the Special Initiatives has been revised, awarding 2-year funding of £20,000 to 7 charity applicants. Both initiatives, together with the Community Grants Programme are in direct response to Sector need. All grants are awarded on the basis of evidence that the funding will have a positive impact on the beneficiaries. A review of the Foundation activities is detailed in the Chair's Report on page 2.

All organisations that receive a grant are required to demonstrate the direct benefits their work has on people in need via monitoring and evaluation which the assessment team thoroughly review. A review of the Foundation activities is detailed in the Chair's Report on page 2.

Directors'/Trustees' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement of trustees' responsibilities

The trustees (who are also directors of The Halifax Foundations for Northern Ireland for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Halifax Foundation for Northern Ireland

Trustees' report (Incorporating the Directors' report) for the year ended 31 December 2022 (continued)

Statement as to disclosure to our auditors

In so far as the trustees are aware at the timing of approving our trustees' report:

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

Small company exemption

The Trustees have prepared this report in accordance with special provisions relating to small sized companies with Part 15 of the Companies Act 2006.

The Trustees have taken advantage of the small companies' exemption, in accordance with section 414B of the Companies Act 2006, from including a separate Strategic Report in these financial statements.

Independent auditors

Halifax Foundation for Northern Ireland appointed Deloitte as their independent auditor from 2021 at the Annual General Meeting in 2020.

Approved by the Board of Directors and signed on behalf of the Board on:



Mrs Gillian Boyd
Chair/Trustee
09 June 2023

The Halifax Foundation for Northern Ireland

Northern Ireland - Charity number 101763

Annual return

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Halifax Foundation for Northern Ireland (the 'charitable company'):

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

We have audited the financial statements, which comprise:

- the statement of financial activities
- the balance sheet
- the statement of cash flows; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 12 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 annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland (continued)

Other information (continued)

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities', the Trustees (who are also the Directors of the charitable company for the purpose 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 FRC's website 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and Trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the charitable company's business sector.

We obtained an understanding of the legal and regulatory framework that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Charities Act (Northern Ireland) and UK Companies Act; and
- did not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland (continued)

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

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address it are described below:

- we identified a risk related to application of grant expenditure in line with charitable objectives, and the correct recognition of liabilities in respect of grant expenditure. We have addressed this risk by selecting a sample of grants recognised in the year and reviewing the grant agreements, Board minutes, cash payments and related information to understand the purpose of the grant, any conditions present in order to ascertain the correct level of expenditure and related liability to recognise.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing any correspondence with the Charity Commission of Northern Ireland.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the Directors' report included within the Trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 respect of these matters.

The Halifax Foundation for Northern Ireland

Independent auditor's report to the members of The Halifax Foundation for Northern Ireland (continued)

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.



Craig Wisdom FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom

12 June 2023