

## 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 £
<b>Income from</b>					
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
<b>Total Income</b>		<b>1,468,286</b>	<b>1,468,286</b>	<b>1,595,537</b>	<b>1,595,537</b>
<b>Expenditure on</b>					
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
<b>- Total Expenditure</b>		<b>1,688,329</b>	<b>1,688,329</b>	<b>1,324,901</b>	<b>1,324,901</b>
Net (expenditure)/income before investment (losses)/gains		<b>(220,043)</b>	<b>(220,043)</b>	270,636	270,636
Net (losses)/gains on investments	18	<b>(255,531)</b>	<b>(255,531)</b>	210,483	210,483
Net (expenditure)/income for the year/Net movement of funds	18	<b>(475,574)</b>	<b>(475,574)</b>	481,120	481,120
<b>Reconciliation of funds</b>					
Total funds brought forward		2,833,686	2,833,686	2,352,566	2,352,566
<b>Total funds carried forward</b>	16	<b>2,358,111</b>	<b>2,358,111</b>	<b>2,833,686</b>	<b>2,833,686</b>

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

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 9<sup>th</sup> 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 £
<b>Cash (used in) / generated from operating activities</b>	18	<b>(263,540)</b>	339,768
<b>Cash flows from investing activities</b>			
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
<b>Net cash flows from investing activities</b>		<b>216,299</b>	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
<b>Total cash and cash equivalents at the end of the year</b>		<b>957,784</b>	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 Number	2021 Number
<b>Average monthly number of persons employed during the year, excluding trustees, by activity:</b>		
Administration	7	7

*The average monthly number of Trustees was:*

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

*Their aggregated remuneration comprised:*

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

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 £
<b>Donations from Lloyds Banking Group</b>		
- Covenant income	1,092,105	1,366,933
- Operating costs contribution	150,000	150,000
- Additional income (cost of living grants)	107,000	-
<b>Donated services</b>		
- 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
<b>Total investment income</b>	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 £
<b>Net (expenditure)/income is stated after charging</b>		
Depreciation of owned assets	1,685	12,702
Rentals under operating leases	18,000	13,500
<b>Total</b>	<b>19,985</b>	<b>26,202</b>

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

<b>Total Auditors Fees</b>	<b>5,000</b>	<b>6,500</b>
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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 £
<b>Cost</b>	
As at 01 January 2022	34,989
<b>As at 31 December 2022</b>	<b>34,989</b>
<b>Amortisation and impairments</b>	
As at 01 January 2022	34,989
Charge for the year	-
<b>As at 31 December 2022</b>	<b>34,989</b>
<b>Net book value as at 01 January 2022</b>	<b>-</b>
<b>Net book value as at 31 December 2022</b>	<b>-</b>

### 12 Tangible assets

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

## 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
<b>Market Value as at 31 December 2022</b>	<b>1,654,857</b>	<b>2,056,650</b>

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 31<sup>st</sup> 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
<b>Market Value as at 31 December 2022</b>	<b>1,654,857</b>	<b>2,056,650</b>

#### 14 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year</b>		
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
	<b>257,914</b>	<b>233,295</b>

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
	<b>18,000</b>	<b>36,000</b>

# 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
<b>Net cash generated (used in) / from operating activities</b>	<b>(263,540)</b>	<b>339,768</b>

### 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)