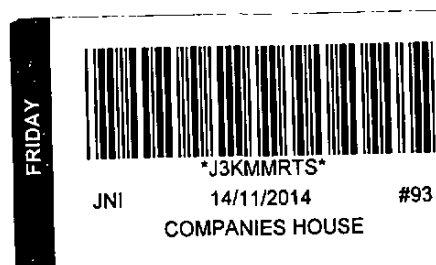
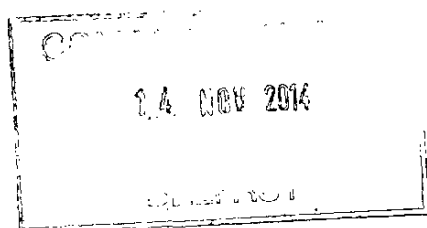


# Financial Statements East Belfast Mission

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**For the year ended 31 March 2014**

**Registered number: NI069097**



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**East Belfast Mission**  
**(A company limited by guarantee)**

## Directors

For the year ended 31 March 2014

<b>Directors</b>	Rev Dr G Mason
	P Blair
	C Eves
	D Kerr
	A McCartney
	C O'Bryan
	M Ferguson
	H Neill
	G Crooks
	L Hopley

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## Reference and Administrative Details of the Company, its Trustees and Advisers

For the year ended 31 March 2014

<b>Company registered number</b>	NI069097
<b>Charity registered number</b>	XN68566
<b>Registered office</b>	239 Newtownards Road Belfast BT4 1AF
<b>Honorary secretary</b>	P Blair
<b>Superintendent</b>	Rev Dr G Mason
<b>Independent auditor</b>	Grant Thornton (NI) LLP Chartered Accountants Statutory Auditor Clarence West Building 2 Clarence Street West Belfast BT2 7GP
<b>Bankers</b>	Ulster Bank Limited Connswater Arches Retail Park Belfast BT5 4AF
<b>Solicitors</b>	Ian MacCorkell Solicitor MacCorkell Legal & General Garvey Studios 8-10 Longstone Street Lisburn BT28 1TP

## **Directors' Report**

**For the year ended 31 March 2014**

The Board of East Belfast Mission have pleasure in presenting their report for the year ended 31st March 2014. This report is prepared in accordance with the Manual of Laws of the Methodist Church in Ireland and the Statement of Recommended Practice – Accounting and Reporting by Charities 2005.

The Board express deep gratitude to its 95 staff and 164 volunteers for their hard work and efficiency in the day-to-day administration of the Missions' programmes and services.

The Professional advisers and Mission officials are listed on the front page of the audited accounts.

### **Structure, governance and management**

#### **Constitution**

The East Belfast Mission was brought into existence by the Annual Conference of the Methodist Church in Ireland under the Methodist Church in Ireland Act 1928. In 2008 the Mission incorporated itself as a company limited by guarantee.

EBM is also governed by the Constitution (Manual of Laws) of the Methodist Church in Ireland as set out under the Methodist Church in Ireland Act 1928. The Mission has been granted charitable status by HMRC and accordingly is exempt from income tax, corporation tax and capital gains tax. Its charity reference number is XN68566. Its company reference is NI069097. EBM has begun the process of registration with the Charity Commission in Northern Ireland.

#### **Policies adopted for the induction and training of Directors**

Last year a governance committee met to review our governance procedures. As a result two new sub-committees were formed, the Audit and Risk sub-committee and Appointments and Remuneration sub-committee. We have undertaken a skills audit of the Board members and have recruited new members who have the skills needed by the Board. A structured induction process is being implemented for new Board members and ongoing training for all Board members is planned for the coming year.

#### **Management structure**

The Board is nominated locally and approved annually by the Conference of the Methodist Church in Ireland and at 31st March 2014 comprised of 10 members.

#### **Risk management**

The Board assess the major risks to which the charity is exposed on an ongoing basis. In particular those related to the operations and finances of the company and are satisfied that systems are in place to mitigate our exposure to the major risks. The new Audit and Risk Committee will ensure a regular review of risks takes place.

## Directors' Report (continued)

For the year ended 31 March 2014

### Objectives and Activities

#### Policies and objectives

The strategic objectives include the following core priorities.

##### Christian Community

Aim 1: To respond to the spiritual and pastoral needs of the congregation and wider community.

##### Welcoming Facility

Aim 2: To provide a welcoming and safe space where people can find appropriate information and social support.

##### Neighbourhood Services

Aim 3: To ensure that individuals in the community have access to appropriate services and training to respond to their needs.

##### Homelessness Services

Aim 4: To ensure that people who are homeless, or at risk of homelessness have an effective response to their needs.

##### Employability Services

Aim 5: To support people in their progression in gaining and sustaining appropriate employment.

##### Community Initiatives

Aim 6: To promote the development of the whole community.

### Achievements and performance

#### Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### Review of activities

Our vision is to be a welcoming, vibrant and peaceful community in which everyone has a sense of belonging and where everyone matters. We acknowledge that this year has been a difficult year in many respects but we are most thankful that the work of the Mission has continued in a way which reflects our vision

## **Directors' Report (continued)**

**For the year ended 31 March 2014**

A review of East Belfast Mission activities and achievements for this period are set out below.

### **Tribute to the work of Rev Dr Gary Mason MBE**

Gary has served EBM as Superintendent for the past 14 years. Under his leadership the Mission has grown in understanding of its outreach to a divided and deprived inner city area. In particular his vision of an inner city Christian village was realised in 2012 with the completion of the Skainos project. Gary has been a faithful pastor to the congregation. In particular his open and accepting attitude to those on the margins of society has seen many people come to faith. Through his ministry EBM has earned the respect and trust both of those in government and in the loyalist paramilitary organisations. Through this EBM has had a growing recognition among those working for peace and reconciliation at an international level, especially in the Israeli/Palestine conflict. As Gary leaves EBM to continue his ministry in a new post where his experience and skills will be greatly used in the work of the Kingdom of God we assure him of our continued prayers and support.

### **Hosford**

Hosford is the homelessness project of East Belfast Mission providing accommodation and support to people who are homeless or at risk of homelessness. The aim of the project is to support people to break out of homelessness and to prevent people becoming homeless through support in their own homes.

During the year Hosford provided:

- (i) accommodation for 26 people who are homeless. Each resident has a support worker who meets with them regularly to support them with the issues they face and to find their own home. During the year we accommodated a total of 67 residents.
- (ii) support to over 40 people who have their own homes but are at risk of becoming homeless. This work is about early intervention and preventing homelessness with a range of activities to meet the needs of their clients. These activities target issues such as: isolation, inactivity, lack of confidence, lack of personal goals, substance misuse and mental health problems. Examples of these activities are:
  - NI Street League: a football project reaching over 60 people each week with training and volunteering opportunities and can provide routes into employment, and
  - Going Green: a gardening and environmental group which runs a community garden and has talks and activities throughout the year.

Hosford recently received the "More than bricks and mortar" award from the Chartered Institute of Housing. This award recognised the many community support programmes which they run in addition to managing the hostel.

### **Compass**

Compass is the community outreach and development project of EBM. Compass provides opportunities for local people to build sustainable networks with one another as well as access opportunities for personal and community development.

Current Compass programme highlights are:

- Homework Club for P4's and P5's with 14 attending
- Crosslinks cross-community and cross-cultural arts programme for 14-21 year olds with 30 regular attendees in Inner East Belfast.
- Turas, which links the Protestant community to Irish language and culture through classes, workshops, traditional music and events. There are 174 people registered for classes, an average attendance of 92 per week with approximately 2,313 attendees at presentations on "The History of the Irish Language".
- Care Community Counselling, a free counselling service for local people with on average 67 clients receiving counselling each month and an average of 106 appointments per month.

## Directors' Report (continued)

For the year ended 31 March 2014

### Stepping Stone

The Stepping Stone project provides an employability service to the people of East Belfast. The team works with clients on a one to one basis tailoring the service to the specific needs. Stepping Stone currently work on three government Department of Employment and Learning (DEL) funded programmes LEMIS (Local Employers Intermediary Service) CFSP (Community and Family Support Programme) and ESF (European Social Fund). During the last twelve months the Stepping Stone achieved the following:-

- (i) Engaged with 368 unemployed local people
- (ii) Supported 62 people into full time employment
- (iii) Supported 14 people into part time employment
- (iv) Enabled 58 people to gain 111 qualifications
- (v) Facilitated 6 pre-employment programmes

Current programmes include:

Community and Family Support Programme - one of the team works intensively with twelve families over a number of months developing their life skills, parenting skills, dealing with conflict within families, handling money and improving communication.

Life Coaching - helping people to identify and achieve personal goals

Learner Access Engagement - Essential Skills classes for clients who want to achieve a recognised qualification in English, Maths and/or ICT.

Benefits Advice Service to the local community. In particular this year the advice worker successfully secured for one woman a back payment of benefits of £27,000 at tribunal.

### Social Economy Project

EBM has a Social Economy project with 12 shops which has a triple bottom line objective, which instead of focusing solely on its finances, thereby giving consideration to the company's social, economic and environmental impact.

- (i) The primary purpose of the charity included in its governing documents is the relief of poverty in such ways as may be thought fit;
- (ii) the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
- (iii) the advancement of education, training or retraining, and the provision of work experience particularly for people who are unemployed; and
- (iv) relief of those in need by reason of youth, age, ill health, addictions, disability financial hardship or other disadvantage;

The social economy project consists of:

- (i) collecting donated clothing, furniture and household goods and selling them to those in need.

Our Social Economy project has been very successful and we now operate shop outlets throughout Northern Ireland including a bespoke vintage clothes store, a bridal boutique and a furniture Warehouse. We have developed new supply chains of donated furniture through contracts to collect bulk waste from seven council sites.

- (ii) assisting people back into employment though offering job placements and volunteering positions in our retail outlets. Beneficiaries of the project who receive training and retraining include those who come to the Mission seeking assistance to find employment and those who are resident in our homeless hostel.

All profits from the project are used solely for the purposes of the charity. The income from newly opened shops during the past few years ensures that the Missions Charitable Core Priorities are sustainable into the long-term. In June 2013, EBM was chosen as one of 16 of Deloitte's Social Innovation Pioneers for this year. As a result



## **Directors' Report (continued)**

**For the year ended 31 March 2014**

Deloitte's professional support is given to EBM free of charge.

Current social economy projects:

- (i) restore – 12 charity shops
- (ii) refresh café @ Skainos & refresh @ 174 – this second café opened in Feb 2014 in 174 Trust building in North Belfast
- (iii) Re-use projects – refurbishment and recycling projects all under one roof at our Approved Re-use Centre in North Belfast which takes bulk waste from Council sites and puts it back into usage.
- (iv) Bright Sparks – a purpose built child care nursery in Skainos
- (v) Skill – launched in March 2014 – a project that will share knowledge, innovation, learning and leadership to assist new or small social enterprises or businesses who will learn from our experience and success
- (vi) Social Hub host for East Belfast – started May 2014. This is a funded project enabling new Social Enterprises to develop their project through listening to the experience of the SE team at EBM

### **Church Life**

Within congregational life, there have been a number of highlights surrounding the on-going rhythm of Sunday worship and midweek fellowship.

In the autumn, 45 members of the congregation travelled to Dublin to record a service for RTE, which was broadcasted on Christmas day.

In the new year, the church council led a vision day in January and a congregational weekend away in February at Castlewellsan, which offered an abundance of time for conversations, developing relationships among children and adults, and relaxed worship. A number of people from the congregation continue to volunteer in various ways with the community work at EBM.

During the year the church has looked outward has been through a series of events called "Conversations about God". During these times, a mixture of people from the congregation, EBM projects, and the local community have shared a meal and talked about questions of faith.

Growing partnership with and awareness of other congregations. Within the Methodist Connexion, EBM joined six other societies in East Belfast in reading the gospel of Matthew during lent and reading reflections written by lay people. Within the local community, EBM has participated with dozens of East Belfast churches at joint prayer meetings to lift up the needs of our area.

### **Skainos**

We were delighted when our partner company Skainos won a number of awards during the year. The most significant success was at the Royal Institute of Chartered Surveyors (RICS) Awards. Against very stiff competition Skainos won the Community Benefit category, was highly commended in the Regeneration category, but to delight and surprise then went on to win the RICS Best Overall Project 2013. Skainos represented Northern Ireland at the UK awards in London.

### **Financial review**

#### **Reserves policy**

This was a difficult financial year in which EBM had to cope with the after effects of street protests, increased costs within the Skainos building, negative economic factors and operational difficulties. All of this had an impact on the bottom line creating a large deficit. The Board have as a result instigated cost cutting measures over the next 18 months to bring the budget back into balance and are closely managing and monitoring cash-flow requirements.

## Directors' Report (continued)

For the year ended 31 March 2014

### **Unrestricted Reserves**

The Board have set a Reserves Policy in the current economic climate, and with the Mission heavily reliant on the success of its social economy retail shops, of holding unrestricted (and undesignated reserves) held by the charity of the equivalent of twelve months of the annual unrestricted resources expended. This currently equates to £1,000,000. Currently unrestricted reserves of £2,078,201 are represented by fixed assets of £2,080,664 and the other reserves of -£2,444. (See note 16 in the audited accounts)

### **Restricted Reserves**

The Company has restricted reserves of £61,944.

The reserves are restricted income for charitable purposes.

### **Plans for the future**

### **Future developments**

Following the development of our strategic objectives six years ago, the Board and staff are looking at beginning the next review of our strategic and operational objectives. In the next year the Board will seek to consolidate its work and a major restructuring of the organisation is planned.

### **Professional advisors and Mission officials**

The Professional advisers and Mission officials are listed on the reference and administrative details page of the audited accounts.

### **Business Address**

239 Newtownards Road  
Belfast  
BT4 1AF

## **Directors' Report (continued)**

**For the year ended 31 March 2014**

### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

### **Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

### **Auditor**

Grant Thornton (NI) LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Following a tender process for provision of audit services over the next three years a resolution to appoint Grant Thornton as auditors for the three ensuing years was proposed at the Methodist Conference on 10th June 2008. The next audit tender is to be carried out before the AGM in September 2014.


In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

**East Belfast Mission**  
**(A company limited by guarantee)**

## Directors' Report (continued)

For the year ended 31 March 2014

This report was approved by the Directors on 19/8/14 and signed on their behalf by:

  
.....

**M Ferguson**  
Director

Company Registration Number: NI069097



## Independent Auditor's Report to the Members of East Belfast Mission

We have audited the financial statements of East Belfast Mission for the year ended 31 March 2014 set out on pages 13 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(A company limited by guarantee)



## Independent Auditor's Report to the Members of East Belfast Mission

### Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to read "Louise Kelly".

Louise Kelly (Senior statutory auditor)

for and on behalf of

### Grant Thornton (NI) LLP

Chartered Accountants  
Statutory Auditor

Belfast

Date: 16/9/2014

## Statement of Financial Activities

(Incorporating Income and Expenditure Account)

For the year ended 31 March 2013

	Not e	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	51,305	73,733	125,038	214,459
Activities for generating funds:					
Social economy income from shops	3	-	1,299,903	1,299,903	1,246,453
Investment income		-	7,683	7,683	18,240
Incoming resources from charitable activities	4	1,038,608	272,355	1,310,963	1,032,972
<b>Total incoming resources</b>		<b>1,089,913</b>	<b>1,653,674</b>	<b>2,743,587</b>	<b>2,512,124</b>
<b>Resources expended</b>					
Costs of generating funds:					
Costs of generating voluntary income	5	-	18,669	18,669	27,311
Charitable activities	8	1,215,494	865,478	2,080,972	1,436,742
Governance costs	6	-	5,100	5,100	6,003
Other resources expended	7	-	1,199,008	1,199,008	1,080,391
<b>Total resources expended</b>		<b>1,215,494</b>	<b>2,088,255</b>	<b>3,303,749</b>	<b>2,550,447</b>
<b>Net resources expended before revaluations</b>		<b>(125,581)</b>	<b>(434,581)</b>	<b>(560,162)</b>	<b>(38,323)</b>
Gains and losses on revaluations of investment assets		-	-	-	3,254
<b>Net movement in funds for the year</b>		<b>(125,581)</b>	<b>(434,581)</b>	<b>(560,162)</b>	<b>(35,069)</b>
Total funds at 1 April 2013		208,544	2,486,707	2,695,251	2,730,320
<b>Total funds at 31 March 2014</b>		<b>82,963</b>	<b>2,052,126</b>	<b>2,135,089</b>	<b>2,695,251</b>

All activities relate to continuing operations.

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

## Statement of Total Recognised Gains and Losses

For the year ended 31 March 2014

		Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note				
Net expenditure for the year		(125,581)	(434,581)	(560,162)	(38,323)
Gains and losses on revaluations of investment assets		-	-	-	3,254
<b>Total gains and losses recognised since 1 April 2013</b>		<b>(125,581)</b>	<b>(434,581)</b>	<b>(560,162)</b>	<b>(35,069)</b>

There is no difference between the expenditure on ordinary activities for the year stated above and its historical cost equivalent.

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



## Balance Sheet

As at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	11		2,112,307		2,174,129
Investments	12		51,742		51,720
			<u>2,164,049</u>		<u>2,225,849</u>
<b>Current assets</b>					
Debtors	13	290,042		492,300	
Cash at bank and in hand		83,655		249,408	
		<u>373,697</u>		<u>741,708</u>	
<b>Creditors: amounts falling due within one year</b>	14	(402,657)		(272,306)	
<b>Net current (liabilities)/assets</b>			<u>(28,960)</u>		<u>469,402</u>
<b>Net assets</b>			<u>2,135,089</u>		<u>2,695,251</u>
<b>Charity Funds</b>					
Restricted funds	15		82,963		208,544
Unrestricted funds	15		2,052,126		2,486,707
<b>Total funds</b>			<u>2,135,089</u>		<u>2,695,251</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

The financial statements were approved by the Directors on *19 August 2014* and signed on their behalf, by:

*M. Ferguson*  
 .....  
 M Ferguson  
 Superintendent

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

# Notes to the Financial Statements

For the year ended 31 March 2014

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

### **1.2 Going concern**

The directors have assessed, based on the anticipated activities of the Mission, that there are adequate resources in place to meet the ongoing costs of the Mission for a minimum of 12 months from the date of signing of the financial statements. In coming to this conclusion, the directors have assessed the entity's current financing arrangements and liquid resources. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of operation of the Mission.

### **1.3 Cash flow**

The Mission has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is small.

### **1.4 Incoming resources**

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. Legacy income is accounted for when received.

### **1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	33.33% straight line
Computer equipment	-	33.33% straight line
Refurbishment of buildings	-	10% straight line

# Notes to the Financial Statements

For the year ended 31 March 2014

## **1. Accounting Policies (continued)**

### **1.7 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

### **1.8 Reserves policy**

Unrestricted funds are needed to provide funds which can be applied to specific projects to enable these projects to be undertaken at short notice and to cover the running costs of the Charity for a limited period, should there be a significant shortfall in projected income.

The reserves policy adopted by the Board of Directors is set out in the Directors' Report.

### **1.9 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### **1.10 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

### **1.11 Company status**

The company is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. At 31 March 2014 there were 10 members (2013: 11 members).

# Notes to the Financial Statements

For the year ended 31 March 2014

## 2. Voluntary income

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations and grants	47,970	16,554	64,524	57,845
Legacies	-	5,507	5,507	71,352
Skainos Development Donations	-	4,336	4,336	33,243
Newtownards Road Church Property Income	-	1,259	1,259	1,177
Newtownards Road Church Income	-	46,077	46,077	47,284
Hostel Residents Fund	3,335	-	3,335	3,558
	<hr/>	<hr/>	<hr/>	<hr/>
Skainos Development Donations	51,305	73,733	125,038	214,459
	<hr/>	<hr/>	<hr/>	<hr/>

## 3. Activities for generating funds

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Social economy income from shops	-	1,299,903	1,299,903	1,246,453
	<hr/>	<hr/>	<hr/>	<hr/>

## 4. Incoming resources from charitable activities

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Mission Cafe Income	-	252,277	252,277	142,506
Project Overhead Contribution	-	6,273	6,273	5,050
Board of Global Ministries	14,067	-	14,067	13,306
Belfast Trust	52,624	-	52,624	28,561
Hostel Residents Cover Charge	-	6,949	6,949	5,608
Hostel Accommodation Charges	136,822	-	136,822	64,485
Hostel Supporting People Grant	366,073	-	366,073	369,800
Turas Irish Language Program	56,776	-	56,776	24,712
Stepping Stone Employability Grants	308,749	-	308,749	323,256
Youth Works Grants	50,292	-	50,292	29,327
Rental Income	-	6,856	6,856	3,210
Community Work Grants	53,205	-	53,205	23,151
	<hr/>	<hr/>	<hr/>	<hr/>
	1,038,608	272,355	1,310,963	1,032,972
	<hr/>	<hr/>	<hr/>	<hr/>

# Notes to the Financial Statements

For the year ended 31 March 2014

## 5. Costs of generating voluntary income

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fundraising expenses	-	8,645	8,645	6,393
PR and marketing	-	10,024	10,024	20,918
	-	18,669	18,669	27,311

## 6. Governance costs

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Audit fees	-	5,100	5,100	6,003

## 7. Costs of social economy trading

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Costs of shop salaries	-	384,337	384,337	399,999
Costs of selling goods	-	326,972	326,972	352,904
Depreciation	-	15,579	15,579	20,779
Bright Sparks Day Nursery Salaries	-	141,202	141,202	74,318
Bright Sparks Day Nursery expenses	-	68,388	68,388	43,299
Facilities Management Salaries	-	209,822	209,822	173,090
Facilities Management expenses	-	6,846	6,846	16,002
	-	1,153,146	1,153,146	1,080,391

# Notes to the Financial Statements

For the year ended 31 March 2014

## 8. Charitable activities

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Support staff salary costs	-	160,332	160,332	122,621
Youth worker's salary	24,563	26,153	50,716	33,961
Hostel staff salaries	353,059	-	353,059	322,631
Cafe staff salaries	-	81,871	81,871	77,457
Stepping Stone salaries	238,835	-	238,835	223,530
Community Work Programme salaries	-	74,996	74,996	44,029
Church salary and expenses	-	34,746	34,746	33,101
Stepping Stone Programme	210,038	-	210,038	81,054
Community Work Programme	120,160	-	120,160	34,109
Counselling and staff support	289	25,414	25,703	16,130
Personnel support	-	11,113	11,113	13,353
Rates and water rates	440	1,097	1,537	(1,498)
Telephone	2,148	8,903	11,051	23,437
Bank charges	82	3,521	3,603	2,716
Advertising	-	175	175	556
Insurance	1,279	2,598	3,877	2,331
Repairs and renewals	6,094	2,091	8,185	23,910
Cycle to work scheme	-	-	-	5,793
Social support costs	-	5,818	5,818	9,980
Postage	-	2,662	2,662	3,508
Cleaning	352	8,451	8,803	9,534
Legal expenses	-	-	-	1,824
Rent	-	62,369	62,369	33,550
Residents holiday	3,107	-	3,107	2,059
Professional fees	2,201	4,773	6,974	2,515
Stationery	432	9,134	9,566	11,522
Heat and light	6,608	45,625	52,233	17,362
Miscellaneous	2,350	3,570	5,920	6,401
Staff expenses	1,043	14,289	15,332	17,615
Oaklee management charge and repairs	79,793	-	79,793	31,198
Food	6,405	98,414	104,819	66,409
Skainos development costs	-	1,163	1,163	33,267
Bus and van expenses	-	7,278	7,278	6,231
Depreciation	-	28,547	28,547	14,393
Staff training	8,046	2,569	10,615	12,230
Hospitality	238	2,797	3,035	2,202
Volunteer expenses	-	7,199	7,199	7,787
Youth work expenses	55,196	-	55,196	16,704
Newtownards Road Church expenses	-	35,560	35,560	28,716
Newtownards Road Church property expenses	-	2,034	2,034	2,194
Cafe packaging	-	5,107	5,107	7,656
Turas Programme Salary	-	21,124	21,124	19,192
Vat Irrecoverable on admin costs	-	11,121	11,121	13,472
Bad Debts	4,837	-	4,837	-

# Notes to the Financial Statements

For the year ended 31 March 2014

Loss on disposal	95,406	-	95,406	-
IT Support and Equipment	778	15,545	16,323	-
Cost of investigations	-	74,994	74,994	-
	<u>1,223,779</u>	<u>903,153</u>	<u>2,126,932</u>	<u>1,436,742</u>

## 9. Net resources expended

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	44,126	35,170
Auditor's remuneration	5,100	6,003
	<u>49,226</u>	<u>41,173</u>

During the year, no Directors received any remuneration (2013 - £NIL).

During the year, no Board Members received any benefits in kind (2013 - £NIL), apart from the Superintendent in his capacity as Superintendent.

During the year, no Board Members received any reimbursement of expenses (2013 - £NIL), apart from the Superintendent in his capacity as Superintendent.

## 10. Staff costs

The average monthly number of employees during the year was as follows:

	2014 No.	2013 No.
Number of employees	105	89

No employee received remuneration amounting to more than £60,000 in either year.

Staff costs during the year were as follows:

	2014 £	2013 £
Wages and salaries	1,600,647	1,242,692
Social security costs	114,766	94,502
Other pension costs	14,503	11,245
Total	<u>1,729,916</u>	<u>1,348,439</u>

# Notes to the Financial Statements

For the year ended 31 March 2014

## 11. Tangible fixed assets

	New Church Develop- ment £	Freehold Land and Buildings £	Computer equipment £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>						
At 1 April 2013	1,059,506	1,110,984	53,145	19,168	69,834	2,312,637
Additions	71,546	1,544	1,059	-	3,561	77,710
Disposals	-	(152,410)	-	-	-	(152,410)
At 31 March 2014	1,131,052	960,118	54,204	19,168	73,395	2,237,937
<b>Depreciation</b>						
At 1 April 2013	-	91,136	35,902	7,668	3,802	138,508
Charge for the year	-	22,328	7,327	3,834	10,637	44,126
On disposals	-	(57,004)	-	-	-	(57,004)
At 31 March 2014	-	56,460	43,229	11,502	14,439	125,630
<b>Net book value</b>						
At 31 March 2014	1,131,052	903,658	10,975	7,666	58,956	2,112,307
At 31 March 2013	1,059,506	1,019,848	17,243	11,500	66,032	2,174,129

Included in land and buildings is freehold land at a cost of £415,034 (2013 - £415,034) which is not depreciated.

The new church development is not depreciated being an asset under construction.



# Notes to the Financial Statements

For the year ended 31 March 2014

## 12. Fixed asset investments

	Other investments £
<b>Market value</b>	
At 1 April 2013	51,720
Revaluations	22
	<hr/>
At 31 March 2014	<u>51,742</u>

### Investments at market value comprise:

	2014 £	2013 £
Other fixed asset investments		
East Belfast Mission and Newtownards Road Methodist Church Investment Fund of Trustees of the Methodist Church in Ireland Income Fund - 22,438 units @ £2.306 (2013: 22,438 income fund units at £2.305)	<u>51,742</u>	<u>51,720</u>

All the fixed asset investments are held in the UK.

## 13. Debtors

	2014 £	2013 £
Amounts owed by related undertakings	109,111	334,686
Other debtors	47,204	69,274
Prepayments and accrued income	133,727	88,340
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	<u>290,042</u>	<u>492,300</u>

## 14. Creditors: Amounts falling due within one year

	2014 £	2013 £
Other taxation and social security	31,730	35,806
Other creditors	43,410	48,110
Accruals and deferred income	327,517	188,390
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	<u>402,657</u>	<u>272,306</u>

# Notes to the Financial Statements

For the year ended 31 March 2014

## 15. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
<b>Designated funds</b>					
Redundancy Reserve	60,948	-	-	-	60,948
Equipment Fund	135,000	-	-	-	135,000
	<u>195,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,948</u>
<b>General funds</b>					
Capital fund	2,174,129	-	-	-	2,174,129
General Funds	116,630	1,653,674	(2,088,255)	-	(317,951)
	<u>2,290,759</u>	<u>1,653,674</u>	<u>(2,088,255)</u>	<u>-</u>	<u>1,856,178</u>
Total Unrestricted funds	<u>2,486,707</u>	<u>1,653,674</u>	<u>(2,088,255)</u>	<u>-</u>	<u>2,052,126</u>
<b>Restricted funds</b>					
Church Development	145,436	-	-	(105,436)	40,000
Other Income Funds	63,108	1,089,913	(1,215,494)	105,436	42,963
	<u>208,544</u>	<u>1,089,913</u>	<u>(1,215,494)</u>	<u>-</u>	<u>82,963</u>
Total of funds	<u>2,695,251</u>	<u>2,743,587</u>	<u>(3,303,749)</u>	<u>-</u>	<u>2,135,089</u>
<b>Summary of funds</b>					
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	195,948	-	-	-	195,948
Unrestricted funds	2,290,759	1,653,674	(2,088,255)	-	1,856,178
	<u>2,486,707</u>	<u>1,653,674</u>	<u>(2,088,255)</u>	<u>-</u>	<u>2,052,126</u>
Restricted funds	208,544	1,089,913	(1,215,494)	-	82,963
	<u>2,695,251</u>	<u>2,743,587</u>	<u>(3,303,749)</u>	<u>-</u>	<u>2,135,089</u>

Church Development Restricted Funds of £40,000 represent the remaining commitment by East Belfast Mission to the new church within Skainos from the original sales proceeds of the church site to Skainos.

# Notes to the Financial Statements

For the year ended 31 March 2014

## 16. Analysis of net assets between funds

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	2,080,664	2,080,664	2,174,128
Fixed asset investments	-	51,742	51,742	51,720
Net current assets	82,963	(80,280)	2,683	469,403
Total	82,963	2,052,126	2,135,089	2,695,251

## 17. Capital commitments

Three years ago, the directors approved expenditure on the construction of the new church development in the region of £1.2m. Capital expenditure still to be incurred of approximately £40k (2013: £145k was still to be incurred).

## 18. Related party transactions

At 31 March 2014 there was an outstanding loan amount due from Skainos Limited, a company in which some of the board members are directors, of £66,191 (2013: £334,686).

There is also an outstanding amount of £42,920 (2013: £nil) due from East Belfast Mission Enterprises, a wholly owned subsidiary of the company.

These balances are disclosed within the debtors note as amounts owed by related undertakings.