

Financial Statements East Belfast Mission

COMPANY LIMITED BY GUARANTEE

For the year ended 31 March 2010

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East Belfast Mission
Financial Statements for the year ended 31 March 2010

Mission Information

Business Address	239 Newtownards Road BELFAST BT4 1HG
Superintendent	Rev Dr G Mason
Honorary Treasurer	G Crooks
Honorary Secretary	P Blair
Board Members	The membership of the East Belfast Mission board is designated and approved annually by the Conference of the Methodist Church in Ireland At 31 March 2010 the board was comprised of 11 members
Bankers	Ulster Bank Limited Connswater Arches Retail Park BELFAST BT5 4AF
Solicitors	Ian MacCorkell Solicitor MacCorkell Legal & General Garvey Studios 8 10 Longstone Street LISBURN Co Antrim BT28 1TP
Auditor	Grant Thornton UK LLP Registered Auditors Chartered Accountants Water's Edge Clarendon Dock BELFAST BT1 3BH

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Report of the Board of Directors

Reference and Administrative details

The Board of East Belfast Mission have pleasure in presenting their report for the year ended 31st March 2010. 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 Charities 2005.

The Board express deep gratitude to their staff and 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

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. Two years ago the Mission incorporated itself as a company limited by guarantee.

The Mission 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 the Inland Revenue and accordingly is exempt from income tax, corporation tax and capital gains tax. Its charity reference number is XN68566. Its company reference is NI069097.

Management Structure

The Board is approved annually by the Conference of the Methodist Church in Ireland and at 31st March 2010 comprised of 11 members as listed in the minutes of the Methodist Conference.

Achievements and Performance

A review of East Belfast Mission activities and achievements for this period are set out below. During the period the Board duties have included overseeing the implementation of the strategic objectives of the Mission and developing the social economy projects within the Mission.

Our Social Economy flagship project, re-store, has been very successful and we now operate nine charity shop outlets throughout Northern Ireland including a bespoke vintage clothes store and a furniture Warehouse. The income from newly opened shops during the past three years ensures that the Mission Core Priorities are sustainable into the long term.

Following a major rationalisation of the work of the Mission the assets and liabilities of two related companies EBM Enterprises Ltd (a registered charity) and East Belfast Mission (Jobs & Training) Ltd (a trading company) were finally transferred over to the Mission.

We have finalised the transition from the current EBM premises into the temporary facilities which will house our programmes and services during the construction phase of Skainos.

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During the year the Mission staff were relocated to the Stepping Stone offices the church relocated to Connswater Community Centre and our furniture store and cafe were also relocated in preparation for the Skarnos development. In addition Hosford House has relocated to temporary premises. Our Stepping Stone employability project continues to assist local people in gaining long term employment despite the current economic downturn. We are delighted to report that we have developed a sound working relationship with the Short Strand community and work alongside them in helping unemployed residents journey towards employment.

We continue to be committed to peace building programmes and initiatives in the inner East Belfast and greater Belfast areas. Rev Dr Gary Mason has much experience in this area and devotes much of his time aside from his pastoral responsibilities to serving the community in this way.

Objectives and Activities

The strategic objectives include the following core priorities

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

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Financial Review

Reserves Policy

The Board have set a Reserves Policy whereby the aim is to have unrestricted reserves held by the charity of the equivalent of three months of the unrestricted resources expended. This currently equates to £240,000 while the actual reserves at present are £1.61 million. It is the intention of the Board to designate £1.2 million of these reserves next year towards the building of the new church.

Risk Review

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.

Plans for the Future

Following the development of our strategic objectives three years ago the Board and staff publish their operational objectives on an annual basis.

In the next year the major focus will be on preparing and developing programmes, services and staff for the transition to the new Skainos development. This proposed development of a two-acre site on the lower Newtownards Road in Belfast is at detailed design stage with funding fully secured and planning permission was finalised during the financial year. The project was initiated by East Belfast Mission and is undertaken by Skainos Ltd – a special purpose company and charity representative of the community and formed to own the buildings and operate the site.

East Belfast Mission presently operates a number of key community projects successfully in the inner East Belfast area – some in partnership with Government departments and bodies. East Belfast Mission will be the anchor tenant and will transfer operations to the new Skainos development.

Business Address

239 Newtownards Road
Belfast
BT4 1HG

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements the

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directors are required to

select suitable accounting policies and then apply them consistently

make judgements and estimates that are reasonable and prudent

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

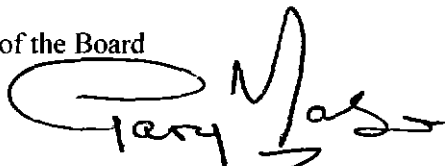
Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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.

Small company exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the Board

A handwritten signature in black ink, appearing to read 'Gary Mason', is written over a circular stamp or seal.

Approved by the Board on 28 June 2010
Rev Dr G Mason
Superintendent

Company Registration Number NI069097

East Belfast Mission

Financial Statements for the year ended 31 March 2010

Report of the Auditor to the Members of East Belfast Mission

We have audited the financial statements of East Belfast Mission Limited for the year ended 31 March 2010 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees (who are also the directors of East Belfast Mission Limited for the purposes of company law) responsibilities for preparing the Directors Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Directors Annual Report is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Directors Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

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BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

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 2010 and of its incoming resources and application of resources including its income and expenditure for the 31 March 2010 then ended
the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
the financial statements have been prepared in accordance with the Companies Act 2006 and
the information given in the Directors Annual Report is consistent with the financial statements

Trevor T Blayney
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor Chartered Accountants
Belfast

8/7/10

A large, stylized handwritten signature in black ink, which appears to read 'T. Blayney', is written over the printed name and title of the auditor.

Principal Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention except for investments which are included at market value and in accordance with applicable United Kingdom accounting standards the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005 (SORP 2005) and the Companies (Northern Ireland) Order 1986

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

Incoming resources

Voluntary donations and shop takings are accounted for on a receipts basis Legacy income is accounted for when received or notified as receivable

Fixed assets

All fixed assets are recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset less its estimated residual value over the useful economic life of that asset as follows

Freehold buildings	2%
Refurbishment of building	10%
Motor vehicles	25%
Computer equipment	33 ¹ / ₃ %

Investments

Investments are stated in the balance sheet at market value as at the balance sheet date All movements in value arising from investment changes or revaluation are recognised in the statement of financial activities

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

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Statement of Financial Activities

	Note	Unrestricted Funds 2010	Restricted Funds 2010	Total Funds 2010	Total Funds 2009
		£	£	£	£
Incoming Resources					
Incoming resources from charitable activities	1	1 133 121	1 557 586	2 690 707	2 348 804
Total incoming resources		<u>1 133 121</u>	<u>1 557 586</u>	<u>2 690 707</u>	<u>2 348 804</u>
Resources expended					
Costs of generating funds					
Charitable activities	2	956 154	798 157	1 754 312	1 645 926
Governance costs	3	4 750		4 750	5 330
Total resources expended		<u>960 904</u>	<u>798 157</u>	<u>1 759 062</u>	<u>1 651 256</u>
Net incoming resources before transfers		172 217	759 429	931 646	697 547
Transfers from East Belfast Mission (Jobs & Training Ltd)					103 299
Transfers from EBM Enterprises Ltd					173 622
Other					380 000
Unrealised gains/(losses)		4 084		4 084	(2 895)
Total net incoming resources after transfers		<u>176 301</u>	<u>759 429</u>	<u>935 730</u>	<u>1 351 573</u>
Total funds brought forward		1 434 665	189 775	1 624 440	272 867
Net movement in funds/net income for the year		<u>1 610 966</u>	<u>949 204</u>	<u>2 560 170</u>	<u>1 624 440</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

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Balance Sheet

	Note	2010 £	2009 £
Fixed Assets			
Tangible Assets	5	859 366	381 150
Investments	6	44 427	40 343
		<u>903 793</u>	<u>421 493</u>
Current Assets			
Debtors	7	645 953	611 489
Cash at Bank		1 220 657	777 413
		<u>1 866 610</u>	<u>1 388 902</u>
Creditors Amounts falling due within one year	8	<u>210 233</u>	<u>185 955</u>
Net Current Assets		<u>1 656 377</u>	<u>1 202 947</u>
Total Net Assets		<u>2 560 170</u>	<u>1 624 440</u>
Funds			
Unrestricted		1 610 966	1 434 665
Restricted		949 204	189 775
	9	<u>2 560 170</u>	<u>1 624 440</u>

The financial statements were approved by the Directors on 28 June 2010



Rev Dr G Mason
 Superintendent

Company Registration Number NI069097

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Notes to the Financial Statements

1 INCOMING RESOURCES

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Community Waste Innovation Fund		2 128	2 128	202 312
Mission Café Income	68 657		68 657	66 388
Donations	49 059	33 721	82 781	86 930
Skarnos Development Donations	4 980		4 980	51 499
Board of Global Ministries		13 520	13 520	16 229
Belfast Trust		31 751	31 750	24 402
Shop Takings	709 809		709 809	437 846
Legacies	188 202		188 202	639 551
Residents Cover charge	9 854		9 854	8 640
Accommodation charges		80 745	80 745	105 086
Counselling				9 539
Supporting people		293 080	293 080	293 081
Stepping Stone project	9 230	289 520	298 750	268 518
Residents Fund		560	560	505
Rent	10 503		10 503	3 292
Project overhead contribution	24 844		24 844	40 219
Newtownards Road Church income	54 865		54 865	58 299
Newtownards Road Church property income	3 118		3 118	4 178
Youth work income		21 559	21 559	32 291
Profit on Sale of Site		791 000	791 000	
Total Incoming Resources	1 133 121	1 557 586	2 690 707	2 348 804

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RESOURCES EXPENDED

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Salaries	448 707	342 602	791 309	704 372
Staff Training	12 252	4 174	16 426	7 935
Counselling and staff support	5 793	14 302	20 095	16 363
Youth Worker's Salary		12 865	12 685	19 332
Shop Expenses	281 059	1 843	282 902	312 667
Bus and Van Expense	5 124		5 124	5 778
Stationery	5 832	729	6 561	7 763
Social support payments	12 404		12 404	7 932
Heat and Light	11 330	31 542	42 872	53 901
Personnel support		1 826	1 826	2 778
Rates and Water Rate	866	1 377	2 243	1 910
Telephone	7 251	2 845	10 096	10 651
Bank Charges	1 615	83	1 698	2 101
Advertising				2 105
Insurance	1 961	1 880	3 841	4 532
Repairs and Renewals	35 099	4 542	39 641	33 708
Cycle to work	989		989	
PR & Marketing	3 095		3 095	886
Postage	2 046		2 046	3 123
Cleaning		7 377	7 377	9 508
Legal expenses	1 131		1 131	2 002
Residents Holiday		1 303	1 303	1 465
Mission Anniversary	1 898		1 898	
Professional Fees	1 178	2 494	3 673	3 156
Miscellaneous	3 419	937	4 357	4 788
Associate Minister's Expenses	8 781		8 781	9 097
Staff Expense	4 343	426	4 769	2 255
Oaklee Management Charge and Repairs		24 137	24 137	26 908
Food	24 385	18 474	42 859	44 095
Depreciation	5 195		5 195	8 768
Stepping Stone Programme		94 564	94 564	75 536
Stepping Stone Salaries		177 563	177 563	145 894
Fundraising Costs	4 340		4 340	1 886
Hospitality	4 193		4 193	4 842
Volunteer Expenses	5 047		5 047	3 437
Youth Work Expenses		15 789	15 789	7 133
Project Overheads		6 544	6 544	5 201
Newtownards Road Church Expense	24 447		24 447	24 483
Newtownards Road Church Property Expenses	4 107		4 107	3 311
Church Salary and Expense	28 272		28 272	20 301
Community Work Programme		22 999	22 999	22 759
Skamos Development Costs		4 941	4 941	11 262
Total Resources Expended	956 154	798 157	1 754 311	1 645 924

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3 GOVERNANCE

	2010	2009
	£	£
Audit fees	<u>4 750</u>	<u>5 330</u>

4 MISSION BOARD AND EMPLOYEES

Staff costs during the year were as follows

	2010	2009
	£	£
Wages and Salaries	<u>791 309</u>	<u>704 372</u>

The average weekly number of persons (excluding members of the Mission Board) employed during the year was 60 (2009 57)

The members of the Mission Board did not receive any remuneration from the East Belfast Mission during the financial year (2009 £NIL) apart from the Superintendent of the Mission in his capacity as Superintendent

5 TANGIBLE FIXED ASSETS

	New Church Development	Freehold Land and Buildings	Computer Equipment	Motor Vehicles	Total
		£	£	£	£
Cost or valuation					
At 1 April 2009		404 832	12 533	31 739	449 104
Additions	30 934	452 477			483 410
Disposals			(12 533)		(12 533)
At 31 March 2010	<u>30 934</u>	<u>857 309</u>		<u>31 739</u>	<u>919 981</u>
Depreciation					
At 1 April 2009		26 582	12 533	28 839	67 954
Charge for the period		3 744		1 450	5 194
Eliminated on disposals			(12 533)		(12 533)
31 March 2010		<u>30 326</u>		<u>30 289</u>	<u>60 615</u>
Net book value at 31 March 2010	<u>30 934</u>	<u>826 982</u>		<u>1 450</u>	<u>859 366</u>
Net book value at 31 March 2009		<u>378 250</u>		<u>2 900</u>	<u>381 150</u>

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Notes to the Financial Statements

6 INVESTMENTS

	2010 £	2009 £
RESTRICTED FUNDS		
Newtownards Road Methodist Church		
Investment Fund of Trustees of the Methodist Church in Ireland		
Income Fund 22 438 units @ £1 980	44 427	40 343
(2009 22 438 income fund units at £1 798)		

7 DEBTORS

	2010 £	2009 £
Amounts due by Skamos Limited	542 359	363 942
Other debtors	103 594	247 547
	645 953	611 489

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Accruals and deferred income	210 234	185 955
	210 234	185 955

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Notes to the Financial Statements

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Unrestricted Funds	859 366	44 427	707 173	1 610 966
Restricted Funds			949 204	949 204
Total	859 366	44 427	1 656 377	1 656 377

10 RELATED PARTY TRANSACTIONS

A loan was made to Skainos Ltd a company in which some of the board members are directors. At March 2010 the total amount due from Skainos Ltd was £542 359 (2009 £ 363 942)

11 LIABILITY OF THE MEMBERS

The liability of each of the members is limited to £1. At 31 March 2010 there were 11 members.

12 CAPITAL COMMITMENT

The directors approved expenditure on the construction of the new church development in the region of £1.2 million.