

MORNING STAR HOUSE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	5,806	-	5,806	18,316	-	18,316
Charitable activities	4	261,963	557,918	819,881	268,528	560,167	828,695
Investments	5	28,229	-	28,229	-	-	-
Other income	6	426	-	426	1,379	-	1,379
Total income		<u>296,424</u>	<u>557,918</u>	<u>854,342</u>	<u>288,223</u>	<u>560,167</u>	<u>848,390</u>
Expenditure on:							
Charitable activities	7	341,423	1,194,717	1,536,140	267,072	424,739	691,811
Total expenditure		<u>341,423</u>	<u>1,194,717</u>	<u>1,536,140</u>	<u>267,072</u>	<u>424,739</u>	<u>691,811</u>
Net income/(expenditure)		<u>(44,999)</u>	<u>(636,799)</u>	<u>(681,798)</u>	<u>21,151</u>	<u>135,428</u>	<u>156,579</u>
Transfers between funds		(310,962)	310,962	-	-	-	-
Net movement in funds	9	<u>(355,961)</u>	<u>(325,837)</u>	<u>(681,798)</u>	<u>21,151</u>	<u>135,428</u>	<u>156,579</u>
Reconciliation of funds:							
Fund balances at 1 April 2023		<u>179,141</u>	<u>498,468</u>	<u>677,609</u>	<u>157,990</u>	<u>363,040</u>	<u>521,030</u>
Fund balances at 31 March 2024		<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>	<u>179,141</u>	<u>498,468</u>	<u>677,609</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MORNING STAR HOUSE

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	13		23,641		-
Current assets					
Debtors	14	37,077		193,971	
Cash at bank and in hand		950,314		992,520	
		<u>987,391</u>		<u>1,186,491</u>	
Creditors: amounts falling due within one year	15	<u>(1,015,221)</u>		<u>(508,882)</u>	
Net current (liabilities)/assets			<u>(27,830)</u>		<u>677,609</u>
Total assets less current liabilities			<u>(4,189)</u>		<u>677,609</u>
Income funds					
Restricted funds	17		172,631		498,468
Unrestricted funds			<u>(176,820)</u>		<u>179,141</u>
			<u>(4,189)</u>		<u>677,609</u>

The financial statements were approved by the Management Committee on 30/01/2025

R Culbert

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Rory Culbert (Chairperson)

Trustee

The notes on pages 13 to 23 form part of these financial statements.

MORNING STAR HOUSE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(46,794)		177,259
Investing activities					
Purchase of tangible fixed assets		(23,641)		-	
Investment income received		28,229		-	
Net cash generated from/(used in) investing activities			4,588		-
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(42,206)		177,259
Cash and cash equivalents at beginning of year			992,520		815,247
Cash and cash equivalents at end of year			<u>950,314</u>		<u>815,247</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Morning Star House is a registered Charity in Northern Ireland. The registered office is Morning Star House, 2-12 Divis Street, Belfast, BT12 4AL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act (Northern Ireland) 2008 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 March 2024 the charity has made a deficit of £681,798 and has net liabilities of £4,189 at the year end. The deficit is the result of rising costs and a payment made to the NI Housing Executive in relation to recovery of historic restricted reserves. The charity are in the stages of negotiation with the NI Housing Executive and Supporting People regarding the possibility of a significant uplift in rates.

The charity owes £411,499 (2023: £411,499) to a related organisation, the Legion of Mary. They have confirmed will not seek repayment until the company is in a position to do so. A repayment plan is to be agreed within the next year.

The Directors understand that the circumstances represent a risk to the going concern however they have concluded that they are satisfied that the charity can continue in operational existence for at least 12 months from the date of signing the accounts and have therefore prepared the accounts on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of their charitable objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Management Committee's Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives funds from the Northern Ireland Housing Executive in respect of the service agreement with Supporting People. This income and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets,

Due to the nature of donated income, such income is not capable of control by the Charity before receipt by the Charity. However, financial controls are in place to ensure accurate recording and safeguarding of all income received by the Charity

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all those costs related to the provision of the services of the charity to the residents, including staff costs, the costs of running the premises and the costs of providing food to residents and the welfare and medical needs of the residents; and
- Other expenditure represents those items not falling into the categories above,

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a basis consistent with the use of the premises for charitable activities and other overheads have been allocated on a similar basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Straight line over 4 years
Fixtures and fittings	Straight line over 4 years
Computers	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Management Committee are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	5,806	18,316
Donations and gifts Other	5,806	18,316
	<u>5,806</u>	<u>18,316</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Charitable activities						
Performance grants - Supporting People	-	557,918	557,918	-	560,167	560,167
Rental income from residents	193,270	-	193,270	216,513	-	216,513
Service charge income from residents	68,693	-	68,693	52,015	-	52,015
	<u>261,963</u>	<u>557,918</u>	<u>819,881</u>	<u>268,528</u>	<u>560,167</u>	<u>828,695</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Investments

	Unrestricted funds	Total
	2024	2023
	£	£
Interest receivable	<u>28,229</u>	<u>-</u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Canteen takings	<u>426</u>	<u>1,379</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	619,585	375,732
Depreciation and impairment	-	1,193
Heat, lights and power	98,466	75,650
Repairs and maintenance	90,922	111,872
Insurance	58,858	43,824
Food expenses	32,174	20,242
Guest welfare & medical expenses	9,902	10,000
Travel and accommodation	294	266
Office and general expenses	27,085	6,172
Return of funds	543,303	-
	<u>1,480,589</u>	<u>644,951</u>
Share of support and governance costs (see note 8)		
Support	26,361	26,916
Governance	29,190	19,944
	<u>1,536,140</u>	<u>691,811</u>
Analysis by fund		
Unrestricted funds	341,423	267,072
Restricted funds	1,194,717	424,739
	<u>1,536,140</u>	<u>691,811</u>

8 Support costs allocated to activities

	2024 £	2023 £
Recruitment costs	3,090	11,745
Telephone	1,291	1,027
Bank charges	1,153	834
Accountancy	10,656	9,288
Training costs	2,768	-
Printing and stationary	7,403	4,022
Governance costs	29,190	19,944
	<u>55,551</u>	<u>46,860</u>
Analysed between:		
Charitable activities	<u>55,551</u>	<u>46,860</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	3,840	3,840
Depreciation of owned tangible fixed assets	-	1,207
	<u>3,840</u>	<u>1,207</u>

10 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	23	19
	<u>23</u>	<u>19</u>

Employment costs

	2024	2023
	£	£
Wages and salaries	570,268	344,755
Social security costs	40,428	25,388
Other pension costs	8,889	5,589
	<u>619,585</u>	<u>375,732</u>

Management Committee and key management personnel remuneration and expenses

The Management Committee neither received nor waived any remuneration during the year (2023: £Nil).

The total amount of employee benefits received by key management personnel is £Nil (2023: £Nil). The charity considers its key management personnel to compromise the Management Committee.

None of the Management Committee (2023: None) are accruing pension arrangements.

Expenses amounting to £Nil (2023: £Nil) were reimbursed to the Management Committee during the year.

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2023	73,340	23,599	28,285	125,224
Additions	-	-	23,641	23,641
At 31 March 2024	73,340	23,599	51,926	148,865
Depreciation and impairment				
At 1 April 2023	73,340	23,599	28,285	125,224
At 31 March 2024	73,340	23,599	28,285	125,224
Carrying amount				
At 31 March 2024	-	-	23,641	23,641

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	-	37,040
Other debtors	28,077	147,851
Prepayments and accrued income	9,000	9,080
	37,077	193,971

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	16,345	11,444
Trade creditors	35,592	72,392
Other creditors	414,114	419,286
Accruals and deferred income	549,170	5,760
	1,015,221	508,882

16 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	8,889	5,589

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Retirement benefit schemes

(Continued)

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	
Supporting People	484,814	533,949	(1,194,297)	310,962	135,428
Supporting People Uplift IT	-	23,969	(420)	-	23,549
NIHE Equipment grant	13,654	-	-	-	13,654
	<u>498,468</u>	<u>557,918</u>	<u>(1,194,717)</u>	<u>310,962</u>	<u>172,631</u>

Restricted funds

The Supporting People funding is to provide housing related support to vulnerable people to improve their quality of life and attain independence. There are provisions for the repayment to Supporting People of excess funding provided by them.

The NIHE Equipment grant was to purchase technology to deliver efficient and service improvements.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	<u>179,141</u>	<u>296,424</u>	<u>(341,423)</u>	<u>(310,962)</u>	<u>(176,820)</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
General funds	<u>157,990</u>	<u>288,223</u>	<u>(267,072)</u>	<u>-</u>	<u>179,141</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	-	23,641	23,641
Current assets/(liabilities)	(176,820)	148,990	(27,830)
	<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Current assets/(liabilities)	179,141	498,468	677,609
	<u>179,141</u>	<u>498,468</u>	<u>677,609</u>

20 Related party transactions

The following related party transactions occurred in the year:

The charity occupies premises owned by the Legion of Mary and has been charged £Nil rent for the year (2023: £Nil). At the balance sheet date, an amount of £411,499 (2023: £411,499) was due to the Legion of Mary for rent; and

The Legion of Mary advanced £Nil (2023: £Nil) to the charity in the year and is owed £Nil (2023: £Nil) by the Morning Star House. The amount due is interest free, unsecured and repayable upon demand.

Over the total amount due to The Legion of Mary is £411,499 (2023: £411,499).

21 Cash generated from operations	2024 £	2023 £
(Deficit)/surplus for the year	(681,798)	156,579
Adjustments for:		
Investment income recognised in statement of financial activities	(28,229)	-
Depreciation and impairment of tangible fixed assets	-	1,193
Movements in working capital:		
Decrease/(increase) in debtors	156,894	(59,353)
Increase in creditors	506,339	78,840
Cash (absorbed by)/generated from operations	<u>(46,794)</u>	<u>177,259</u>