

MORNING STAR HOUSE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	3	94,504	(17,920)	76,584	5,806	-	5,806
Charitable activities	4	304,214	599,056	903,270	261,963	557,918	819,881
Investments	5	11,578	-	11,578	28,229	-	28,229
Other income	6	-	-	-	426	-	426
Total income		<u>410,296</u>	<u>581,136</u>	<u>991,432</u>	<u>296,424</u>	<u>557,918</u>	<u>854,342</u>
Expenditure on:							
Charitable activities	7	107,522	606,934	714,456	341,423	1,194,717	1,536,140
Total expenditure		<u>107,522</u>	<u>606,934</u>	<u>714,456</u>	<u>341,423</u>	<u>1,194,717</u>	<u>1,536,140</u>
Net income/(expenditure)		<u>302,774</u>	<u>(25,798)</u>	<u>276,976</u>	<u>(44,999)</u>	<u>(636,799)</u>	<u>(681,798)</u>
Transfers between funds		(4,266)	4,266	-	(310,962)	310,962	-
Net movement in funds	9	<u>298,508</u>	<u>(21,532)</u>	<u>276,976</u>	<u>(355,961)</u>	<u>(325,837)</u>	<u>(681,798)</u>
Reconciliation of funds:							
Fund balances at 1 April 2024		(176,820)	172,631	(4,189)	179,141	498,468	677,609
Fund balances at 31 March 2025		<u>121,688</u>	<u>151,099</u>	<u>272,787</u>	<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</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 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	13		15,836		23,641
Current assets					
Debtors	14	50,404		37,077	
Cash at bank and in hand		260,285		950,314	
		<u>310,689</u>		<u>987,391</u>	
Creditors: amounts falling due within one year	15	<u>(53,738)</u>		<u>(1,015,221)</u>	
Net current assets/(liabilities)			256,951		(27,830)
Total assets less current liabilities			<u>272,787</u>		<u>(4,189)</u>
Income funds					
Restricted funds	17		151,099		172,631
Unrestricted funds			121,688		(176,820)
			<u>272,787</u>		<u>(4,189)</u>

The financial statements were approved by the Management Committee on 05/02/2026.



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Robert Dowey
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 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(701,532)		(46,794)
Investing activities					
Purchase of tangible fixed assets		(75)		(23,641)	
Investment income received		11,578		28,229	
Net cash generated from investing activities			11,503		4,588
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(690,029)		(42,206)
Cash and cash equivalents at beginning of year			950,314		992,520
Cash and cash equivalents at end of year			260,285		950,314

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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

At the time of approving the financial statements, the Management Committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

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.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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 2025

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 2025

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 2025

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 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	94,504	(17,920)	76,584	5,806	-	5,806
Donations and gifts						
Other	94,504	(17,920)	76,584	5,806	-	5,806
	94,504	(17,920)	76,584	5,806	-	5,806

4 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Charitable activities						
Performance grants - Supporting People	-	599,056	599,056	-	557,918	557,918
Rental income from residents	244,938	-	244,938	193,270	-	193,270
Service charge income from residents	59,276	-	59,276	68,693	-	68,693
	304,214	599,056	903,270	261,963	557,918	819,881

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

5 Investments

	Unrestricted funds	Total
	2025 £	2024 £
Interest receivable	11,578	28,229

6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Canteen takings	-	426

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
Direct costs		
Staff costs	735,163	619,585
Depreciation and impairment	7,880	-
Rent	(411,499)	-
Heat, lights and power	92,797	98,466
Repairs and maintenance	86,016	90,922
Insurance	61,963	58,858
Food expenses	40,362	32,174
Guest welfare & medical expenses	9,587	9,902
Travel and accommodation	-	294
Office and general expenses	22,500	27,085
Return of funds	-	543,303
	<u>644,769</u>	<u>1,480,589</u>
Share of support and governance costs (see note 8)		
Support	33,366	26,361
Governance	36,321	29,190
	<u>714,456</u>	<u>1,536,140</u>
Analysis by fund		
Unrestricted funds	107,522	341,423
Restricted funds	606,934	1,194,717
	<u>714,456</u>	<u>1,536,140</u>

8 Support costs allocated to activities

	2025 £	2024 £
Recruitment costs	4,080	3,090
Telephone	1,557	1,291
Bank charges	1,197	1,153
Accountancy	10,454	10,656
Training costs	2,345	2,768
Printing and stationary	13,733	7,403
Governance costs	36,321	29,190
	<u>69,687</u>	<u>55,551</u>
Analysed between:		
Charitable activities	<u>69,687</u>	<u>55,551</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9	Net movement in funds	2025	2024
		£	£
	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	7,880	-
		<u> </u>	<u> </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:

	2025	2024
	Number	Number
	22	23
	<u> </u>	<u> </u>

Employment costs

	2025	2024
	£	£
Wages and salaries	679,635	570,268
Social security costs	45,812	40,428
Other pension costs	9,716	8,889
	<u> </u>	<u> </u>
	735,163	619,585
	<u> </u>	<u> </u>

Management Committee and key management personnel remuneration and expenses

The Management Committee neither received nor waived any remuneration during the year (2024: £Nil).

The total amount of employee benefits received by key management personnel is £Nil (2024: £Nil). The charity considers its key management personnel to compromise the Management Committee.

None of the Management Committee (2024: None) are accruing pension arrangements.

Expenses amounting to £Nil (2024: £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 2025

13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2024	73,340	23,599	51,926	148,865
Additions	-	75	-	75
At 31 March 2025	73,340	23,674	51,926	148,940
Depreciation and impairment				
At 1 April 2024	73,340	23,599	28,285	125,224
Depreciation charged in the year	-	-	7,880	7,880
At 31 March 2025	73,340	23,599	36,165	133,104
Carrying amount				
At 31 March 2025	-	75	15,761	15,836
At 31 March 2024	-	-	23,641	23,641

14 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	41,404	28,077
Prepayments and accrued income	9,000	9,000
	50,404	37,077

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	17,488	16,345
Trade creditors	29,032	35,592
Other creditors	3,359	414,114
Accruals and deferred income	3,859	549,170
	53,738	1,015,221

16 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,716	8,889

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 2025 £
	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	
Supporting People	135,428	599,056	(599,056)	-	135,428
Supporting People Uplift IT	23,549	-	(7,878)	-	15,671
NIHE Equipment grant	13,654	(17,920)	-	4,266	-
	<u>172,631</u>	<u>581,136</u>	<u>(606,934)</u>	<u>4,266</u>	<u>151,099</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.

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 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
General funds	<u>(176,820)</u>	<u>410,296</u>	<u>(107,522)</u>	<u>(4,266)</u>	<u>121,688</u>
Previous year:	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>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	167	15,669	15,836
Current assets/(liabilities)	121,521	135,430	256,951
	<u>121,688</u>	<u>151,099</u>	<u>272,787</u>
	<u><u>121,688</u></u>	<u><u>151,099</u></u>	<u><u>272,787</u></u>
	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>
	<u><u>(176,820)</u></u>	<u><u>172,631</u></u>	<u><u>(4,189)</u></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 (2024: £Nil). At the balance sheet date, an amount of £Nil (2024: £411,499) was due to the Legion of Mary for rent. The Legion of Mary formally agreed to waive historical rent arrears.

	2025 £	2024 £
21 Cash absorbed by operations		
Surplus/(deficit) for the year	276,976	(681,798)
Adjustments for:		
Investment income recognised in statement of financial activities	(11,578)	(28,229)
Depreciation and impairment of tangible fixed assets	7,880	-
Movements in working capital:		
(Increase)/decrease in debtors	(13,327)	156,894
(Decrease)/increase in creditors	(961,483)	506,339
	<u>(701,532)</u>	<u>(46,794)</u>
Cash absorbed by operations	<u><u>(701,532)</u></u>	<u><u>(46,794)</u></u>