

Charity Registration No. NIC101039  
Company Registration No. NI038979 (Northern Ireland)  
HMRC Charity No. XR41050

**N.I. ALTERNATIVES LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# N.I. ALTERNATIVES LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr. P Bunting Rev G Mason Mr. G McKay Ms. G McVeigh Mr. J Redpath Mr. B Hunniford
<b>Secretary</b>	Mr. T Winstone
<b>Charity number</b>	NIC101039
<b>HMRC Charity Number</b>	XR41050
<b>Company number</b>	NI038979
<b>Registered office</b>	137 Agnes Street Belfast Co. Antrim Northern Ireland BT13 1GG
<b>Auditor</b>	HMCI Ltd T/A Hamill McIlwaine Chartered Accountants & Registered Auditors 28-30 Old Mountfield Road Omagh BT79 7BJ
<b>Bankers</b>	Danske Bank Donegall Square West Belfast Co. Antrim Northern Ireland BT1 6JS

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## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees present their report and accounts for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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)

#### **Objectives and activities**

The company's objectives and principal activities are to promote a non-violent restorative community response to justice issues in Northern Ireland. N.I. Alternatives Ltd will identify needs, often in partnership with local communities and other voluntary and statutory bodies, relating to safety and conflict within communities, and will attempt to heal relationships in a restorative way. At the same time, it hopes to raise community awareness on the issues affecting young people and adults who are deemed to be at risk.

#### **The main objectives and activities of the company are:**

To organise within the community to devise non-violent alternatives to issues of community justice. To help and work with young people in order to resolve the problems affecting their lives. To direct young people away from destructive and dangerous practices towards healthy and constructive activities. To enable young people to personally reflect on the potentially damaging consequences of risky and criminal behaviour. To address areas of weakness and failure within the formal criminal justice system. To heal relationships within the community and to promote better relationships between the community and statutory agencies. To work towards a sustainable model of delivery for as much of the company's services as possible.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

NIA has offices across Northern Ireland - North Belfast, Greater Shankill, East Belfast, South Belfast, North Down, Magherafelt, Portadown and Larne.

NIA has provided restorative support to over 1200 victims of crime and anti-social behaviour, involved 3,500 young people in diversionary programmes including schools work and intervened in over 300 neighbourhood disputes to find a peaceful and non-adversarial resolution.

NIA also enhanced its wraparound counselling mechanism to ensure clients were receiving a holistic service including restorative support, activities, mentoring and therapeutic interventions. This growth was able to happen as a result of funding from the Community Foundation N.I.

NIA continued delivering on the Communities in Transition Programme through The Executive Office to tackle paramilitarism. NIA delivered projects for or along with support from Community Restorative Justice Ireland, Belfast City Council, NIHE and Big Lottery Fund (others listed in Note 3).

During this financial period, NIA also received funding from the Department of Foreign Affairs for the Young Futures Programme in North Belfast which is serving to act as 'bridge' funding until Peace Plus becomes operational.

# **N.I. ALTERNATIVES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Financial review**

The charity generated a net increase in funds of £421,266. This has resulted in the company's reserves increasing from £929,774 to £1,351,040.

### **Principal Funding Sources**

The funding sources for the company are varied and are made up by the Departments for Community (DfC. The Executive Office) and Department of Justice (DOJ), as well as some smaller grants. As a result of increasing constraints on government expenditure, as well as expansion of its activity base, the charity has to seek funding from a much broader group of agencies. The involvement of the charity with a grouping of statutory agencies interested in issues of community justice is proving particularly useful in identifying possible opportunities for a much wider and strategically orientated range of funding for the future. There is a government-approved Protocol in place that promotes better working between the charity as a community-based restorative justice scheme and statutory organisations within the formal justice sector. This Protocol is currently under review, and the charity hopes that this process will lead to the social impact of its services being reflected more within funding contracts.

### **Reserves Policy**

The charity aims to maintain at least three month's operational costs. In recent times the charity undertook some additional projects with the aim of increasing the reserves to provide a level of reserves to enable the charity to continue its activities should temporary funding gaps arise in the future.

### **Going Concern**

The company is reliant on funding bodies to provide its primary income. Much of this funding is not recurring. The company is dependent on obtaining future funds to allow its programs to continue. Post year end the company has been able to continue to attract funds from its current funders and also additional funds from Peace Plus.

### **Services**

NI Alternatives Ltd delivers a wide range of services for the public benefit, but all of them are underpinned by the principles of restorative practice. In essence this involves the healing or fixing of the fragmented individual, family and community relationships that lead to crime, anti-social behaviour and community conflict. Services available include the Intensive Youth Support Programme (for individuals), Wrap Around Youth Support Programme (holistic support), Family Support, Victim Support, Counselling, Preventative Group Work (for young people 'at risk'), mediation services (including work on behalf of Northern Ireland Housing Executive, housing associations and PSNI) restorative work with adult offenders, employability and good relations training for NEET (Not in education, employment or training) young people, schools outreach work, and detached street engagement. The company can also deliver training in restorative practice, principles and awareness to a wide client base.

The charity delivers contracts on behalf of the Belfast Health and Social Services Trust/Belfast Outcomes Group in terms of Family Support and Family Hub services, and plays a major role in implementing local community safety strategies as part of the Neighbourhood Renewal process. Much of its work is delivered on a collaborative basis, and the agency has partnerships in place with a great many statutory, community and voluntary bodies. It is the lead body in two major partnerships that are funded by Peace IV. Much of the work relied upon the contribution of around 300 volunteers, and was delivered in marginalised communities.

# **N.I. ALTERNATIVES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Plans for Future Periods**

The company has developed a strategic business plan to facilitate the marketing of some of its services along a social economy model. This will help to generate additional revenue that will enhance sustainability. The government-related Adult Restorative Strategy which became operational in 22/23 also means to promote a more strategically-focused model of service delivery for restorative practice. New opportunities are being explored to incorporate restorative practice into institutionalised settings, and to allow more ready access to a statutory referral process under the terms of the Protocol that was established to increase co-operation with the state agencies that hold membership of the formal justice system.

NIA has developed a University qualification on restorative practice/justice in partnership with Ulster University and it is anticipated that this new development will help to generate a small income stream.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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

#### **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 21st July 2000 and registered as a charity by HMRC on 1st July 2000. The company was established under a Memorandum of Association and is governed under its Articles of Association. On 14th November 2014 the company was officially registered by the Charity Commission for Northern Ireland with the charity number NIC 101039.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Peter Bunting  
Rev Gary Mason  
Gary McKay  
Grainne McVeigh  
Jackie Redpath

#### **Recruitment and Appointment of Management Committee**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board. Under the requirements of the Memorandum and Articles of Association the members of the Board are elected to serve for a period of one year after which they must be re-elected at the next Annual General Meeting.

#### **Trustee Induction and Training**

Upon their appointment all new trustees are required to undergo training on the governance arrangements for the company, their roles and responsibilities as trustees, the principles of restorative justice, and the operations and services carried out by the company.

#### **Risk Management**

The Board has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

## **N.I. ALTERNATIVES LIMITED**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Organisational Structure**

NI Alternatives Ltd has a Board of up to eleven members who meet quarterly and are responsible for the strategic direction and policy of the charity. At present the Board has nine members from a variety of professional backgrounds relevant to the work of the charity. The Secretary also sits on the Board but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive, along with the Services, Operations and Finance and Administration Managers. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

#### **Related Parties**

The company acts as an umbrella body for five local-based restorative justice organisations, and these organisations are represented on the Board.

#### **Statement of trustees' responsibilities**

The trustees, who are also the directors of N.I. Alternatives Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act (Northern Ireland) 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **N.I. ALTERNATIVES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Statement of disclosure of information to auditors**

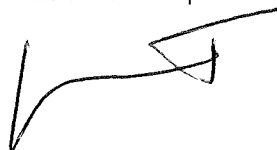
In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors is aware of that information.

### **Independent Auditors**

The auditors, HMCI Ltd T/A Hamill McIlwaine, have indicated their willingness to remain in office and a resolution for their re-election will be proposed at a forthcoming General Meeting.

The trustees' report was approved by the Board of Trustees and signed on their behalf.



**Mr J Redpath**

Trustee

Date: 20<sup>th</sup> December 2023

# N.I. ALTERNATIVES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF N.I. ALTERNATIVES LIMITED

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### Opinion

We have audited the financial statements of N.I. Alternatives Limited for the year ended 31 March 2023 which comprise the Balance Sheet as at 31 March 2023; the statement of financial activities, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, N.I. Alternatives Limited's financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and;
- have been prepared in accordance with the requirements of the Charities Act (Northern Ireland) 2008.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charities ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **N.I. ALTERNATIVES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF N.I. ALTERNATIVES LIMITED**

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#### **Reporting on other information**

The other information comprises all the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **N.I. ALTERNATIVES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF N.I. ALTERNATIVES LIMITED**

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#### **Responsibilities of the Trustees for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities set out on page six, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under paragraph 6 of schedule 6 of the Charities Act (Northern Ireland) 2008 and report in accordance with regulations made under section 66 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **N.I. ALTERNATIVES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF N.I. ALTERNATIVES LIMITED**

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We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the accounting and reporting of charities and UK tax legislation. Our tests included agreeing the financial statements disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel where appropriate. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the committee members that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Rodney Hamill FCA (Senior Statutory Auditor)

for and on behalf of HMCI Limited

T/A Hamill McIlwaine

28-30 Old Mountfield Road

Omagh

Co. Tyrone

BT79 7BJ

Date: 20<sup>th</sup> December 2023

HMCI Limited (T/A Hamill McIlwaine) is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## N.I. ALTERNATIVES LIMITED

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b><u>Income and endowments from:</u></b>					
Charitable activities	3	-	2,590,727	2,590,727	2,002,006
Other trading activities	4	-	-	-	-
Investments	5	431	-	431	572
<b>Total income</b>		<b>431</b>	<b>2,590,727</b>	<b>2,591,158</b>	<b>2,002,578</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	6	-	2,169,892	2,169,892	1,755,625
<b>Net (outgoing) resources before transfers</b>		<b>431</b>	<b>420,835</b>	<b>421,266</b>	<b>246,953</b>
Transfers between funds		-	-	-	-
<b>Net (expenditure) for the year</b>		<b>431</b>	<b>420,835</b>	<b>421,266</b>	<b>246,953</b>
Fund balances brought forward		97,096	832,678	929,774	682,821
<b>Fund balances carried forward</b>		<b>97,527</b>	<b>1,253,513</b>	<b>1,351,040</b>	<b>929,774</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

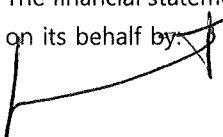
# N.I. ALTERNATIVES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		178,207		137,203
<b>Current assets</b>					
Debtors	11	458,787		519,269	
Cash at bank and in hand		807,970		320,942	
		<u>1,266,757</u>		<u>840,211</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(93,924)</u>		<u>(47,640)</u>	
Net current assets			1,172,833		792,571
<b>Total assets less current liabilities</b>			<u>1,351,040</u>		<u>929,774</u>
<b>The funds of the charity</b>					
Restricted funds			1,253,513		832,678
Unrestricted funds			97,527		97,096
<b>Total funds</b>	14/15		<u>1,351,040</u>		<u>929,774</u>

The notes on pages 15 to 26 are an integral part of these financial statements.

The financial statements on pages 12 to 26 were approved by the Trustees 20<sup>th</sup> December 2023 and were signed on its behalf by 

Mr J Redpath

Trustee

Company Registration No. NI038979

# N.I. ALTERNATIVES LIMITED

## CASH FLOW STATEMENT

AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash (used in) operating activities	1	534,312	14,475
<b>Cash flows from financing activities:</b>			
Interest received		-	572
<b>Cash flows from investing activities:</b>			
(Purchase)/Disposal of tangible fixed assets		(47,284)	3,948
<b>Change in cash and cash equivalents in the reporting period</b>		<b>487,028</b>	<b>18,995</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>320,942</b>	<b>301,947</b>
<b>Total cash and cash equivalents at the end of the reporting period</b>	2	<b>807,970</b>	<b>320,942</b>

### Notes to the cash flow statement

#### 1 Reconciliation of cash flows from operating activities

	2023 £	2022 £
<b>Net (expenditure) for the reporting period</b>	<b>421,266</b>	<b>246,953</b>
Adjustments for:		
Interest received	-	(572)
Depreciation	6,280	4,357
(Increase)/decrease in debtors	60,482	(249,731)
Increase/(decrease) in creditors	46,284	13,468
<b>Net cash used in operating activities</b>	<b>534,312</b>	<b>14,475</b>

#### 2 Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	807,970	320,942
<b>Total cash and cash equivalents at end of the reporting period</b>	<b>807,970</b>	<b>320,942</b>

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

N.I. Alternatives Limited is a private company limited by guarantee incorporated in Northern Ireland and has no share capital. The registered office is 137 Agnes Street, Belfast, Co. Antrim, BT13 1GG, Northern Ireland.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention to include 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 accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

#### 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:

Freehold land and buildings	2% Reducing Balance
Fixtures and fittings	25% Reducing Balance

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 net income/(expenditure) for the year.

#### 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### 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.

##### 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.

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 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.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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.

The key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year include:

#### i) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually.

#### ii) Accruals

The directors estimate accruals based on the information available at the time of preparing the financial statements and adjust as more accurate information is made available.

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 3 Charitable activities- Income

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Grant Income	-	2,590,727	2,590,727	2,002,006
<b>For the year ended 31 March 2022</b>				
Unrestricted funds	-	-		-
Restricted funds	-	2,002,006		2,002,006
	-	2,002,006		2,002,006
<b>Grant Income Analysis</b>				
Probation Board for Northern Ireland	-	20,000		135,000
Include Youth	-	129,277		141,134
Dept. for Social Development	-	-		364,526
Northern Ireland Housing Executive	-	167,692		108,500
Belfast Trust	-	80,918		72,796
Big Lottery Fund	-	24,850		9,998
Dept. of Justice	-	93,675		108,580
Dept. of Foreign Affairs (Reconciliation)	-	36,252		48,570
PSNI	-	20,000		40,000
Belfast City Council	-	154,773		121,476
NIO	-	-		25,500
The Executive Office	-	786,292		605,414
CRJI	-	402,329		139,741
ACB&C Borough Council	-	-		2,383
A&ND Council	-	-		5,084
Sperrin	-	-		2,000
Community Foundation	-	22,248		43,610
Social Change Initiative	-	3,250		13,500
NIACRO/ASPIRE	-	80,000		-
Rural Action/ International Fund Ireland	-	67,150		-
Dept. for Communities	-	404,974		
Other	-	97,047		14,194
		2,590,727	2,590,727	2,002,006

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 4 Other trading activities- Income

	2023	2022
	£	£
Room hire and facilitation	-	-
Counselling services	-	-
	<u>-</u>	<u>-</u>

### 5 Investments- Income

	2023	2022
	£	£
Interest receivable	<u>431</u>	<u>572</u>

### 6 Charitable activities - expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Staff costs (note 8)	-	1,326,372	1,326,372	1,225,045
Programme costs	-	586,380	586,380	380,119
	<u>-</u>	<u>1,912,752</u>	<u>1,912,752</u>	<u>1,605,164</u>
Support costs (note 7)	-	257,140	257,140	150,461
	<u>-</u>	<u>2,169,892</u>	<u>2,169,892</u>	<u>1,755,625</u>
<b>For the year ended 31 March 2022</b>				
Unrestricted funds	-	-		-
Restricted funds	-	1,755,625		1,755,625
	<u>-</u>	<u>1,755,625</u>		<u>1,755,625</u>

## N.I. ALTERNATIVES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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<b>7 Support costs- expenditure</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation	-	6,280	<b>6,280</b>	4,357
Rent & rates	-	33,209	<b>33,209</b>	27,357
Repairs & maintenance	-	5,177	<b>5,177</b>	6,759
Insurance	-	7,329	<b>7,329</b>	3,963
Light & heat	-	13,996	<b>13,996</b>	12,729
Office expenses	-	19,375	<b>19,375</b>	13,318
Bank charges	-	447	<b>447</b>	322
General expenses	-	2,444	<b>2,444</b>	-
Travel costs	-	50,475	<b>50,475</b>	18,840
Staff training	-	51,097	<b>51,097</b>	59,026
Audit fee	-	2,720	<b>2,720</b>	2,540
Accountancy	-	1,535	<b>1,535</b>	1,250
Legal and professional	-	63,056	<b>63,056</b>	-
	-	257,140	<b>257,140</b>	150,461

# N.I. ALTERNATIVES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 8 Net Incoming Resources/Income for the year

	2023	2022
	£	£
<b>This is stated after charging:</b>		
Salaries	1,163,531	1,076,511
Social security costs	107,652	95,848
Other pensions costs	55,189	52,686
<b>Staff costs</b>	<b>1,326,372</b>	<b>1,225,045</b>
Depreciation charged	6,280	4,357
Fees payable to the company's auditor for the audit of accounts	2,720	2,540

### 9 Employees

#### Number of employees

The average monthly number employees during the year was:

	2023	2022
	Number	Number
<b>Average</b>	<b>42</b>	<b>40</b>

No employee received remuneration above £60,000 during the year (2022: none).

#### Trustees

During the year, no trustee received any emoluments (2022: £Nil).

#### Key management compensation

The compensation paid or payable to key management (the two co-directors) for employee services is shown below

	2023	2022
	£	£
<b>Key management compensation</b>	<b>120,315</b>	<b>106,814</b>
<b>Pension</b>	<b>7,680</b>	<b>7,680</b>

## N.I. ALTERNATIVES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and Fittings £	Total £
<b>Cost</b>			
At 1 April 2022	145,705	31,444	177,149
Additions	36,182	11,102	47,284
<b>At 31 March 2023</b>	<b>181,887</b>	<b>42,546</b>	<b>224,433</b>
<b>Depreciation</b>			
At 1 April 2022	16,633	23,313	39,946
Charge for the Year	2,882	3,398	6,280
<b>At 31 March 2023</b>	<b>19,515</b>	<b>26,711</b>	<b>46,226</b>
<b>Net book value</b>			
<b>At 31 March 2023</b>	<b>162,372</b>	<b>15,835</b>	<b>178,207</b>
At 31 March 2022	129,072	8,131	137,203

The property on Agnes Street was acquired in 2016 and is subject to a covenant which novated along with the property. The previous owner had entered into a 22 year covenant (commencing in 2009) and a 10 year covenant (commencing in 2010) with the Department of Education whereby the Department of Education would fund the refurbishment costs. Should the property cease to be used for charitable youth activities, or other activities as set out in the covenant, a portion of the refurbishment costs could be repayable to the Dept. of Education.

## N.I. ALTERNATIVES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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<b>11 Debtors: amounts falling due within one year:</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other debtors	455,662	418,397
Related party debtors	-	84,112
Prepayments and accrued income	3,125	16,760
	<u>458,787</u>	<u>519,269</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	3,181	28,898
Accruals	90,743	18,742
	<u>93,924</u>	<u>47,640</u>

#### 13 Taxation

The company is a registered charity and, as such, is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

## N.I. ALTERNATIVES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Restricted funds

	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
Restricted fund	832,678	2,590,727	(2,169,892)	-	1,253,513
Unrestricted fund	97,096	431	-	-	97,527
	<b>929,774</b>	<b>2,591,158</b>	<b>(2,169,892)</b>	<b>-</b>	<b>1,351,040</b>

15 Analysis of net assets between  
funds

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
<b>Fund balances at 31 March 2023 are represented by:</b>			
Tangible assets	1,169	177,038	178,207
Current assets/(liabilities)	96,358	1,076,475	1,172,833
	<b>97,527</b>	<b>1,253,513</b>	<b>1,351,040</b>

## **N.I. ALTERNATIVES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 MARCH 2023***

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#### **16 Related party transactions**

The accumulated balance of amounts paid by N.I. Alternatives Limited on behalf of the related parties over several years has been written off as it was considered unlikely the related parties would be called upon to reimburse the company. The related parties are:

Bangor Alternatives Ltd  
Greater Shankill Alternatives Ltd  
North Belfast Alternatives Ltd  
East Belfast Alternatives Ltd  
South Belfast Alternatives Ltd

The above entities are related as they have one representative of their Board appointed to the Board of NI Alternatives Ltd.

#### **17 Liability of Members**

N.I. Alternatives Ltd is a company limited by guarantee. The liability of the members is limited to an amount not exceeding £1.