

HARMONI 2019

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

REGISTERED NUMBER: R0000316 (Northern Ireland)

CHARITY COMMISSION for NORTHERN IRELAND REGISTRATION NUMBER: 101731

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HARMONI 2019

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:

Mr Paul Archer (Appointed Chairman from 28th March 2023)
Mr Norman Carson MBE (Chairman) (Deceased 18th June 2022)
Mr D McIlhagger BSc, FIAE (Deputy Chair)
Mr Brian Lavery
Mr P Regan
Mr Paul Collins
Mrs Hannah Irwin
Mrs Elaine Colgan
Ms Amira Graham

SECRETARY:

Mr S A Humphries

REGISTERED OFFICE:

39 Downshire Road
Bangor
Co Down
BT20 3RD

REGISTRAR OF COMPANIES NUMBER:

R0000316 (Northern Ireland)

CHARITY COMMISSION NORTHERN IRELAND NUMBER:

101731

AUDITORS:

Baker Tilly Mooney Moore
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

BANKERS:

Northern Bank Limited
t/a Danske Bank
Donegall Sq West
Belfast
BT1 6JS

INVESTMENT ADVISORS:

Evelyn Partners
The Linenhall
32-38 Linenhall Street
Belfast
BT2 8BG

SOLICITORS:

Cleaver Fulton & Rankin
50 Bedford Street
Belfast
BT2 7FW

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
FORWARD

On behalf of the Trustee Directors of HarmonI, I am delighted to present the annual report and accounts for the financial year 1st January 2022 to 31st December 2022. It is my great honour to have become the latest chairman for this very special organisation. That honour only tinged by the circumstances requiring a new chair with the passing of my predecessor Mr Norman Carson MBE in June 2022.

As I begin my tenure in April 2023, I want to firstly thank my colleagues from the Board of Trustee Directors for their work and ongoing interest in the charity. I would give special mention to Mr David McIlhagger who as Deputy chair stepped up to chair presiding for the second time in 2 years during the chair's vacancy.

It would be remis of me if I did not also acknowledge the sterling work our staff carry out day and daily in pursuit of the charity's aims and objectives. They are very ably led by an extremely proficient executive and management team to which on behalf of the board we offer our appreciation.

We extend our thanks to the statutory funders from The South Eastern Health and Social Care Trust and the Northern Ireland Housing Executive for their continued engagement and contracting of services with us.

Finally, I place on record our thanks to our clients for trusting us to deliver the services they require.

It is because of the foregoing that I begin my tenure with an organisation that has weathered many storms with strong confidence in the organisation's ability to face challenges and deliver a solution which ensures the clients continue to receive the extremely high-quality services they do.

2022 produced a very positive outcome for the charity, that result means as we face into 2023 and one of the most troubling public sector funding crises of a generation, we have a sound foundation upon which to stand.

It is my objective as I take custodianship of the role of chairman to ensure our heritage is protected, our clients remain served and indeed we find opportunities to grow in spite of the funding paradigm as we seek to do more for more.

Paul Archer - Chairman

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRUCTURE, GOVERNANCE AND MANAGEMENT**

Governing Document

The legal entity name was changed on 8th January 2019 from NIID to HARMONI 2019 Trading as Harmoni.

HARMONI 2019 has its origins in late 19th century Belfast. It was incorporated on 19th July 1906 as a charitable Company limited by guarantee and not having a share capital. The objects and powers of HARMONI 2019 are set out in the Memorandum of Association, and the Company is governed under its Articles of Association, as updated in 2014 and registered on 28th March 2014. In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.00.

HARMONI 2019 is on the Northern Ireland Charity Register, registration number 101731. Since registration, the Director Trustees have embarked and maintained periodic specific training along with the Management team to understand fully the implications, responsibilities and expectations of HARMONI 2019, the Trustees and the Management who operate under delegated authority.

Directors:

Recruitment and appointment of directors

Under the requirements of the Articles of Association as revised in March 2014, the directors are trustees of the charity and are known as Members of Council. From that revision date, Director Trustees serve for 4 years dated from the first AGM at which they are voted in, they are eligible to serve up to three terms of four years at which point they must retire. The date cycle is from their first AGM to their fourth AGM.

Name of Director Trustee	Appointment Date	Expected term end AGM date
Archer, Paul (Chair)	28 th March 2023	1 st term chair June 2026
Carson, Norman (Chair)	26 th August 2021	Deceased 18 th June 2022
McIlhagger, David (Deputy Chair)	30 th June 2010 (NED) Chair May 2014 – Dec 2020	Appointed Deputy Chair 1 st Jan 2020 June 2026
Reagan, Peter	29 th October 2014	June 2023
Lavery, Brian	18 th May 2020	June 2024
Irwin, Hannah	15 th June 2020	June 2024
Collins, Paul	15 th June 2020	June 2024
Colgan, Elaine	28 th July 2021	June 2025
Graham, Amira	5 th November 2021	June 2025

HARMONI 2019

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Director Trustees during reporting period

No Member of the Board of Director Trustees had a beneficial interest in any contract with HARMONI 2019 during the year.

Succession Planning:

From 1st January 2020 the board of trustees have created a deputy chair role to ensure that in the event of the chair being unavailable there remains a line of consistency in the charity governance. Since the creation of the role which Mr David McIlhagger has occupied there has been regrettably a need on two separate periods for the Deputy Chair to step into the role of Chair presiding.

The most recent event being the untimely passing of Mr Norman Carson MBE. The trustees place on record their appreciation for David's willingness to step into the role and provide stable governance leadership during the two vacancies.

Mr Paul Archer has been appointed as Chairman in March 2023 and Mr David McIlhagger will retain the deputy chair role and chair of the Finance and General Purposes Committee.

Trustee induction and training

Trustees are aware of the practical work of HARMONI 2019 at the hostel in Belfast and Strickland's Care Village in Bangor. New trustees are expected to attend an information session to familiarise themselves with how HARMONI 2019 operates. These are jointly led by the Chair of the Board and the Chief Executive of HARMONI 2019 and cover the following:

- The obligations of the Trustee Directors
- The Articles of Association
- The financial position as set out in the latest published accounts
- Future plans and objectives

New trustees receive copies of the Articles of Association, the latest financial statements, the current strategic plan and the current year business plan. They then meet the CEO and undertake a half day induction process to provide information on the charity function.

To ensure that trustees have up to date knowledge regarding charity management issues and the impact of changes in the public sector it is expected that trustees will have the opportunity to attend suitable training and information events. The CEO disseminates all regulatory guidance to trustees as it is received by the charity.

Risk management

The Board of Director Trustees continues to review the major risks to which HARMONI 2019 is exposed. The risk management strategy for HARMONI 2019 is one which seeks to identify risks and mitigate or manage those risks. It is not designed to remove all risk as to do so is in itself a risk which could render the organisation impotent. The risk framework seeks to firstly identify the organisational risk appetite, over a range from low, medium or high appetite.

The Board of Trustees receive regular updates to the risk register. This process allows the board to see pertinent corporate risks, these risks are categorised with probability and impact scores as High, Medium or Low risk. This measurement is designed to identify risks that require immediate attention and mitigation, and those that need attention, but are less immediate

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

Each risk is then identified with a risk owner and a mitigation plan narrative provided. Each update of the register identifies new risks and changes in the previous risks due to the effects of the planned mitigation or other external circumstances.

The core risks for 2022 were identified as:

Funding Compression: While there was some financial support proffered by the Department of Health there remains no annual cost of living increment recognition policy for Supported Living therefore, the perpetual compression between required income increases and actual or no income increases from the statutory funders remains unresolved. The mitigation for that risk continues to be the CEO and senior executive teams engage at the highest levels with the funding bodies.

Staff resources: The increasing demand for agency to fill unfilled employed staff hours grew in 2022, it is recognised that this would if unchecked lead to an unsustainable situation financially This leads to limit service growth in respect to accepting new higher need clients, and it could reduce reserves over a prolonged period as the agency cost is significantly higher. The mitigations for this have remained to attempt to keep remuneration levels above that of National Living wage and through the use of Values based recruitment and retention strategies increase the employed workforce. At the end of 2022 we noted a rise in inflow of employed staff.

Impact of Covid 19: While we remained vigilant to covid, during the year the management protocols directed from statutory bodies reverted to a standard Risk based approach.

Procedures are in place to ensure compliance with health and safety of staff, suppliers, volunteers, clients and visitors to the Hostel and Strickland's Care Village.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

Organisational structure

The Board meets at least three times a year and is responsible for the strategic direction and policy of HARMONI 2019. The Trustees come from a variety of professional backgrounds relevant to the work of HARMONI 2019.

The Finance and General Purposes Committee meets approximately three times a year and as per the change in terms of reference agreed in 2017 the committee now receives all audit reports on behalf of the Board.

The development committee, which is a project-based committee, did not meet in 2022 due to there being no relevant business before the committee.

Responsibility for operations management is delegated to the Chief Executive.

In January 2022 the Board of Trustees launched the next strategic plan iteration, it is entitled Research, Knowledge, Action. It is led by research allowing time to garnish detailed information which will inform future direction decisions. The key objective being that this newfound knowledge leads to risk assessed actions which are aimed at enhancing the service offerings provided by the charity.

Governance:

The Board will formally meet a minimum of 3 times in the year to take care of the ordinary business of the charity and its governance requirements. The board also receives a detailed sub report on Health and Safety, Safeguarding and Deprivation of Liberty issues if any have arisen.

They will meet at other times for special topics meetings as and when required. The Sub Committee of the Finance and General Purposes Committee will normally meet one week in advance of each formal board. The Development Committee will meet as required to meet the needs of the project timeline.

Corporate Oversight:

The Senior Management Team meets regularly to ensure the management of the main corporate needs are being met. A key element of this discussion will be the budgets, actuals, and variances we are experiencing and what controls or changes we need to effect in order to keep the organisation on track.

Corporate Management:

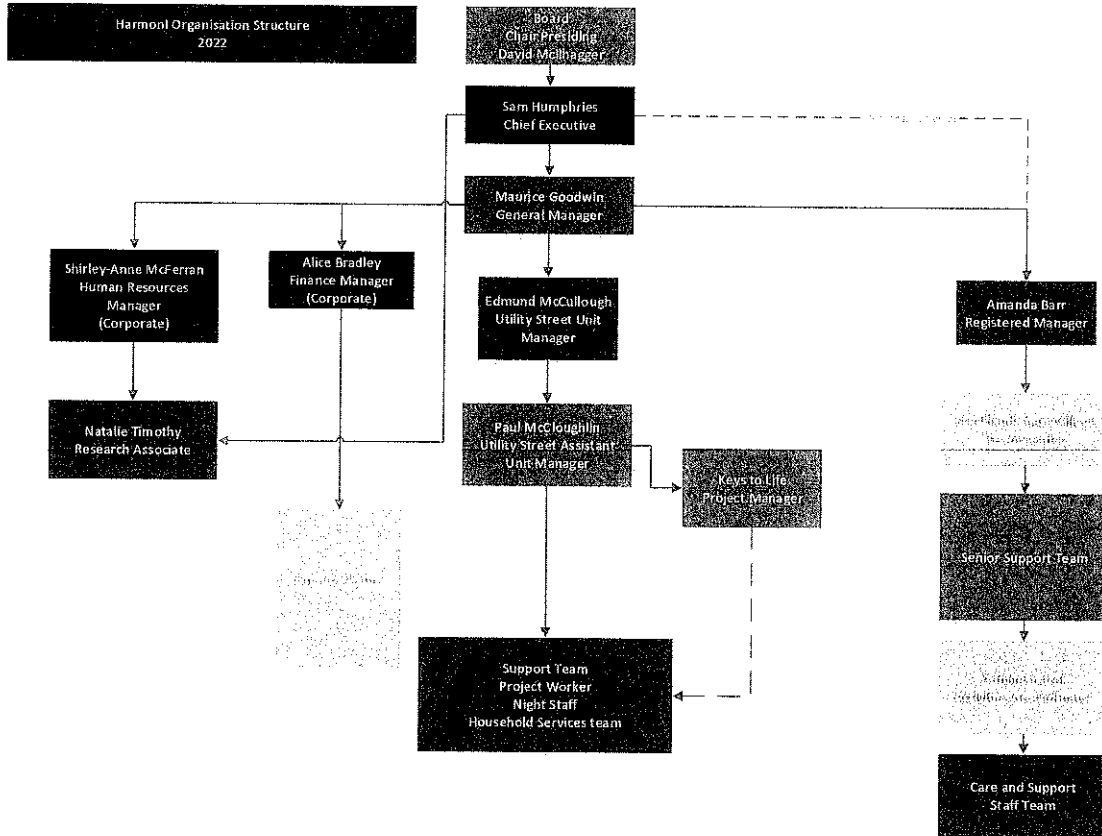
The Unit Managers will meet with members of the Senior Team as required to review the performance of the overall business with specific input from the unit heads. These discussions include the regulatory and compliance elements from the funders and commissioners of the services and also key safeguarding issues.

Operations Management:

A member of the Senior Team meets their direct line management team as needed to review and discuss operational issues and take any operational decisions arising.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

The operational organisation structure:



**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

Related parties

HARMONI 2019 did not have any dealings during 2021 with any companies or other organisations in which any of the directors have an interest.

OBJECTIVES AND ACTIVITIES

The principal objects, as updated, of HARMONI 2019 are to: -

- To relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ('the beneficiaries).
- To advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society.
- In the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries.
- To advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities.
- To relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care.
- Such other exclusively charitable purposes according to the law of Northern Ireland for the beneficiaries as the Trustees may from time to time decide.

Strickland's Care Village located in Bangor provides accommodation in thirty-three separate units for those individuals living with a disability and needing support and care at various levels depending on assessed need.

The Belfast hostel provides emergency accommodation for fifty-nine men experiencing homelessness with one room specifically renovated for men with disabilities. The men are supported and encouraged to improve their situation by taking the necessary steps to move on to training opportunities and employment, and to permanent accommodation. There is close cooperation with the statutory authorities and the Northern Ireland Housing Executive.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE

STRATEGIC REPORT

Achievements and Performance

. Organisational:

In April 2022 the Trustees were introduced to the new concept of Psychologically Informed Environments (PIE). This overarching model is designed to ensure the organisation sees everything it does through the PIE lens. The key element of that lens is to ensure we consider the client and their journey. After deliberation the trustees declared that HarmonI would pursue this model organisationally. Some key reasons for that decision were:

- It ensures a Psychological based approach.
- It places a strong emphasis on the client journey (Person Centred)
- It places a strong emphasis on staff support, development and inclusion.
- It fosters a culture of learning and enquiry.
- It ensures the physical needs of built environment are included in the process.
- It is not a restrictive list of do and do not, it remains flexible to the needs of the client and the organisation.

The PIE philosophy is very much in line with the new HR approach initiated in 2022 by our HR manager Shirley-Anne McFerran. The values-based approach has shown incredibly positive benefits throughout 2022 with at least 50% of our new recruits joining under this initiative. We have noted significant changes in employee matters arising from the reduced need for investigations and disciplinaries. We have also noted greater staff engagement in discussion focussed on the client needs.

The changes are subtle but powerful, ultimately adding value to the client experience of HarmonI's services.

• Stricklands Care village:

A key element in our strategic aspiration for some time has been the implementation of a new digital care management system. In 2022 we were successfully able to secure a grant to fund the new system aspiration alongside a grant to deliver a site wide Wi-Fi system and associated digital tablet hardware. The net benefit to our client will be the real time updating of their daily living plans, the management of their medications and staff rostering. The sole aim being to maximise the support and care time within an administration rich regulatory requirement.

The management of Covid was reduced in year by the statutory bodies to a risk-based approach on a case by case basis. We remain on high infection control awareness, but the relaxations have allowed much more association for clients to return.

Our maintenance programme continues to ensure the clients homes are maintained to the high standards we aspire to for them.

Stricklands Care Village again received a positive RQIA report in 2022 following an unannounced inspection with no improvement plan required.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE (continued)

• *Utility Street Hostel:*

The occupancy level in the Hostel has continued to be maintained at an average of 53 men per week. While it is great to have the service so close to full it is nevertheless saddening to know the demand for emergency accommodation continues to grow.

We successfully rolled out the new client management system in the Hostel and in June 2022 transitioned all referral, occupancy and support information across to the new system.

In 2022 we supported 260 men through the service. Of those 74 went on to successful planned departures.

Our Keys to life programme continued throughout the year. This year 22% of men in the hostel engaged with the programme. A small group of around 10 clients volunteered to help build a new sensory garden for the clients in Stricklands Care Village. The great element within this is the men themselves wanted to give back to other people in the community. The residents of Stricklands Care Village have thoroughly enjoyed the new facility and are grateful for the support Keys to Life brought.

Public Benefit

The directors confirm that they have had due regard for the guidance produced on Public Benefit by the Charity Commission for Northern Ireland, and are pleased to report that during 2020 they have continued to meet the Public Benefit requirement as follows:

The core activity for HARMONI 2019 is the relief of poverty, illness, sickness and suffering to those living with sickness, disability, poverty or social circumstances. All our engagement activities have been with individuals from one or a range of these groups. The organisation has sought to revive these impacts firstly by providing suitable and appropriate accommodation, be that in Supported Independent living or Hostel provision. The organisation sees that provision as the start of our service intervention.

From that point forward, we seek to create a person-centred provision that is cognisant of the individual's need. Many of our residents and service users have these needs identified through professional assessment, either from the health care trusts or other social services.

In all HARMONI 2019 service interventions, we first consider the clients personal needs. Our core model remains accommodation-based care and support, subject to the service engagement. We continue to believe that the most important element for all our clients remains ensuring a safe and secure place to live. This delivers consistency in what has for some of our clients been a chaotic life to date.

Those for whom the need is centred on personal care are provided a bespoke care and support daily living plan which centres around their personal needs. This is achieved in conjunction with the South East Health Trust care management teams to ensure the assessed needs are met. Next of kin and family provide valuable input to those requirements in the care plan development stage. Further supports are designed which enable the client to live as independently as they wish or are capable of. All these plans are subject to regular review and updating as circumstances change.

Those for whom support is the core focus of our engagement will receive a personal support plan which aims to assist them in achieving their short term goals which are aimed at delivering a longer term goal, in the case of our clients in Utility street this is independent living in a place of their choosing.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
FINANCIAL REVIEW

For many of our service users the reality is that their experience with HARMONI 2019 is about small steps and personal capacity / capability building. Many of our residents and families have seen a marked improvement in the individuals' engagement and socialisation skills and their ability to communicate their wants and needs personally.

HARMONI 2019 works closely with multiple statutory bodies to ensure we plan for and deliver suitable and successful outcomes for each and every one of our service users. This joined up approach ensures that the overall public benefit is delivered where service users have longevity and consistency and therefore tend not to move between other agencies or service provisions.

HARMONI 2019

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 FINANCIAL REVIEW

HARMONI 2019 is a unique organisation, not least because of the diverse nature of the service users but also because of the blended funding sources for our service delivery. Harmoni is very grateful to the Northern Ireland Housing Executive and the South-Eastern Health and Social Care Trust, being the principal funders of these activities.

The directors note that there is a total Net Expenditure for 2022 of £98,199, compared to Net Income of £497,578 in 2021.

The directors however note that the charity remains in positive position in terms of generation of a surplus from operating activities. 2022 saw Net Income from Operational Activities of £91,926, with a figure of £283,247 reflected in 2021.

The main points of note are –

- Incoming Resources have increased by £348,040 (10.57%)
 - Increase in investment income of £24,698 (Increase of 21.42 %).
 - Increase in income from charitable activities of £332,047 (Increase of 10.49%). Much of this relates to Covid 19 funding, including funding for special recognition payments that was made to staff, as well as annual uplifts to contracts from SEHSCT and NIHE.
- Expenditure has increased by £539,361 (17.92%)
 - Increase in expenditure on charitable activities of £546,116 (18.49%). Costs increased across all departments and expense types, with significant increases in utility costs, insurance and food. On top of this increases to NLW and decreased staff availability meant a very significant increase in agency costs in year (65% increase on 2021)

In 2022 the organisation saw a loss on the revaluation of investment assets of £190,125. This primarily related to the value of current asset investments (loss on revaluation of £240,125). The revaluation on fixed asset investments meant an uplift in the value of the properties held of £50,000. This loss on revaluation is a swing from a gain on investment of £214,331 in 2021, which primarily related to the upturn in the investment market at that time.

The net effect of these movements is that the charity returned a Net Expenditure figure of £98,199 in 2022.

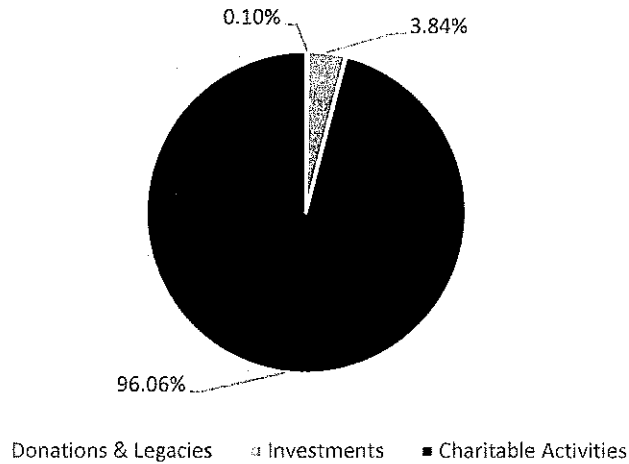
This gives reserves carried forward on the balance sheet at the end of the year comprising Restricted Funds carried forward of £161,759 (2021: £188,084) and Unrestricted Funds of £6,575,121 (2021: £6,646,995). The Unrestricted funds carried forward comprise Investment Revaluation Reserves of £1,771,237 and General Funds of £4,803,884.

The balance sheet of the charity remains strong, with current assets, including current asset investments, comfortably exceeding current liabilities by £3,007,188.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022
FINANCIAL REVIEW (continued)

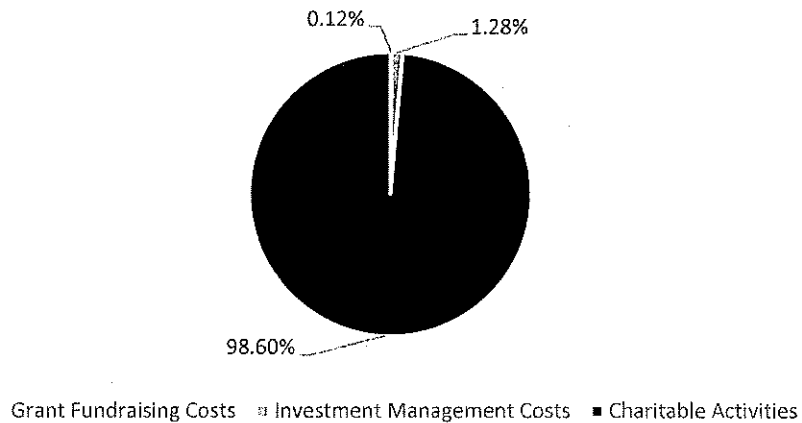
During the year, our income came from the following sources:

Income for the year ended 31 December 2022



This income then allowed us to achieve our aims and objectives for the organisation through making the following expenditure:

Expenditure for the year ended 31 December 2022



Reserves Policy

HARMONI 2019 aims to maintain a level of resources that match the needs of the organisation, both now, and in the foreseeable future.

The two main objectives are that –

- a. the available reserves ensure that the activities of the organisation could continue in the face of any unexpected reduction in, or loss of, a particular income stream, while allowing the organisation time to seek alternative funds or restructure/cut costs.
- b. the available reserves allow the organisation to progress with the organisational development plan laid out in the strategic plan 2017-2022.

The Directors assess the risks that HARMONI 2019 could be exposed to, and the appropriate level of reserves that should be maintained.

The current assessment of the target range of free reserves – funds that are freely available to be used for general charitable purposes – held by the company should be 6 months of expenditure, with an additional amount to allow the Board the potential to carry out operations in line with the strategic plan.

In carrying out their assessment of reserves the Directors exclude the fixed asset fund of £2.6m because this represents functional, operational assets within the organisation that could not be realised quickly, restricted reserves of £0.162m which have restrictions placed over the use of funds by the individual funders, and the investment property value of £1.5m which is used as mortgage security for the original long-term loan. After excluding the fixed asset fund this leaves free reserves of £2.47m.

In the strategic plan 2022-2025 the Directors have identified several key projects to investigate. They have also identified the need to build and maintain appropriate reserves to carry out these plans.

This is to ensure that the organisation can grow and develop while maintaining the range of services/activities, and in time the reserves should return to a level equivalent to the equivalent of 6 months running costs.

Investment Policy

The Directors have agreed an investment policy within the powers provided to them under the Articles of Association of the organisation. The organisation has a long-established balanced approach towards investment risk, with the need to both protect and grow the charities assets for all service users. Therefore, the Directors define the organisation's expected investment profile to be balanced, with a desire to grow, but also protect the capital invested, whilst providing a useful source of income from dividends.

The Directors wish the portfolio to represent a balanced spread of investments in equities and fixed interest securities and bonds.

The investment portfolio was managed during the year under review by Evelyn and Partners alongside Abrdn (formerly Aberdeen Standard Capital) (on behalf of the Northern Ireland Central Investment Fund for Charities). All are professional investment management companies in good standing and regulated by the Financial Conduct Authority.

As a charity with a strong Evangelical Christian heritage, the ethos of which casts a guiding shadow across the organisation's moral position, the Directors have advised the investment managers that the organisation do not wish to invest in the following:

- Alcohol or tobacco trades
- Arms and munitions trades

The performance of the investment portfolio is monitored regularly by the Directors. In the year under review the investments continued to perform well and in line with objectives, providing a good level of dividend income.

PLANS FOR FUTURE DEVELOPMENT

The charity placed a hold on major developments during the pandemic, this however has not quelled the plans to increase the positive impact Harmoni 2019 delivers to a diverse client group. The key enabler of our future development will be the research project which will generate new knowledge or solidify current knowledge into a more cohesive ethos and philosophy upon which to build, both figuratively and physically, our future service offerings.

In 2022 we had the opportunity to work alongside undergraduates from the Queens University Belfast Business School who carried out a specific piece of market penetration analysis for us in respect to a possible future service. That work will complete in early 2023 and will be used as a foundation for further analysis to determine if a sustainable business case can be drawn up enabling a new service development to be started.

THANKS AND APPRECIATION

HARMONI 2019 would like to place on record their thanks and appreciation for:

The continued funding provided by the Health Trusts and the Northern Ireland Housing Executive towards the cost of providing vital services in Strickland's Care Village and the Men's Hostel.

The Boys' Brigade have been involved, for over 100 years, in organising house to house collections to support the work of Harmoni. Unfortunately, with the Covid pandemic and associated restrictions, the opportunity has been reduced significantly, although we still receive small contributions from individual company's for which we remain grateful.

The National Lottery Community Fund for the funding to operate Keys to Life project.

The Dormant Accounts Fund NI for the funding to facilitate the research project.

Those many organisations and individuals who made donations of money, goods and time to the clients at the Hostel.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

FIXED ASSETS

Details of fixed asset movement in the year are given in note 7 to the financial statements.

Although the market value of the operational property is comfortably in excess of its amortised historic cost, the difference is not felt to be of significance to members.

FAIR EMPLOYMENT

The charity is committed to a policy of equal opportunities for all current and future employees. This policy also includes compliance with the Sex Discrimination (NI) Orders 1976 and 1988 and the Disability Discrimination Act 1995. These policies are incorporated into the Equal Opportunity of Employment Guidelines that are adhered to by the charity.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT AND FINANCIAL STATEMENTS

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Companies Act 2006.

AUDIT

The directors have sought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. Insofar as the board is aware there is no relevant audit information of which the company's auditors are unaware.

AUDITOR

The external audit assignment for 2022 and the subsequent 5 years has been awarded to Baker Tilley Mooney Moore after an open competitive bid process.

ON BEHALF OF THE BOARD:

SA Humphries - Secretary



Date: 26-6-2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019

Opinion

We have audited the financial statements of HARMONI 2019 (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including 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 the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable 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 trustees' 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 charitable company's 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.

Other information

The other information comprises the information included in the Directors annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)

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

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

Responsibilities of trustees

As explained more fully in the Directors' responsibilities statement set out on page 16, the Directors (who are also the Trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 Directors are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and The Charities Act (Northern Ireland) 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and compliance with local legislation for the overseas operating segments.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Eimear Brown

Eimear Brown (Senior Statutory Auditor)
For and on behalf of Baker Tilly Mooney Moore
Registered Auditor
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

Date: *25th June 2023*

Baker Tilly Mooney Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

HARMONI 2019**(REGISTERED COMPANY NUMBER: R000316)****(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)****STATEMENT OF FINANCIAL ACTIVITIES****(Incorporating the Income and Expenditure Account)****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Restricted Funds	Unrestricted Funds £	31.12.2022 Total £	31.12.2021 Total £
INCOME & ENDOWMENTS FROM:					
Donations & Legacies		-	3,566	3,566	12,271
Investments		-	139,993	139,993	115,295
Charitable Activities		961,256	2,536,220	3,497,476	3,165,429
Total Income	2	<u>961,256</u>	<u>2,679,779</u>	<u>3,641,035</u>	<u>3,292,995</u>
EXPENDITURE ON:					
Raising Funds – Investment Management Costs		-	45,290	45,290	48,805
Raising Funds – Grant Fundraising		-	4,320	4,320	7,560
Charitable Activities		1,089,823	2,409,676	3,499,499	2,953,383
Total expenditure	3	<u>1,089,823</u>	<u>2,459,286</u>	<u>3,549,109</u>	<u>3,009,748</u>
Net (Expenditure)/Income from operational activities		(128,567)	220,493	91,926	283,247
Gain/(Loss) on revaluation of investment assets	23	-	(190,125)	(190,125)	214,331
Net (Expenditure)/Income		<u>(128,567)</u>	<u>30,368</u>	<u>(98,199)</u>	<u>497,578</u>
Transfer between funds	21 & 22	102,242	(102,242)	-	-
Net movement in Funds		<u>(26,325)</u>	<u>(71,874)</u>	<u>(98,199)</u>	<u>497,578</u>
Reconciliation of Funds:					
Total Funds Brought Forward	21 & 22	188,084	6,646,995	6,835,079	6,337,501
TOTAL FUNDS CARRIED FORWARD	21 & 22	<u>161,759</u>	<u>6,575,121</u>	<u>6,736,880</u>	<u>6,835,079</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources expanded derive from continuing activities.

The notes form part of these financial statements.

HARMONI 2019

(REGISTERED COMPANY NUMBER: R000316)

(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)

BALANCE SHEET

31 DECEMBER 2022

	Notes	31.12.2022		31.12.2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		2,590,045		2,696,151
Investments	8		1,699,504		1,649,504
			<u>4,289,549</u>		<u>4,345,655</u>
CURRENT ASSETS					
Stock	10	1,421		959	
Debtors	11	225,116		176,758	
Investments	12	2,234,968		2,500,803	
Cash at bank and in hand		899,377		815,148	
		<u>3,360,882</u>		<u>3,493,668</u>	
CREDITORS					
Amounts falling due within one year	13	<u>353,694</u>		<u>340,469</u>	
NET CURRENT ASSETS					
			<u>3,007,188</u>		<u>3,153,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			7,296,737		7,498,854
CREDITORS					
Amounts falling due after more than one year	14		<u>(559,857)</u>		<u>(663,775)</u>
NET ASSETS					
	20		<u>6,736,880</u>		<u>6,835,079</u>
THE FUNDS OF THE CHARITY:					
Restricted Funds					
	21		<u>161,759</u>		<u>188,084</u>
Unrestricted Funds					
Revaluation Reserve			1,771,237		1,961,362
General Fund			4,803,884		4,685,633
	22		<u>6,575,121</u>		<u>6,646,995</u>
			<u>6,736,880</u>		<u>6,835,079</u>

The financial statements were authorised for issue by the Board of Directors on 29 JUNE 2023 and were signed on its behalf by:

.....
Director – P Archer

The notes form part of these financial statements.

HARMONI 2019

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	31.12.2022	31.12.2021
	£	£
Cash generated/ (used) in operating activities – see Note 25	43,968	336,580
Cashflows from investing activities		
Purchase of tangible fixed assets	(7,461)	(10,565)
Purchase of current asset investments	(120,865)	(3,087,805)
Proceeds from sale of current asset investments	146,575	2,973,805
Investment income	65,516	42,008
Bank deposit interest	-	-
Proceeds from disposal of tangible fixed assets	-	-
Cash receipts from rentals of investment properties	74,495	73,286
Cash (used)/provided by investing activities	158,260	(9,271)
Cashflows from financing activities		
Repayment of bank loan	(101,132)	(98,389)
Bank property finance loan interest	(20,433)	(23,190)
Legacies and Subscriptions	3,566	17,516
Net cash generated/(used) in financing activities	(117,999)	(104,063)
Increase in cash & cash equivalents in the year	84,229	223,246
Cash & cash equivalents at the beginning of the year	815,148	591,902
Cash & cash equivalents at the end of the year	899,377	815,148
Analysis of cash & cash equivalents		
Cash at bank and in hand	899,377	815,148
Total cash & cash equivalents	899,377	815,148

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of this public benefit entity have been prepared in accordance with 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 the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Fund Accounting

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds include revaluation reserves representing the restatement of investment assets (both fixed and current) at market values.
- Whilst there are none to date, Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds receivable from the Northern Ireland Housing Executive for their Supporting People Programme operating in both Stricklands Bay and the Men's Hostel are subject to restrictions on their expenditure, imposed by the donor.

Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Legacies are accounted for following entitlement. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance – split between Restricted and Unrestricted funds.

Expenditure

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

- Raising funds costs comprise the costs associated with the charity's investment property, current asset investments and the cost of grant applications.
- 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 – split between Restricted and Unrestricted funds.
- Governance costs include those associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. 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 Note 3.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets (excluding investment property)

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2% on cost
Improvements to property	- 15% on cost
Short leasehold	- 10% on cost
Long leasehold	- 2% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% on cost

The cost of assets comprises purchase price and any installation charges.

Pensions

Retirement benefits to certain current employees are provided by a defined contribution pension scheme, under "Auto-Enrolment", whereby the assets are held separately from those of the charity in independently administered funds. The charity contributions are accounted for by charging costs against surpluses as payments accrue.

In addition, unfunded payments are made to certain former employees who were members of the old defined benefit scheme, which is now closed. These are charged as payments are made. The capital cost of continuing these payments, which has not been computed, is not reflected as a liability in the accounts.

The accounting for unfunded pension payments is considered to be an immaterial departure from Financial Reporting Standard 102.

Operating Leases

Harmoni classifies the lease of office equipment as operating leases. The title to the equipment remains with the lessor and the equipment is replaced periodically. Rental charges are charged to the SoFA on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are initially measured at cost, including transaction costs. Subsequently those investment properties whose fair value can be measured reliably are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities.

Stock

Stock held relates to food stock held for the kitchen in Men's Hostel. Stock is valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

Harmoni only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Current asset investments

Current asset investments are recognised initially at fair value, which is normally the transaction price. Subsequently they are measured at fair value, with changes recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at fair value at the date of acquisition less impairment.

Judgements and key sources of estimation uncertainty

The following judgments including those involving estimates have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- (i) Depreciation method and asset useful lives
- (ii) Valuation of properties
- (iii) Impairment of assets

The estimates and assumptions are reviewed on an ongoing basis considering the current and future market conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

2. INCOME

	31.12.2022	31.12.2021
	£	£
Unrestricted Funds:		
Donations and Legacies		
Legacies and donations	3,566	11,466
Subscriptions – Boys Brigade	-	805
Gift Aid	-	-
Total voluntary income	<u>3,566</u>	<u>12,271</u>
Investment Income		
Investment property rents receivable	74,477	73,287
Bank deposit interest receivable	-	-
Current asset investment income	65,516	42,008
Total Investment Income	<u>139,993</u>	<u>115,295</u>

Income from Activities to further the Charity's objectives:

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.22	Total 31.12.21
	£	£	£	£	£
Unrestricted Funds					
Residential receipts	115,651	46,019	-	161,670	138,163
Payments from Health Trusts	-	1,518,762	-	1,518,762	1,348,147
Payments from NIHE re housing	569,585	253,262	-	822,847	727,492
Private Support Income	-	-	-	-	-
SP Covid-19 Funding	17,246	7,770	-	25,016	71,720
Other	4,675	-	3,250	7,925	18,942
	<u>707,157</u>	<u>1,825,813</u>	<u>3,250</u>	<u>2,536,220</u>	<u>2,304,464</u>
Restricted Funds					
Payments from NIHE re Supporting People	450,949	354,549	-	805,498	738,432
Private Support Income	-	39,808	-	39,808	35,470
Ulster Garden Villages Grant	-	-	-	-	-
Dormant Accounts NI Fund	-	-	32,551	32,551	16,275
National Lottery – Covid-19	-	-	-	-	-
SP Covid-19 Funding	-	-	-	-	-
National Lottery Community Fund	65,921	-	-	65,921	65,921
Other Restricted Grants	3,500	13,978	-	17,478	4,867
	<u>520,370</u>	<u>408,335</u>	<u>32,551</u>	<u>961,256</u>	<u>860,965</u>
TOTAL INCOME				<u>3,641,035</u>	<u>3,292,995</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

3. EXPENDITURE (incl. VAT where relevant)

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.22	Total 31.12.21
	£	£	£	£	£
Unrestricted Funds					
Costs directly allocated to activities:					
Staff costs	303,377	1,230,661	-	1,534,038	1,255,600
Depreciation	882	67,580	692	69,154	69,735
Other	315,579	157,089	7,393	480,061	386,066
Loan interest	-	19,143	-	19,143	21,699
Support Costs allocated by time to activities:					
Administration (<i>incl. staff costs</i>)	66,676	217,804	-	284,480	281,104
	<u>686,514</u>	<u>1,692,277</u>	<u>8,085</u>	<u>2,386,876</u>	<u>2,014,204</u>
External audit and accountancy – current year				6,000	6,000
External audit and accountancy – prior year				-	-
Internal audit				3,000	3,000
Legal and professional				13,800	14,328
				<u>22,800</u>	<u>23,328</u>
Total Unrestricted Expenditure on charitable activities				<u>2,409,676</u>	<u>2,037,532</u>
Investment Management Costs:					
Re investment property				31,299	33,062
Re current asset investments				13,991	15,743
				<u>45,290</u>	<u>48,805</u>
Grant fundraising costs:				<u>4,320</u>	<u>7,560</u>
Restricted Funds					
Costs directly allocated to activities:					
	Men's Hostel	Stricklands Bay	Other	Total 31.12.22	Total 31.12.21
Staff costs	340,394	313,866	33,146	687,406	633,341
Depreciation	8,064	29,403	-	37,467	35,414
Other	123,610	77,109	2,920	203,639	97,542
Loan interest	-	1,290	-	1,290	1,491
Support Costs allocated by time to activities:					
Administration (<i>incl. staff costs</i>)	66,675	93,346	-	160,021	148,063
	<u>538,743</u>	<u>515,014</u>	<u>36,066</u>	<u>1,089,823</u>	<u>915,851</u>
TOTAL EXPENDITURE				<u>3,549,109</u>	<u>3,009,748</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

4. STAFF COSTS

	31.12.2022	31.12.2021
	£	£
Wages and salaries	2,332,857	2,005,125
Social security costs	164,843	145,238
Other pensions costs	55,745	52,525
	<u>2,553,445</u>	<u>2,202,888</u>

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

	31.12.2022	31.12.2021
Administrative staff	8	8
Other staff	79	78
	<u>87</u>	<u>86</u>

Included above is £477,752 (2021: £290,248), which was paid during the year in respect of agency staff.

During 2022, there was one employee with emoluments at the rate between £90,001 and £100,000 (2021: one between £80,001 and £90,000).

Remuneration of the 2 (2021: 3) key management personnel in the period was £153,500 (2021: £195,467).

5. INCOME & EXPENDITURE

Income and expenditure (including VAT, where relevant) are stated after charging (crediting):

	31.12.2022	31.12.2021
	£	£
Depreciation - owned assets	113,567	111,617
Loss on disposal of fixed assets	-	49
Operating lease costs	4,393	4,393
External Aud & Accs current year	6,000	6,000
Internal Audit	3,000	3,000
Bank loan interest payable	20,433	23,190
Income from listed investments	65,516	42,008
Directors' remuneration	-	-

6. TAXATION**Analysis of the tax charge**

Being registered with both HMRC and the Charity Commission for Northern Ireland as a charity, no liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2022, nor for the year ended 31 December 2021.

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Short Leasehold £	Long Leasehold £
COST			
At January 2022	2,883,318	9,080	1,822,250
Additions	-	-	-
Disposals	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>2,883,318</u>	<u>9,080</u>	<u>1,822,250</u>
DEPRECIATION			
At 1 January 2022	911,211	9,080	1,151,878
Charge for year	61,082	-	36,180
Eliminated on disposal	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>972,293</u>	<u>9,080</u>	<u>1,188,058</u>
NET BOOK VALUE			
At 31 December 2022	<u>1,911,025</u>	<u>-</u>	<u>634,192</u>
At 31 December 2021	<u>1,972,107</u>	<u>-</u>	<u>670,372</u>

7. TANGIBLE FIXED ASSETS (continued)

	Fixtures & Fittings	Motor Vehicles £	Computer Equipment £	Totals £
COST				
At January 2022	235,255	9,775	20,082	4,979,760
Additions	2,340	-	5,121	7,461
Disposals	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>237,595</u>	<u>9,775</u>	<u>25,203</u>	<u>4,987,221</u>
DEPRECIATION				
At 1 January 2022	193,322	6,691	11,427	2,283,609
Charge for year	9,788	771	5,746	113,567
Eliminated on disposal	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2022	<u>203,110</u>	<u>7,462</u>	<u>17,173</u>	<u>2,397,176</u>
NET BOOK VALUE				
At 31 December 2022	<u>34,485</u>	<u>2,313</u>	<u>8,030</u>	<u>2,590,045</u>
At 31 December 2021	<u>41,933</u>	<u>3,084</u>	<u>8,655</u>	<u>2,696,151</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

8. FIXED ASSET INVESTMENT PROPERTIES

Harmoni has two fixed asset property investments and a small ground rental portfolio.

The investment properties at Donegall Pass were revalued at fair open market value as of 8 March 2023 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2022.

The investment properties at Derryvolgie Mews were revalued at fair open market value as of 8 March 2023 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2022.

The directors are of the view that no significant change to fair open market value has arisen with the ground rents in 2021 (or 2020). The movement is summarised as follows: -

	8 Apartments (Derryvolgie Mews) £	Other Investment Property £	Ground Rents £	2022 Total £	2021 Total £
Value at start of the year	1,470,000	175,000	4,504	1,649,504	1,624,504
Increase in value during the year	<u>30,000</u>	<u>20,000</u>	<u>-</u>	<u>50,000</u>	<u>25,000</u>
Value at the end of the year	<u>1,500,000</u>	<u>195,000</u>	<u>4,504</u>	<u>1,699,504</u>	<u>1,649,504</u>

As part of its title to Derryvolgie Mews Harmoni holds the only issued voting 'B' share in an apartment management company, Derryvolgie Mews Management Company Limited, incorporated in Northern Ireland to act as a property management company for Harmoni's investment property "Derryvolgie Mews".

4 non-voting 'A' shares in the company have been issued to the owners of the other 4 apartments which were previously sold by Harmoni.

9. FINANCIAL INSTRUMENTS

The fair valued carrying amounts of the charity's financial instruments, being debtors, current asset investments, creditors and bank loans, are given in notes 11, 12, 13, 14 and 15.

The only income from the charity's financial instruments is the bank deposit interest receivable and current asset investment income, as disclosed under investment income in note 2.

The only expense associated with the charity's financial instruments is the Stricklands Bay property bank loan interest, as disclosed in note 3.

10. STOCK

	31.12.2022 £	31.12.2021 £
Kitchen stock at Men's Hostel	<u>1,421</u>	<u>959</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2022	31.12.2021
	£	£
Trade Debtors	205,894	158,460
Prepayments and accrued income	19,222	18,298
	<u>225,116</u>	<u>176,758</u>

12. CURRENT ASSET FINANCIAL INVESTMENTS

	31.12.2022	31.12.2021
	£	£
At start of year	2,500,803	2,197,472
Additions	120,865	3,087,805
Disposals	(146,575)	(2,973,805)
Surplus/(deficit) on disposals – realised	(31,994)	286,651
Unrealised (deficit)/surplus	(208,131)	(97,320)
At end of year fair market valuation	<u>2,234,968</u>	<u>2,500,803</u>
Current assets investments comprise:		
Listed investments	2,111,838	2,360,577
Other investments	123,130	140,226
	<u>2,234,968</u>	<u>2,500,803</u>
Historical cost of current asset investments	<u>2,234,968</u>	<u>2,500,803</u>

The fair value of listed investments is determined by reference to their market value as at the balance sheet date as provided by the Investment Managers Evelyn Partners.

The fair value of the other Investments is measured at a fair value on acquisition less impairment.

The investment management fees in respect of the financial investments for 2022 were £13,991 (2021: £15,743).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2022	31.12.2021
	£	£
Bank loans (see note 15)	103,917	101,131
Trade creditors	72,579	65,368
Social security and other taxes	31,849	30,913
Accrued expenses	145,349	143,057
	<u>353,694</u>	<u>340,469</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.2022	31.12.2021
Bank Loans (see note 15)	£ <u>559,857</u>	£ <u>663,775</u>

The bank loans are secured by a legal mortgage over Harmoni's investment property known as "Derryvolgie Mews".

15. LOANS

An analysis of the maturity of loans is given below:

	31.12.2022	31.12.2021
Amounts falling due within one year or on demand:	£	£
Bank loans	<u>103,917</u>	<u>101,131</u>
	<u>103,917</u>	<u>101,131</u>
Amounts falling due between one and two years: Bank loans: 1-2 years	<u>106,715</u>	<u>103,917</u>
Amounts falling due between two and five years: Bank loans: 2-5 years	<u>338,504</u>	<u>329,254</u>
Amounts falling due in more than five years: Bank loans repayable in more than 5 years by instalments	<u>114,638</u>	<u>230,604</u>

Interest is payable on the original bank loan at 2.15% for 10 years. Interest is payable on a second bank loan at 4% for 10 years.

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.2022	31.12.2021
Bank Loans	£ <u>663,774</u>	£ <u>764,906</u>
	<u>663,774</u>	<u>764,906</u>

The bank borrowings are secured by a legal mortgage over Harmoni's investment property known as "Derryvolgie Mews" and the development at Getgood House.

17. PENSION COMMITMENTS

The company used to operate a defined benefit pension scheme which has now been wound up. The pension obligations under the old scheme are met by purchased annuities. In addition, unfunded payments are made to certain former employees.

The company now operates a defined contribution scheme for certain current employees. The total pension costs for the year were £55,745 (2021: £52,525), comprising pension scheme costs of £54,404 (2021: £51,398) and unfunded pension payments of £1,341 (2021: £1,127).

18. TRANSACTIONS WITH DIRECTORS

No director emoluments were paid during the year (2021 - £Nil)

There were no transactions during the year in which any director or related party had an interest requiring disclosure.

19. LEGAL STATUS OF HARMONI

HARMONI 2019 is a company limited by guarantee, not having a share capital.

Harmoni has tax-exempt status with HMRC as a charity and has also been registered as a charity by the Charity Commission for Northern Ireland.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £	Long Term Liabilities £	Total 2022 £	Total 2020 £
Unrestricted Funds:						
General	2,553,648	1,699,504	2,882,372	(559,857)	6,575,667	6,646,995
Restricted Funds:						
NIHE Supporting People - Men's Hostel & Stricklands Care Village	-	-	34,709	-	34,709	34,709
Stricklands Bay – Bangor Benevolent Society	-	-	4,437	-	4,437	8,161
Men's Hostel – NIHE Refurb. Grant 2015	7,728	-	23,181	-	30,909	34,862
National Lottery Community Fund	53	-	51,067	-	51,120	65,961
Men's Hostel – Awards for All Grant	830	-	456	-	1,286	1,345
Men's Hostel – NIHE Refurb. Grant 2018	3,518	-	(1,576)	-	1,942	3,183
Ulster Garden Villages	18,685	-	-	-	18,685	19,090
Stricklands Bay - Awards for All Grant	-	-	5,595	-	5,595	5,719
Dormant Accounts Fund NI	-	-	7,288	-	7,288	10,803
R.U.T.H	1,911	-	-	-	1,911	2,499
Belfast City Council – Equipment	3,672	-	(341)	-	3,331	1,752
At the end of year	2,590,045	1,699,504	3,007,188	(559,857)	6,736,880	6,835,079

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

21. MOVEMENTS IN RESTRICTED FUNDS

	At 31 st December 2021	Net Movements in Funds	Transfer from Unrestricted Funds	At 31 st December 2022
	£	£	£	£
NIHE Supporting People – Men’s Hostel & Stricklands Care Village	34,709	(102,242)	102,242	34,709
Stricklands Bay – Bangor Benevolent Society	8,161	(3,724)	-	4,437
Men’s Hostel – NIHE Refurb. Grant 2015	34,862	(3,953)	-	30,909
Dormant Accounts NI Fund	10,803	(3,515)	-	7,288
Men’s Hostel – Awards for All Grant	1,345	(124)	-	1,221
Men’s Hostel – NIHE Refurb Grant 2018	3,183	(630)	-	2,553
National Lottery Community Fund	65,961	(14,841)	-	51,120
Ulster Garden Villages	19,090	(405)	-	18,685
Stricklands Bay – Awards for All Grant	5,719	(125)	-	5,594
R.U.T.H	2,499	(588)	-	1,911
B.C.C – Equipment	1,752	1,580	-	3,332
At the end of year	<u>188,084</u>	<u>(128,567)</u>	<u>102,242</u>	<u>161,759</u>

22. MOVEMENTS IN UNRESTRICTED FUNDS

	General Fund	Revaluation Reserves	Total Unrestricted Funds 2022	Total Unrestricted Funds 2021
	£	£	£	£
At 1 st January 2022	4,685,633	1,961,362	6,646,995	6,202,335
Net Income on Operational Activities	220,493	-	220,493	338,133
Transfer to restricted funds	(102,242)	-	(102,242)	(107,804)
Investment revaluation (Losses)/Gains	-	(190,125)	(190,125)	214,331
At 31 st December 2022	<u>4,803,884</u>	<u>1,771,237</u>	<u>6,575,121</u>	<u>6,646,995</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

23. ANALYSIS OF REVALUATION RESERVES

	Fixed Asset Investments	Current Asset Investments	Total Investments	Total
	£	£	£	£
At 1 st January 2022	1,126,218	835,144	1,961,362	1,961,362
Net gain/(loss)	50,000	(240,125)	(190,125)	(190,125)
At 31 st December 2022	<u>1,176,218</u>	<u>595,019</u>	<u>1,771,237</u>	<u>1,771,237</u>

24. OPERATING LEASE COMMITMENTS

	2022	2021
	£	£
Total future minimum lease payments under non-cancellable operating leases for office equipment are as follows:		
Not later than one year	4,697	4,697
Later than one year and not later than five years	3,416	7,808
Greater than five years	305	610
	<u>8,418</u>	<u>13,115</u>

25. RECONCILIATION OF MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net movement in funds – Net income from operational activities, as per Statement of Financial Activities	91,926	283,247
Add back:		
Depreciation charge	113,567	111,617
Loss/(Profit) on sale of tangible fixed assets	-	49
Bank property finance loan interest payable	20,433	23,190
Deduct:		
Investment income shown in investing activities	(65,516)	(42,008)
Legacies and subscriptions shown in financing	(3,566)	(17,516)
Cash receipts from rentals from investment properties	(74,495)	(73,286)
Bank deposit interest	-	-
(Increase)/Decrease in stock	(462)	369
(Increase)/Decrease in debtors	(48,358)	31,333
Increase in creditors, excluding bank borrowings	<u>10,439</u>	<u>19,585</u>
Net cash generated in operating activities, as per Statement of Cashflows	<u>43,968</u>	<u>336,580</u>