

THE HARMONY COMMUNITY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(Including INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2023**

		Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Restated Total Funds 2022
	Note	£	£	£	£
INCOME FROM					
Income from generated funds					
<i>Voluntary income</i>					
Donations and grants	2	37,830	18,323	56,153	41,958
<i>Activities for generating funds</i>					
Fundraising		673	-	673	718
		<u>38,503</u>	<u>18,323</u>	<u>56,826</u>	<u>42,676</u>
Income from charitable activities					
Core Grants	3	-	23,621	23,621	53,494
Programme activities		6,795	128,741	135,536	116,756
		<u>6,795</u>	<u>152,362</u>	<u>159,157</u>	<u>170,250</u>
Total income		<u>45,298</u>	<u>170,685</u>	<u>215,983</u>	<u>212,926</u>
EXPENDITURE ON					
Cost of generating funds					
<i>Costs of generating voluntary income</i>					
	4	3,424	-	3,424	2,647
Charitable activities	4	99,581	164,862	264,443	198,175
Governance costs		4,600	-	4,600	4,600
Total expenditure		<u>107,605</u>	<u>164,862</u>	<u>272,467</u>	<u>205,422</u>
NET (EXPENSE)/INCOME FOR THE YEAR		<u>(62,307)</u>	<u>5,823</u>	<u>(56,484)</u>	<u>7,504</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		383,125	34,300	417,425	409,921
TOTAL FUNDS CARRIED FORWARD		<u>320,818</u>	<u>40,123</u>	<u>360,941</u>	<u>417,425</u>

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

THE HARMONY COMMUNITY TRUST
BALANCE SHEET
Year Ended 31 March 2023

	Note	2023 £	Restated 2022 £
FIXED ASSETS			
Tangible assets	9	619,635	615,514
CURRENT ASSETS			
Debtors	10	36,570	59,154
Cash at bank and in hand		215	19,922
		<u>36,785</u>	<u>79,076</u>
CREDITORS: amounts falling due within one year	11	(55,341)	(37,026)
NET CURRENT ASSETS/ (LIABILITIES)		<u>(18,556)</u>	<u>42,050</u>
NET ASSETS			
	13	<u>601,080</u>	<u>657,564</u>
RESTRICTED FUNDS			
	14	40,123	34,300
UNRESTRICTED FUNDS			
Revaluation reserve	14	240,139	240,139
General funds	14	320,818	383,125
TOTAL FUNDS		<u>601,080</u>	<u>657,564</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the Council and authorised for release on **25** March 2024

Signed on behalf of the Council



Seamus Campbellson - Chairman

Company registration number: NI010639

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS
Year Ended 31 March 2023

1.1 GOING CONCERN

The Trust has recorded Net Outgoing Resources of £56,484 after depreciation of £2,908 during the year ended 31 March 2023 and has Net Current Liabilities of £18,556 with net assets of £601,080 as at 31 March 2023.

Post year end cuts to the NI Executive's budget for supporting the work of the voluntary and community sector (as part of wider cuts to the NI budget) have resulted in the loss of over £100k funding for 2024, causing a strain on cash flow. As a result the decision was taken to make all staff posts at Glebe House redundant at end September.

The Trustees believed that due to the above circumstances there was a material uncertainty which may cast doubt on the Trust's ability to continue as a going concern and therefore it might not be possible to realise its assets and liabilities in the normal course of business.

To address these concerns and ensure the sustainability of the organisation the Trust is working to a recovery plan focused initially on securing the funding, from the statutory and quasi-statutory bodies who have consistently funded HCT in previous years. With the restoration of the NI Executive and of the full NI budget the Trust is bidding into a less austere fiscal environment than that which obtained in 2023/24. The plan aims to restore programmes and recruit incrementally the necessary staff. The plan also includes the promotion of Glebe House as a residential and activity venue to external organisations to generate income, and the establishment of a social enterprise. In the meantime, the Trust continues to operate delivering programmes run by volunteers and outgoings are reduced to a minimum while some of the Trust's assets are realised. We have completed the sale of a piece of our land which is unused for £90,000, the receipt of which has cleared our overdraft. The Trust is considering further sales of unused assets with the intention when these are complete to retain a site of approximately 8.5 acres including the residential centre, offices, meeting rooms and a conference facility and with cash reserves to support a robust cash position. The current programmes are being provided supported by volunteers and only to the extent that funding is available or that each programme is self-financing. As funding comes on stream again the Trust is now in a position to make applications to enable operations to be resumed to rebuild our activities only within the available resource, and to date we have submitted applications totalling £140,000 and are preparing further applications which the Trust has set out in a targeted fundraising schedule. The directors are confident that the Trust's operations will continue to be managed to enable it to operate for the foreseeable future within the resources available to it.

Accordingly the directors are of the firm view that it is appropriate to prepare these financial statements on the going concern basis, which assumes that the company will continue in operational existence for at least 12 months from the date of signing the financial statements.

1.2 ACCOUNTING POLICIES

The principal accounting policies adopted are described below.

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 1st January 2016) – (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 trustees in furtherance of the general objectives of the charity. Restricted funds are subjected to restrictions on their expenditure imposed by the donor or terms of an appeal.

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS
Year Ended 31 March 2023

1.2 ACCOUNTING POLICIES (continued)

Incoming resources

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 in particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. 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.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of service by volunteers has not been included in these accounts.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT reported as part of expenditure to which it relates. Cost of generating funds comprises the costs associated with attracting voluntary income. 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 associated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs 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 e.g. floor areas, per capita or estimated usage as set out in note 4.

Tangible fixed assets

- a) Tangible fixed assets are started at cost or valuation, net of depreciation and any provision for impairment.
- b) Depreciation is provided on all fixed assets, calculated to write off cost or valuation, less estimated residual value, within their useful lives. The methods adopted and the rates used are:-

Buildings on freehold land	2% straight line
Motor vehicles	25% on reducing balance
Fixtures, fittings and equipment	10% straight line

Revaluation of properties

There were a change in accounting policy in the year to to record land and buildings at fair value rather than cost as was previously done. A prior year adjustment has been posted to the financial statements as explained in the note to the accounts as is required when there is a a change in an entity's accounting policies. Freehold properties are revalued every year with the surplus or deficit on book vale transferred to the revaluation reserve, except that a deficit in excess of a previously recognised surplus over depreciated cost is charged to the income and expenditure account.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the income and expenditure account as a movement on reserves. On disposal any related balance remaining in the reserve is similarly transferred to income and expenditure account.

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.

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
Year Ended 31 March 2023

1.2 ACCOUNTING POLICIES (continued)

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

The company 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.

Pensions

Retirement benefits to employees of the Trust are provided by a defined contribution pension scheme, whereby the assets of the scheme are held separately from those of the Trust in an independently administered fund. The Trust contributions are accounted for by charging costs against income as payments accrue.

Judgements and key sources of estimation uncertainty

The following judgements including 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.

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
Year Ended 31 March 2023

2. DONATIONS

Unrestricted general donations, grants and Open Day Donations of £100 or over were received during the year from:-

	£		£
V Adams	100	Paul Thompson	720
Dr M Boyle	100	M Fitzpatrick	100
J Pulham	194	K Cluney	200
K McKinty	120	The Rotary Club of Belfast	1,000
Lions	500	Power NI	1,600
B&Q	5,000	Belfast Harbour	2,000
ANF Community Foundation	5,000	VSB Foundation	8,000

Restricted donations have been received in respect of programme activity from:-

	£		£
Executive Office – Good Relations	90,000	Co-op Alternatives	2,500
DoH Family Policy Directorate	23,621	Clear project	7,775
Community Foundation	13,064	Department of Infrastructure	7,293
Newry & Mourne District Council	4,658	Public Health Agency (Clear)	7,944
Arts Council NI	3,871	Bryson House	2,100

In the financial statements these amounts are adjusted for opening and closing accrued & deferred income.

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
Year Ended 31 March 2023

3. INCOME FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTS include

	Unrestricted	Restricted	2023 Total	Restated 2022 Total
	£	£	£	£
Grants and contracts:				
Department of Health FPD	-	23,621	23,621	23,621
Communities Fund	-	-	-	29,873
	<u>-</u>	<u>23,621</u>	<u>23,621</u>	<u>53,494</u>
Programme related:				
The Executive Office – Central Good Relations	-	90,000	90,000	90,000
Executive Office TBUC	-	-	-	8,000
Department of Foreign Affairs (ROI)	-	11,219	11,219	-
PHA CLEAR	-	7,775	7,775	7,644
Arts Council NI Arts for Older People Project	-	4,301	4,301	-
Newry, Mourne & Down District Council	-	6,458	6,458	10,612
Community Foundation	-	3,988	3,988	-
ANF Community Foundation	-	5,000	5,000	-
Community Relations Council	-	-	-	500
Bryson House – Ukraine	2,100	-	2,100	-
Various	4,695	-	4,695	-
	<u>6,795</u>	<u>128,741</u>	<u>135,536</u>	<u>116,756</u>

4. TOTAL EXPENDITURE

	Basis	Unrestricted Voluntary Income	Unrestricted Charitable	Restricted Activities	Unrestricted Governance	2023 Total	Restated 2022 Total
		£	£	£	£	£	£
Costs directly allocate to activities:							
Staff & related costs	Direct	-	52,165	117,688	-	169,853	126,896
Programme costs	Direct	-	(669)	35,844	-	35,175	30,733
Establishment costs	Direct	-	22,090	5,809	-	27,899	10,099
Insurance	Direct	-	8,900	3,600	-	12,500	12,775
Depreciation	Direct	-	2,208	700	-	2,908	5,010
Audit fees	Direct	-	-	-	3,600	3,600	3,600
Fundraising	Direct	624	-	-	-	624	159
Support costs allocated to activities:							
Staff & related costs	Time	2,000	7,000	-	1,000	10,000	10,000
Finance	Usage	-	154	-	-	154	75
Administration costs	Usage	800	7,733	1,221	-	9,754	8,225
		<u>3,424</u>	<u>99,581</u>	<u>164,862</u>	<u>4,600</u>	<u>272,467</u>	<u>205,422</u>

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
Year Ended 31 March 2023

5. NET INCOMING RESOURCES FOR THE YEAR

	2023 £	Restated 2022 £
This is stated after charging:		
Depreciation	2,908	4,833
Auditor's remuneration, inc vat - current year	3,600	3,600
	<u> </u>	<u> </u>

6. STAFF COSTS AND COUNCIL

	2023 No	2022 No
Average number of persons employed		
The average number of people employed by the Trust (excluding temporary staff) was:	7	7
	<u> </u>	<u> </u>

	2023 £	Restated 2022 £
Staff costs during the year		
Wages and salaries	154,568	118,656
Social security costs	8,866	5,241
Pension costs	7,958	4,175
	<u>171,392</u>	<u>128,072</u>

	2023 £	2022 £
Remuneration received by key management personnel was as follows:	48,321	36,761
	<u> </u>	<u> </u>

No employees receive emoluments in excess of £60,000. Council members do not receive any remuneration for their services, nor are they interested in any transactions of the Trust. There were no transactions with related parties during the year requiring disclosure.

7. INTEREST PAYABLE

	2023 £	Restated 2022 £
Bank loans and overdrafts	154	75
	<u> </u>	<u> </u>

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
Year Ended 31 March 2023

8. TAXATION

The company has tax-exempt status with HM Revenue & Customs as a charity registered by the Charity Commission for Northern Ireland.

9. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Motor Vehicles	Fittings, Tools & Equipment £	Total £
£				
Cost or valuation				
Restated				
At 1 April 2022	600,000	9,000	155,776	764,776
Additions	-	-	7,030	7,030
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	600,000	9,000	162,806	771,806
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation				
Restated				
At 1 April 2022	-	2,250	147,012	149,262
Charge in year	-	1,688	1,220	2,908
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	3,938	148,232	152,170
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2023	600,000	5,062	14,574	619,636
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2022 (Restated)	600,000	6,750	8,763	615,513
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Freehold property was professionally valued during the year on an open market value basis at £600,000 by Alexander, Reid & Frazer, Chartered Surveyors.

The property at Glebe House, Kilclief, Co Down is subject to a registered all monies mortgage held by the Trust's bankers.

10. DEBTORS

	2023	Restated
	£	2022
		£
(all due within one year)		
Trade debtors	400	210
Other debtors	29,552	54,724
Prepayments and accrued income	6,618	4,220
	<hr/>	<hr/>
	36,570	59,154
	<hr/> <hr/>	<hr/> <hr/>

THE HARMONY COMMUNITY TRUST
NOTES TO THE ACCOUNTS (CONTINUED)
Year Ended 31 March 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	Restated 2022
	£	£
Bank overdraft (secured upon the Kilclief property - note 9)	18,066	-
Trade creditors	14,155	1,238
Taxes and social security	3,331	3,080
Accruals and deferred income	19,789	32,708
	<u>55,341</u>	<u>37,026</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS - Restated

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	579,513	40,123	619,636
Current assets	36,785	-	36,785
Creditors & accruals	<u>(55,341)</u>	-	<u>(55,341)</u>
Net assets	<u>560,957</u>	<u>40,123</u>	<u>601,080</u>

13. MOVEMENTS IN FUNDS

	At 1 April 2022 Restated 1	Incoming resources	Outgoing resources	At 31 March 2023
	£	£	£	£
Restricted funds	34,300	170,685	(164,862)	40,123
Unrestricted funds				
Revaluation reserve	240,139	-	-	240,139
General funds	383,125	45,298	(107,605)	320,818
	<u>657,564</u>	<u>215,983</u>	<u>(272,467)</u>	<u>601,080</u>

14. LEGAL STATUS & GUARANTEE

The Harmony Community Trust is a company limited by guarantee, not having a share capital. Every member of the Trust undertakes to contribute to the assets of the Trust in the event of the same being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Trust contracted before he ceased to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of its contributories amongst themselves, such amount as may be required not exceeding one pound.

15. PRIOR YEAR ADJUSTMENT – change in accounting policy

During the current year the Trustees changed the accounting policy for accounting for land and buildings from cost model to revaluation model. They believe the change results in the financial statements providing reliable and more relevant information about the entity's financial position. The effect of this was to increase the assets balance at 1 April 2022 by £240,139 which has been included in the revaluation reserve. There was no depreciation charge required on the asset in the prior year therefore the surplus increased by £12,719 in the Statement of Financial Activities for the year ended 31 March 2022 with the same impact on the Balance Sheet.