

COMPANY REGISTRATION NUMBER: NI614721
CHARITY REGISTRATION NUMBER: NIC104734

**North West Methodist Mission
Company Limited by Guarantee
Financial Statements
31 December 2022**

DONALDSON & THOMPSON
Chartered Accountants & statutory auditor
3 Limavady Road
Londonderry
BT47 6JU

North West Methodist Mission
Company Limited by Guarantee
Financial Statements
Year ended 31 December 2022

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North West Methodist Mission
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 December 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name	North West Methodist Mission
Charity registration number	NIC104734
Company registration number	NI614721
Principal office and registered office	36 Clooney Terrace Londonderry BT47 6AR

The trustees

Mrs J Doherty
Mr J Gibson
Ms M Hamilton
Ms T R Hegarty
Mr M Johnston
Dr W P Leeson
Mr J G Lusby
Miss J McCandless
Rev Dr S F Skuce
Mrs H Wray
Miss J Given (Resigned 31 December 2022)
Mrs M Young (Resigned 31 December 2022)

Mission Director Liam Milligan

Auditor Donaldson & Thompson
Chartered Accountants & statutory auditor
3 Limavady Road
Londonderry
BT47 6JU

Bankers Ulster Bank Ltd
29 Clooney Terrace
Waterside
Londonderry
BT47 6AS

Solicitors Babingtons Solicitors
9 Limavady Road
Londonderry
BT47 6JU

North West Methodist Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Structure, governance and management

North West Methodist Mission is part of the Methodist Church in Ireland and is a charitable company limited by guarantee, incorporated on 1st October 2012, accepted as a charity by HM Revenue & Customs under reference XT39218 and registered with the Charity Commission for Northern Ireland on 8th February 2017 under charity number NIC104734. The company was established under a Memorandum of Association which states the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

North West Methodist Mission is a provider of Supporting People services, as accredited by the Northern Ireland Housing Executive.

Governance

During the year the Mission Board met quarterly. The Board membership as a whole was approved by the Methodist Conference in Ireland. The Board continues to monitor its membership. A skills audit of the Board membership has taken place and is reviewed on a regular basis. A Register of Interests for Board Members has also been compiled. Declaration of interests is a standing item on all of the agendas for Board meetings. The Board has devised a Conflicts of Interests Policy as well as financial policies and procedures.

The Board provides training on various issues including recruitment and selection, appraisal, etc. Board members must always act in the best interests of NWMM and as such are covered by qualifying for third party indemnity provision, which has been in place throughout the past year and will remain in place.

Policies are reviewed and updated on a circulatory basis and also in response to legislative changes, while new policies and procedures are devised as required. In line with new requirements the Board will review its Safeguarding of Vulnerable Adults and Children Policy on an annual basis. The Board has devolved some of its powers to the Executive Board, which meets when necessary.

North West Methodist Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Structure, governance and management *(continued)*

Primary Purposes

Mission

The purpose of NWMM is to demonstrate faith in action by responding effectively to the needs of people in the North West and enable them to achieve their potential

Vision

The vision of NWMM is of a society enriched by a commitment to promote social justice in all aspects of life

Values

Social justice

A commitment to the principles of equality, solidarity and human rights that recognises the dignity of every human being

Empowerment

Supporting the development of individuals and communities to take more responsibility for, and control of, their own lives

Compassion

Living our faith in action through selfless concern for others

Inclusion & Diversity

A commitment to a welcoming hospitality that treats everyone with dignity and respect, celebrates diversity, and enables the marginalized to feel they belong

Responsiveness

Respond effectively to the changing needs and aspirations of the local community

Integrity

Being open and transparent in all our activities - doing what we say and saying what we mean

Risk management

During 2022 the Mission Board and Senior Management considered the major risks that the charity faces through its strategic planning process. This enables compliance with relevant regulations and legislation. The Mission Board has devised a Risk Register, and this is reviewed at each of our meetings. A Fixed Assets list has been completed.

In respect of financial risk, the Board receives regular financial reports with systems and controls in place to mitigate significant financial risks. Finance policies are reviewed and updated. During these uncertain economic conditions, we continue to review our business risks. The current external environment continues to have a significant impact post pandemic.

We continue to maintain positive relations with our clients, funders and stakeholders.

North West Methodist Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Objectives and activities

Primary Objectives

North West Methodist Mission has within its Strategic Plan 2020 - 2025 eight core objectives:

Homelessness

To respond effectively to homelessness in the North-West.

Community

To respond effectively to the needs of the local community in the North-West. Collaboration
To ensure that NWMM collaborates effectively with other churches and organisations in achieving its mission.

Communications

To ensure effective communication with NWMM internal and external stakeholders

Finance

To ensure that NWMM has the financial resources it requires to achieve its plans and these resources are effectively and efficiently managed.

Human Resources

To ensure that NWMM has the staff and volunteers that it needs to achieve its plans and these volunteers and staff are effectively utilized, valued, supported and managed.

Premises and Physical Resources

To ensure that NWMM has the premises and other physical resources it requires to achieve its aims and priorities efficiently and effectively and these resources are well managed and maintained.

Governance

To ensure that the governance and structure of NWMM are fit for purpose and comply with the requirements of the law and best practice.

Public Benefit

The Trustees have considered relevant charity legislation, which sets out the requirements for charities to demonstrate their aims and activities are for public benefit. The Trustees confirm that they have had regard to the Charity Commission for Northern Ireland guidance on public benefit.

Homeless

The direct benefit flowing from our purposes include reduced numbers of men experiencing homelessness. The support of clients in our service to overcome the causes that lead to them becoming homeless in the first place, enabling them to integrate back into the community and sustain tenancies. This reduces the pressure on other statutory services as a result of harm reduction interventions whilst in our service. The wider community benefits due to a reduction in rough sleeping and anti social behaviour. Society benefits as clients acquire skills and become able to live independently and seek training and/or employment.

North West Methodist Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Objectives and activities *(continued)*

The Mission has been fortunate that there have been no major Covid outbreaks impacting service delivery however, there have been some instances of recorded positive cases. These resulted in periods of occupancy voids due to isolation requirements however Supporting People have provided funding support in respect of lost income. Supporting People Covid claims have also covered additional costs incurred and total around £342. There has been no major impact on income or expenditure as a result of Covid. On this basis, the Trustees are satisfied that there are adequate resources available to continue operating for the foreseeable future.

As we progressed through the year there was a significant easing of restriction and by the end of 2022, most restrictions have been lifted. We have continued to support blended working over the period for relevant staff.

Bookings at our Clooney Centre remain slow to return to pre pandemic levels and this is being kept under review.

On this basis, the Trustees are satisfied that there are adequate resources available to continue operating for the foreseeable future.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

Our homeless services continue to be delivered to high standards with the emphasis on person centred support.

Clarendon Shelter has been successfully integrated into the Missions structure and ethos whilst retaining its unique identity and caring approach to helping women and children experiencing homelessness.

Considerable preparation had been completed ahead of merger to ensure the harmonisation of systems and approaches and this has resulted in a relatively seamless transition for both Clarendon and the Mission benefiting both service users and staff alike.

The delivery of services is against a backdrop of increasing demand and challenging economic and financial circumstances, driven in large part by the cost-of-living crisis.

This has resulted in challenges to control costs and maximise revenue. As well as the expected cost increases, such as utilities, we have seen a sharp rise in bad debts from non-payment of services charges and rent. Given the vulnerable nature of the clients we serve it is unlikely this situation will improve and this issue is being highlighted with our funders and key stakeholders.

The Mission held an Awareness Event in December to reflect on the work over the year and provide greater awareness on homelessness issues to religious, civic, business and community leaders in the city which was very well attended.

North West Methodist Mission

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Achievements and performance *(continued)*

Men's Hostel Key Performance Indicators

Referrals	900
Admissions	85
Move On	98
Utilisation	154.8%
Occupancy	90.74%

Clarendon Shelter Key Performance Indicators

Referrals	139
Admissions	44
Move On	42
Utilisation	151.4%
Occupancy	94.55%

Financial review

Review of activities 2022

The Statement of Financial Activities for the year ended 31 December 2022 is set out on page 13 of the Financial Statements. The company returned a deficit for the year of £71,758 after other recognised gains and losses. Income generated from the company's activities was £1,646,113 (2021 - £1,704,714) of which 63% was grants from the NI Housing Executive and the Western Health Social Care Trust. Supporting People provided additional funding support during the year via the Covid 19 emergency Funding in respect of lost income and additional costs incurred to maintain staff and resident safety - claims for the year totalled £342. Support services are regulated and funded by the Supporting People policy and funding framework, which is administered by the Northern Ireland Housing Executive. The Mission Board share collective responsibility and are committed to good stewardship of funds received, a high standard of service provision and a prudent reserves policy. The aims and objectives for 2022 included continuing enhancement of quality services, including staff restructuring, greater participation of residents, the strengthening of resettlement services, actively supporting residents to "move-on" and to sustain more independent tenancies and the development of management information reporting systems. The Mission Board is pleased to report that significant progress has been made to meet the aims and objectives during 2022. A budget income and expenditure account including the above objectives is prepared at the start of each financial year and the 2022 objectives were largely met despite the threat from Covid-19.

The NWMM Board considers it prudent to hold funds in reserve in case unforeseen circumstances should lead to financial difficulties, which might put the future of its employment capacity, residents' wellbeing, general mission work and property in jeopardy. Reserves may be defined as restricted or unrestricted. Restricted reserves relate to surpluses accumulated as a result of a binding restriction by the donor over the use of the income donated. Unrestricted reserves relate to surpluses accumulated from all other sources of income and will be applied to general purposes within the company at the discretion of the Board. Designated reserves refer to that portion of unrestricted reserves which the Board has allocated for a specific purpose.

The Board considers 100% of annual operating costs to be adequate reserves. Accumulated reserves as at 31 December 2022 were £1,520,919 (2021- £1,592,677) of which £771,242 (2020 - £687,064) were designated funds and £69,356 (2021 - £60,196) were restricted funds.

North West Methodist Mission

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

Plans for future periods

- Continue to provide high quality temporary accommodation and support to homeless men including harm reduction support through our Men's Hostel.
- Continue to provide refuge and temporary accommodation to women fleeing domestic abuse, homeless single women and children via our Clarendon Shelter services.
- Continue to work in partnership and build sustainability.
- Explore and research longer-term accommodation solutions for our service users.
- Re-establish other services such as the Drop-in Centre, Parent & Toddler Group, Luncheon Club when it is safe to do so.
- Further develop Clooney Centre as a community resource
- Further develop and communicate the work of the Five Missions Forum
- Continue to develop and deliver our homelessness education and awareness programme to schools and community organisations within the region
- Continue to invest in the skills and development of our Trustees, staff and volunteers through appropriate training and development opportunities both on and off the job
- Continue to ensure quality standards are understood and met across the organisation
- Ensure our core values and clients are at the centre of all we do

At the time of writing this report we recognise the continued cost of living challenges, the impact of the absence of Stormont and the possibility of funding cuts given the recent budget announcement. This will have an impact on our ability to deliver on future plans and the management of risk in the coming year.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

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

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2022

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 18 May 2023 and signed on behalf of the board of trustees by:



Mrs J Doherty
Trustee

North West Methodist Mission

Company Limited by Guarantee

Independent Auditor's Report to the Members of North West Methodist Mission

Year ended 31 December 2022

Opinion

We have audited the financial statements of North West Methodist Mission (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity'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;
- 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 charity 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 the provisions available for small entities, in the circumstances set out in note 28 to the financial statements, 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 charity'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.

North West Methodist Mission

Company Limited by Guarantee

Independent Auditor's Report to the Members of North West Methodist Mission (continued)

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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

We have nothing to report 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

North West Methodist Mission

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Independent Auditor's Report to the Members of North West Methodist Mission (continued)

Year ended 31 December 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

North West Methodist Mission

Company Limited by Guarantee

Independent Auditor's Report to the Members of North West Methodist Mission (continued)

Year ended 31 December 2022

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and 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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alistair Sterritt (Senior Statutory Auditor)

For and on behalf of
Donaldson & Thompson
Chartered Accountants & statutory auditor

3 Limavady Road
Londonderry
BT47 6JU

18 May 2023

North West Methodist Mission
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)

Year ended 31 December 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	70,329	1,696	72,025	65,733
Charitable activities	6	657,170	904,350	1,561,520	1,283,031
Other trading activities	7	6,338	–	6,338	11,257
Investment income	8	6,230	–	6,230	2,219
Other income	9	–	–	–	342,474
Total income		<u>740,067</u>	<u>906,046</u>	<u>1,646,113</u>	<u>1,704,714</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	10	50	–	50	–
Expenditure on charitable activities	11,12	601,094	989,916	1,591,010	1,330,758
Total expenditure		<u>601,144</u>	<u>989,916</u>	<u>1,591,060</u>	<u>1,330,758</u>
Net income		<u>138,923</u>	<u>(83,870)</u>	<u>55,053</u>	<u>373,956</u>
Transfers between funds		(93,030)	93,030	–	–
Other recognised gains and losses					
Losses from revaluation of fixed assets		(126,811)	–	(126,811)	(24,129)
Net movement in funds		<u>(80,918)</u>	9,160	<u>(71,758)</u>	349,827
Reconciliation of funds					
Total funds brought forward		1,532,481	60,196	1,592,677	1,242,850
Total funds carried forward		<u>1,451,563</u>	<u>69,356</u>	<u>1,520,919</u>	<u>1,592,677</u>

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

The notes on pages 16 to 28 form part of these financial statements.

North West Methodist Mission
Company Limited by Guarantee
Statement of Financial Position

31 December 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	17		14,945	11,212
Current assets				
Debtors	18	57,352		53,584
Investments	19	656,998		703,809
Cash at bank and in hand		956,090		992,888
		<u>1,670,440</u>		<u>1,750,281</u>
Creditors: amounts falling due within one year	21	<u>164,466</u>		<u>168,816</u>
Net current assets			<u>1,505,974</u>	<u>1,581,465</u>
Total assets less current liabilities			<u>1,520,919</u>	<u>1,592,677</u>
Net assets			<u>1,520,919</u>	<u>1,592,677</u>
Funds of the charity				
Restricted funds			69,356	60,196
Unrestricted funds:				
Revaluation reserve		-		126,602
Other unrestricted income funds		1,451,563		1,405,879
Total unrestricted funds		<u>1,451,563</u>		<u>1,532,481</u>
Total charity funds	23		<u>1,520,919</u>	<u>1,592,677</u>

These financial statements were approved by the board of trustees and authorised for issue on 18 May 2023, and are signed on behalf of the board by:



Mrs J Doherty
Trustee



Rev Dr S F Skuce
Trustee

The notes on pages 16 to 28 form part of these financial statements.

North West Methodist Mission
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income		55,053	373,956
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		6,761	10,181
Dividends, interest and rents from investments		(6,230)	(2,219)
Accrued income		(69,986)	(4,405)
<i>Changes in:</i>			
Trade and other debtors		15,661	2,756
Trade and other creditors		45,777	26,423
Cash generated from operations		<u>47,036</u>	<u>406,692</u>
Net cash from operating activities		<u>47,036</u>	<u>406,692</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		6,230	2,219
Purchase of tangible assets		(10,494)	(13,261)
Purchases of other investments		(80,000)	—
Net cash used in investing activities		<u>(84,264)</u>	<u>(11,042)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(37,228)</u>	395,650
Cash and cash equivalents at beginning of year		<u>992,782</u>	<u>597,132</u>
Cash and cash equivalents at end of year	20	<u>955,554</u>	<u>992,782</u>

The notes on pages 16 to 28 form part of these financial statements.

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is 36 Clooney Terrace, Londonderry, BT47 6AR.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	-	25% straight line
Motor Vehicles	-	33% straight line
Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

North West Methodist Mission is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Clooney church donations- restricted	–	1,696	1,696
Clooney church donations- unrestricted	50,402	–	50,402
Other donations	19,927	–	19,927
Legacies			
Clooney church legacies	–	–	–
	<u>70,329</u>	<u>1,696</u>	<u>72,025</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Clooney church donations- restricted	–	777	777
Clooney church donations- unrestricted	51,148	–	51,148
Other donations	13,708	–	13,708
Legacies			
Clooney church legacies	100	–	100
	<u>64,956</u>	<u>777</u>	<u>65,733</u>

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Grant income - Supporting People	–	884,504	884,504
Grant income - W.H.S.C.T.	84,893	–	84,893
Hostel accommodation & personal charges	488,665	–	488,665
Room hire & related income	32,092	–	32,092
Facilities rental	11,000	–	11,000
Project & activities income	40,520	19,846	60,366
	<u>657,170</u>	<u>904,350</u>	<u>1,561,520</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Grant income - Supporting People	–	838,191	838,191
Grant income - W.H.S.C.T.	80,916	–	80,916
Hostel accommodation & personal charges	310,336	–	310,336
Room hire & related income	19,945	–	19,945
Facilities rental	11,000	–	11,000
Project & activities income	8,545	14,099	22,643
	<u>430,742</u>	<u>852,290</u>	<u>1,283,031</u>

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

6. Charitable activities *(continued)*

Included within Grant income - Supporting people for the year ended 31st December 2022 are the following grants:

Provider Investment Fund	£9,629
Covid 19 Emergency Fund	£6,424

7. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising events	2,412	2,412	2,317	2,317
Provision of support services	3,926	3,926	8,940	8,940
	<u>6,338</u>	<u>6,338</u>	<u>11,257</u>	<u>11,257</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Income from listed investments	4,254	4,254	1,902	1,902
Income from cash investments	1,976	1,976	317	317
	<u>6,230</u>	<u>6,230</u>	<u>2,219</u>	<u>2,219</u>

9. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Other exceptional income	<u>—</u>	<u>—</u>	<u>—</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Other exceptional income	<u>276,509</u>	<u>65,965</u>	<u>342,474</u>

10. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising costs - church	<u>50</u>	<u>50</u>	<u>—</u>	<u>—</u>

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Clooney Church	–	1,696	1,696
Clooney Hall activities	58,916	–	58,916
General charitable	81,765	–	81,765
Clooney Church	32,901	–	32,901
Homeless Services	368,541	943,244	1,311,783
Support costs	58,971	44,976	103,949
	<u>601,094</u>	<u>989,916</u>	<u>1,591,010</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Clooney Church	–	777	777
Clooney Hall activities	39,251	–	39,251
General charitable	34,231	–	34,231
Clooney Church	20,150	–	20,150
Homeless Services	218,148	893,019	1,111,171
Support costs	67,527	57,656	125,178
	<u>379,307</u>	<u>951,452</u>	<u>1,330,758</u>

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Clooney Church	1,696	–	1,696	777
Clooney Hall activities	58,916	95	59,011	39,251
General charitable	81,765	1,872	83,637	34,666
Clooney Church	32,901	42,592	75,493	70,785
Homeless Services	1,311,783	47,507	1,359,290	1,159,357
Governance costs	–	11,883	11,883	25,922
	<u>1,487,061</u>	<u>103,949</u>	<u>1,591,010</u>	<u>1,330,758</u>

13. Analysis of support costs

	Support costs £	Total 2022 £	Total 2021 £
Finance costs	1,152	1,152	1,330
Governance costs	11,883	11,883	25,923
Other Support costs	90,914	90,914	97,925
	<u>103,949</u>	<u>103,949</u>	<u>125,178</u>

North West Methodist Mission
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

14. Net income

Net income is stated after charging/(crediting):	2022	2021
	£	£
Depreciation of tangible fixed assets	6,761	10,181
Fees payable for the audit of the financial statements	9,130	9,140
	<u> </u>	<u> </u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	948,082	808,029
Social security costs	76,812	47,575
Employer contributions to pension plans	24,111	17,693
	<u>1,049,005</u>	<u>873,297</u>

The average head count of employees during the year was 45 (2021: 45). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of staff	<u>45</u>	<u>45</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £187,401 (2021:£177,471).

16. Trustee remuneration and expenses

No expenses, remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

17. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 January 2022	87,504	20,125	23,507	131,136
Additions	—	—	10,494	10,494
At 31 December 2022	<u>87,504</u>	<u>20,125</u>	<u>34,001</u>	<u>141,630</u>
Depreciation				
At 1 January 2022	77,071	20,125	22,728	119,924
Charge for the year	5,804	—	957	6,761
At 31 December 2022	<u>82,875</u>	<u>20,125</u>	<u>23,685</u>	<u>126,685</u>
Carrying amount				
At 31 December 2022	<u>4,629</u>	<u>—</u>	<u>10,316</u>	<u>14,945</u>
At 31 December 2021	<u>10,433</u>	<u>—</u>	<u>779</u>	<u>11,212</u>

18. Debtors

	2022 £	2021 £
Trade debtors	9,639	6,659
Prepayments and accrued income	43,163	24,455
Other debtors	4,550	22,470
	<u>57,352</u>	<u>53,584</u>

19. Investments

	2022 £	2021 £
Listed investments	41,649	28,985
Unlisted investments	615,349	674,824
	<u>656,998</u>	<u>703,809</u>

20. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2022 £	2021 £
Cash at bank and in hand	956,090	992,888
Bank overdrafts	(536)	(106)
	<u>955,554</u>	<u>992,782</u>

North West Methodist Mission
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 31 December 2022

21. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	536	106
Trade creditors	40,468	10,676
Accruals and deferred income	26,359	76,916
Social security and other taxes	31,040	21,656
Other creditors	48,742	42,799
Other creditors	17,321	16,663
	<u>164,466</u>	<u>168,816</u>

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £24,111 (2021: £17,693).

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

23. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2022 £
General funds	718,815	85,915	(124,200)	(209)	–	680,321
Revaluation reserve	126,602	–	–	209	(126,811)	–
Designated fund - Clooney Church	130,717	68,434	(75,543)	–	–	123,608
Designated fund - Homeless services	556,347	585,718	(401,401)	(93,030)	–	647,634
	<u>1,532,481</u>	<u>740,067</u>	<u>(601,144)</u>	<u>(93,030)</u>	<u>(126,811)</u>	<u>1,451,563</u>

	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2021 £
General funds	658,011	126,683	(65,879)	–	–	718,815
Revaluation reserve	150,731	–	–	–	(24,129)	126,602
Designated fund - Clooney Church	146,224	55,508	(71,015)	–	–	130,717
Designated fund - Homeless services	287,884	603,492	(242,413)	(92,616)	–	556,347
	<u>1,242,850</u>	<u>785,683</u>	<u>(379,307)</u>	<u>(92,616)</u>	<u>(24,129)</u>	<u>1,532,481</u>

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

23. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Jan 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2022 £
Restricted Fund - Clooney Church	–	1,696	(1,696)	–	–	–
Restricted Fund - Homeless services	60,196	904,350	(988,220)	93,030	–	69,356
	<u>60,196</u>	<u>906,046</u>	<u>(989,916)</u>	<u>93,030</u>	<u>–</u>	<u>69,356</u>

	At 1 Jan 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2021 £
Restricted Fund - Clooney Church	–	777	(777)	–	–	–
Restricted Fund - Homeless services	–	918,255	(950,675)	92,616	–	60,196
	<u>–</u>	<u>919,032</u>	<u>(951,452)</u>	<u>92,616</u>	<u>–</u>	<u>60,196</u>

24. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	14,945	–	14,945
Investments	656,998	–	656,998
Current assets	944,086	69,356	1,013,442
Creditors less than 1 year	(164,466)	–	(164,466)
Net assets	<u>1,451,563</u>	<u>69,356</u>	<u>1,520,919</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	11,212	–	11,212
Investments	703,809	–	703,809
Current assets	969,552	76,920	1,046,472
Creditors less than 1 year	(152,092)	(16,724)	(168,816)
Net assets	<u>1,532,481</u>	<u>60,196</u>	<u>1,592,677</u>

North West Methodist Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>1,610,513</u>	<u>1,703,356</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>40,992</u>	<u>10,782</u>

26. Analysis of changes in net debt

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
Cash at bank and in hand	992,888	(36,798)	956,090
Bank overdrafts	(106)	(430)	(536)
Current asset investments	703,809	(46,811)	656,998
	<u>1,696,591</u>	<u>(84,039)</u>	<u>1,612,552</u>

27. Related parties

During the year the charity entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2022 £	2021 £	2022 £	2021 £
Payment in respect of church assessment contributions	42,313	50,436	–	–
Payment in respect of pastoral support	21,730	30,180	–	–
Receipts in respect of administration expenses recharged	<u>(1,918)</u>	<u>(2,333)</u>	<u>38</u>	<u>460</u>

As detailed above, during the year North West Methodist Mission made payments to and received amounts from the Londonderry, Inishowen, Limavady and Strabane Mission Circuit, an organisation which is also governed by the Methodist Church in Ireland and which has some officials who are also directors of North West Methodist Mission.

North West Methodist Mission is under the direction of the Methodist Church in Ireland. During the year the Methodist Church in Ireland continued to invest funds with Epworth Investment Management on behalf of the company. At the year end these funds were valued at £615,349 (2021: £674,824).

28. Ethical standards

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.