

MIRACLES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

MIRACLES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R Bean	
	Ms M Pereire	
	Mr B Williams	
	Mr R R Minguela	
	Ms H Clavel-Flores	
	Mr M Anderson	
	Mr T Wilson	(Appointed 15 February 2021)
	Ms S Spires	
Charity number	1041449	
Principal address	85 Great Portland Street London W1W 7LT	
Independent examiner	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW	
Bankers	CAF Bank Limited, Kings Hill Kent West Malling ME19 4TA	
	Metro Bank One Southampton Row London WC1B 5HA	

MIRACLES

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 14

MIRACLES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2021

The Trustees present their annual report and financial statements for the year ended 31 October 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

The Trustees have complied with the duty in Section 17 (5) of the 2011 Charities Act to have paid due regard to guidance issued by the Charity Commission in relation to the activities being for the public benefit.

Objectives and activities

The aims and objects of Miracles remain to provide support to children and their families living in poverty and to help them through crises situations such as serious illness. The allocation of funding is at the discretion of the Board of Trustees with advice taken on the eligibility of the beneficiaries from the UK referral agencies (Children's Hospitals, CAs, Social Workers, Women's Refuges etc.).

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

Achievements and performance

As with all other charities, Miracles was hit hard in 2021 by the Covid Pandemic and has struggled to keep ahead of the ever rising call on its limited resources. Along with this, we had to deal with the retirement of Theo Ellert (Founder) and the resignation of Robert Linley-Munro (CEO), and Head of Bosnia, Matthew Proctor MBE.

The board of trustees would like to thank Theo, Robert, and Matthew for all their amazing help and endeavours over the years and wish them all the very best in the future.

Despite the Pandemic, we were able to assist a very high number of families and individuals in the last year with items such as food vouchers, travel assistance, accommodation, cookers and fridges, heaters, beds, and clothing. When the holiday park reopened after the Pandemic, we were able to send 11 families on respite breaks.

In addition, we launched the Feed London project as Miracle's response to the food crisis taking place amongst London children. The project is aimed at families with children living in poverty, over the school holidays when food poverty is at its most critical. We delivered essential food boxes packed with enough fresh ingredients for at least 7 main meals ensuring children get a really healthy start to the holidays. The boxes also included supermarket vouchers (for qualifying families), creative boxes for children and lots of treats.

In just a few short months we delivered over 8,500 healthy, individual meals to 350 families – 880+ children.

The Feed London project's ongoing purpose is that children from some of the poorest families in the capital, whose diets have been significantly worsened during the pandemic, will have access to a fresh and nutritious meals, at home, for an entire week during the school holidays. Feed London delivers a box of hope, support, and a community connection to those carers feeling isolated, lonely, and depressed.

MIRACLES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

Financial review

Miracles is able to report incoming resources of £325,035 and finished the financial year with a net deficit of £12,241. It has funds amounting to £646,314 which comprised of designated funds of £522,475 relating to property ownership of the Miracles Centre, BiH, general unrestricted funds of £103,734 and restricted funds of £20,105 as of 31 October 2021.

Although incoming resources have increased by 38%, they are still exceeded by total resources expended (£337,276 in 2021) resulting in the overall deficit for the year.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The principal funding resources were the donations received from various donors.

Risk management

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

Future developments

Fundraising for the year ahead is well in hand with appeals to Trusts and businesses and, of course, our existing and ongoing supporters. A fundraising dinner is planned for Autumn 2022 with other such events and sponsored activities in planning.

Structure, governance and management

Miracles is a Charitable Trust established on 12th October 1994 to ease the burden of suffering on person or persons in Supreme Need - primarily in the UK and Bosnia. The charity registration number is 1041449 and the principal office is 85 Great Portland Street, London, W1W 7LT.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr R Bean

Ms M Pereire

Mrs T Ellert

(Resigned 31 January 2021)

Mrs S Gil - Alberdi

(Resigned 21 July 2021)

Mr D Lynch

(Resigned 8 September 2021)

Mr B Williams

Mr R R Minguella

Ms H Clavel-Flores

Mr Rudi Fortson

(Resigned 22 February 2021)

Mr M Anderson

Mr T Wilson

(Appointed 15 February 2021)

Ms S Spires

The charity is managed by its Board of Trustees personally introduced and integrated within the Board prior to signing the official Deed of Appointment.

Every future Trustee shall be appointed by resolution of the Trustees passed at a Trustees' meeting. In selecting persons to be appointed as Trustees, the Trustees shall take into account the benefit of appointing a person (who through residence, occupation, employment or otherwise has special knowledge of the area of benefit or) who is otherwise able by virtue of his or her personal or professional qualification to make a contribution to the pursuit of the objects of the management of the Charity.

MIRACLES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

All new Trustees are introduced through existing Board Members. They are supplied with a copy of the Trust Deed of Miracles together with current and previous Annual Reviews before attending a full Board Meeting at which their roles will be discussed. Once they are happy to join the Board, a letter of welcome is sent to them with basic information on the role of a Trustee and details of the Charity Commission Website from which additional information can be found. A letter of appointment is then sent (in duplicate) with the request for them to sign and return the second copy as confirmation of their agreement/eligibility to serve.

The Trustees' report was approved by the Board of Trustees.

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Mr R Bean

Trustee / Hon. Treasurer

Dated:

MIRACLES

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MIRACLES

I report on the accounts of the charity for the year ended 31 October 2021, which are set out on pages 6 to 15.

Respective responsibilities of Trustees and examiner

The Trustees of Miracles are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144 (2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no material matter has come to my attention which gives me reasonable cause to believe that in any material respect:

- (a)
 - (i) the accounting records were not kept in accordance with section 130 of the Charities Act 2011; or
 - (ii) the accounts did not accord to those records
- (b) the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Paresh Radia FCA
RDP Newmans LLP

Institute of Chartered Accountants in England and Wales
Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

Dated:

MIRACLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	2	156,824	164,297	321,121	228,113
Other trading activities	3	3,900	-	3,900	6,610
Investments	4	14	-	14	460
Total income		160,738	164,297	325,035	235,183
<u>Expenditure on:</u>					
Raising funds	5	-	-	-	386
Charitable activities	6	180,576	156,700	337,276	321,682
Total resources expended		180,576	156,700	337,276	322,068
Net (expenditure)/income for the year/ Net movement in funds		(19,838)	7,597	(12,241)	(86,885)
Fund balances at 1 November 2020		646,047	12,509	658,556	745,439
Fund balances at 31 October 2021		626,209	20,105	646,314	658,554

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

All income and expenditure derive from continuing activities.

MIRACLES

BALANCE SHEET

AS AT 31 OCTOBER 2021

		2021		2020	
	Notes	£	£	£	£
Programme related investments	10		551,351		564,744
Current assets					
Cash at bank and in hand		99,894		99,903	
Creditors: amounts falling due within one year	11	(4,931)		(6,093)	
Net current assets			94,963		93,810
Total assets less current liabilities			646,314		658,554
Income funds					
Restricted funds	12		20,105		12,508
<u>Unrestricted funds</u>					
Designated funds	13	522,475		535,867	
General unrestricted funds		103,734		110,179	
			626,209		646,046
			646,314		658,554

The accounts were approved by the Trustees on

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Mr R Bean
Trustee

.....
Ms H Clavel-Flores
Trustee

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Charity information

Miracles is a charitable trust governed by its governing document dated 12 October 1994.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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

1.4 Incoming resources

Donations are recognised as and when they are remitted to the charity.

Donated services and gifts in kind are included at the value to Miracles where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Listed and unlisted investment income is accounted for when receivable.

Advance payments received during the period for activities to be carried out in later financial years are not reflected in the statement of financial activities. These amounts have been deferred to the financial year in which the activities will be carried out, and are reported as deferred income. Deferred income is included in creditors.

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accrual basis, inclusive of VAT.

Cost of generating funds are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the charity's profile within the sector.

Expenditure relating to Supreme Needs projects are those elements of expenditure directly incurred in performing these activities.

Governance costs include those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to the sole charitable activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

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

1.10 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All gains are recorded as investment income and all losses as a support cost of the relevant activity.

1.11 Programme related investments

Programme related investments are stated at cost less depreciation.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	146,824	164,297	311,121	57,483	145,831	203,314
Government grants	10,000	-	10,000	24,799	-	24,799
	<u>156,824</u>	<u>164,297</u>	<u>321,121</u>	<u>82,282</u>	<u>145,831</u>	<u>228,113</u>

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
25th anniversary event	1,650	1,650
Virtual Dinner and Xmas Dinner 2020	2,250	4,960
	<u> </u>	<u> </u>
Other trading activities	3,900	6,610
	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	14	460
	<u> </u>	<u> </u>

5 Raising funds

	2021 £	2020 £
<u>Fundraising trading costs (events)</u>		
25th Anniversary event	-	386
	<u> </u>	<u> </u>
	-	386
	<u> </u>	<u> </u>

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	211,428	145,644
Depreciation	13,393	13,392
Supreme Needs projects (UK and Bosnia)	94,540	154,610
	<u>319,361</u>	<u>313,646</u>
Share of support costs (see note 7)	13,536	2,872
Share of governance costs (see note 7)	4,379	5,164
	<u>337,276</u>	<u>321,682</u>
Analysis by fund		
Unrestricted funds	180,576	
Restricted funds	156,700	
	<u>337,276</u>	
For the year ended 31 October 2020		
Unrestricted funds		166,809
Restricted funds		154,873
		<u>321,682</u>

Staff costs (including any related pension costs) are allocated in accordance with the activities worked on by each staff member.

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

7 Support and governance costs

	Support costs £	Governance costs £	2021 £	2020 £
Foreign exchange losses	12,914	-	12,914	2,446
Bank charges	622	-	622	426
Independent examination fees	-	3,897	3,897	3,120
Legal and professional	-	482	482	2,044
	<u>13,536</u>	<u>4,379</u>	<u>17,915</u>	<u>8,036</u>
Analysed between				
Charitable activities	<u>13,536</u>	<u>4,379</u>	<u>17,915</u>	<u>8,036</u>

Support costs are all allocated to the Supreme Needs charitable activity.

8 Trustees

None of the Trustees received any remuneration during the period, nor were they reimbursed expenses.
(2020: £Nil)

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>8</u>	<u>8</u>
Employment costs	2021 £	2020 £
Wages and salaries	210,010	142,109
Other pension costs	1,418	3,535
	<u>211,428</u>	<u>145,644</u>

There were no employees whose annual remuneration was £60,000 or more.

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

10 Programme related investments

	£
At 1 November 2020	564,744
Depreciation	(13,393)
At 31 October 2021	551,351

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	1,331	2,493
Accruals and deferred income	3,600	3,600
	4,931	6,093

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 November 2020 £	Incoming resources £	Resources expended £	Balance at 31 October 2021 £
Bosnia projects	3,059	148,797	(139,504)	12,352
Spink	3,826	-	-	3,826
The Sobell Foundation	5,623	15,500	(17,165)	3,958
	12,509	164,297	(156,669)	20,105

The Bosnia projects restricted fund represents donations received to be spent on The Roma project and the Prosthetic project.

The Roma project was initially set up to provide housing to families, it now continues to support these families and its children through education and has put in place an agricultural project to enable these families to be self-sustaining.

The Prosthetic project is a medical centre set up to provide prosthetic limbs to landmine victims.

The Spink project relates to 2 very disabled men and funds are used to pay for various items as and when required.

The Sobell Foundation is a restricted fund set up to support Caseworker and Co-ordinator salary.

MIRACLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2021

12 Restricted funds

(Continued)

The Trustees are satisfied that adequate resources are in place to adhere to any restrictions.

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		
	Balance at 1 November 2020	Incoming Resources	Balance at 31 October 2021
	£	£	£
Bosnia sites	535,867	(13,392)	522,475
	<u>535,867</u>	<u>(13,392)</u>	<u>522,475</u>

The assets fund is the value of the programme related assets in the balance sheet.

The Trustees have designated the programme related assets fund as The Miracles Centre, Roma housing and all other tangible fixed assets within are fundamental to meeting its charitable objects.

14 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 October 2021 are represented by:				
Programme related assets	551,351	-	551,351	564,744
Current assets/(liabilities)	74,826	20,137	94,963	93,810
	<u>626,177</u>	<u>20,137</u>	<u>646,314</u>	<u>658,554</u>

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>11,175</u>	<u>33,011</u>

Robert Linley-Munro, a spouse of a Trustee received the above remuneration as Chief Executive during the period.

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<http://www.virtualcabinetportal.com/WhatIsUTC>

Signature 1

Signed by robert bean using authentication code MVPCozkvMml8MSZsOQ== at IP address 51.52.163.218, on 2022/07/28 07:10:59 Z.

robert bean's e-mail address is: robertb@grunberg.co.uk.