

HARMONY CHRISTIAN MINISTRIES

**Statutory Financial Statements
& Trustees Report**

31st March 2022

Charity No: 1105101

Company No: 3702274

Legal and Administrative Information

Trustees: Mr Kayode Obateru
Mr Adebowale A Adesina (resigned 13 October 2022)
Mr Morakinyo O Bayode (resigned 13 October 2022)
Rev John Adewale Olulana (appointed 1 January 2022)
Fredah Nkandu Babanawo (appointed 12 October 2022)

Charity Registration No: 1105101

Company Registration No: 3702274

Principal Office:
Concord House
23-27 Kemp Road
Dagenham
Essex
RM8 1ST

Accountants: Rev Olu Olasode PhD APSA FCCA
TL First Accountants & Consultants
1 Copers Cope Road
Beckenham, Kent
BR3 1NB

Bankers: Natwest Bank Plc
Barclays Bank Plc

TRUSTEES REPORT 2022

Introduction

The trustees who are also the directors for the purpose of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have prepared the accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (Charities SORP FRS 102) (effective 1 January 2019).

Status and Administration

The Charity is constituted and registered with the Charity Commission under charity number 1105101.

Governance and Internal Control

Trustees serve for a year period and may be re-elected. The trustees meet six times a year including a weekend meeting to review the strategy and performance and to set the operating plans and budgets.

Financial Activities and Results

The net incoming resources for the year amounted to £129,965 (2021: £87,039) leading to a net surplus carried forward of £835,760 as at 31 March 2022.

Investment Powers, Policy and Performance

The memorandum and articles of association, which states clear guidelines on investments policy, governs the trustees' investments powers.

Reserves

The trustees have forecast the level of free reserves (that is those funds not tied up in fixed assets, and designated as restricted funds) that the charity will require to sustain its operations over the period when it is anticipated that some of the income generating activities will be further funded to garner more income. The level of free reserve as at 31 March 2022 was £284,828 (2021: £168,411).

Volunteers

The Charity is grateful for the unstinting effort of its volunteers who are involved in service provision. Members are given the free will, without any form of coercion, to determine their form and level of support, manually or financially to the charity.

Grant Making Policy

The charity made grants to Harmony Christian Centre International. The purpose of the grant is in the furtherance of the charity objectives Harmony Christian as mentioned below. The total amount of grant made was £24,653 (2021: £24,760).

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees examine the major risks that the ministry faces in each financial year when preparing and updating the strategic plan. The Charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the organisation in the future. Including:

An annual review of the risk which the charity may face

The establishment of systems and procedures to mitigate those risks identified in the plan
The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Charitable Objects

The objects of the Charity are:

- The advancement of the Christian Faith in accordance with the Statement of Beliefs
- To relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve the distress in the United Kingdom or the world as the Trustees may consider appropriate
- To advance education of such means as the Trustees may consider appropriate

The ministry delivers these objectives through;

- Sunday religious discourses
- Wednesday home church bible studies
- Weekly prayer meetings
- Yearly Conventions
- Young Adult Retreats
- Celebrating religious festivals such as Christmas, 31 December Prayer meetings and Easter
- Training courses for volunteers and others
- Residential and one day retreats
- Community outreach such as fun days, summer festivals and concerts

Public Benefit

The trustees believe the pursuance of its charitable objectives helps members to practice their Christian faith more effectively which leads to improvements in their lives as well as that of the community.

Advancement of Christian Faith

Sunday morning religious discourse takes place at concord house which is open to general public. During these meetings, Christian teachings and principles are discussed and preached. This program is usually broadcast on the internet from 11am to 1:00pm.

Outreach

Counselling on issues such as marriage, bereavement, health and other support are provided during the week by appointment only.

The ministry continued to make its hall available for counsellors' surgery as well as community neighbourhood meetings.

The Charity continues to support missionary work in Nigeria and Ghana. The partnership with Christ to the Rural World continues to grow in leaps and bound each year. During such missionary trips food, clothing, health screening, medical advice, farming materials and other necessities of life are distributed as well as the preaching of the good news of Christ.

Education

The ministry during the year organised education and empowerment seminar for parents and people in the borough. Testimonies are always been received from parents on the benefit of these training programs. Such testimony involves how the program has changed their lives and enabled them to improve their examination results.

Responsibilities of the Trustees

The charity's trustees (who are also the directors of Harmony Christian Ministry for the purpose of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Acceptable Accounting Practice)

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP FRS 102;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue on that basis.

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

Kayode Obateru
Trustee /Treasurer

31 December 2022

INDEPENDENT EXAMINER'S REPORT

I report to the trustees on my examination of the accounts of the Harmony Christian Ministries for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I am qualified to undertake the examination by being a qualified member of the Chartered Association of Certified Accountants (ACCA) and Fellow of the Association (FCCA).

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below *) which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- 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.

Rev Olu Olasode PhD APSA FCCA
Chartered Certified Accountant
TL First Accountants Limited
TL First Limited

31 December 2022

STATEMENT OF FINANCIAL ACTIVITIES	2022	2022	2022	2021
	Restricted	Unrestricted	Total	Total
	£	£	£	£
INCOMING RESOURCES				
Grants and Donations (including Gift Aids)		524,684		481,580
Investment income		25,518	0	23,482
Other Incoming Resources		-		-
Total Incoming Resources		550,202		505,062
RESOURCES EXPENDED				
Costs of Activities in Furtherance of the Company's Objects				
Charitable Activities		413,070		417,979
Governance Costs		7,167		44
Total Resources Expended		420,237		418,023
Net Incoming / (Outgoing) Resources		129,965		87,039
Total Funds Brought Forward		705,675		618,636
Reserves Adjustments		120		-
Total Funds Carried Forward		835,760		705,675

There were no recognised gains or losses for the year, other than those included in the Statement of Financial Activities.

BALANCE SHEET	2022	2022	2021	2021
	£	£	£	£
FIXED ASSETS (Note 5)		1,664,793		1,721,644
CURRENT ASSETS				
Debtors	14,077		-	
Cash and Bank	284,828		168,411	
CURRENT LIABILITIES				
Creditors - within one year (Note 7)	(10,369)		(11,883)	
NET CURRENT ASSETS		288,536		156,528
Creditors – More than one year (note 8)		(1,117,569)		(1,172,497)
NET ASSETS		835,760		705,675
CAPITAL AND RESERVES				
Restricted Funds				
Unrestricted Funds		835,760		705,675
Reserves				
NET ASSETS		835,760		705,675

Approved by the Board of Trustees on and signed on their behalf

Trustee

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1. Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

1.2. Going Concern

The charity is a going concern and the accounts have been prepared on a going concern basis.

1.3. Change of accounting policy

There is no change of accounting policy during the period.

1.4. Changes to accounting estimates

There is no change to accounting estimates during the period

1.5. Material prior year adjustments

There are no material prior year adjustments during the period.

2. ACCOUNTING POLICIES

2.1. Income

Recognition of income	<p>These are included in the Statement of Financial Activities (SoFA) when:</p> <ul style="list-style-type: none"> the charity becomes entitled to the resources; it is more likely than not that the trustees will receive the resources; and the monetary value can be measured with sufficient reliability.
Offsetting	<p>There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.</p>
Grants and donations	<p>Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP).</p> <p>In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as</p>

	entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).
Legacies	Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.
Government grants	The charity has received government grants in the reporting period
Tax reclaims on donations and gifts	Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.
Contractual income and performance related grants	This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.
Donated goods	<p>Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.</p> <p>The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.</p> <p>Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale, and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'.</p> <p>Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.</p> <p>Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.</p>
Donated services and facilities	<p>Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.</p> <p>Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.</p>
Support costs	The charity has incurred expenditure on support costs.
Volunteer help	The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.
Income from	This is included in the accounts when receipt is probable and the amount

interest, royalties and dividends	receivable can be measured reliably.
Income from membership subscriptions	Membership subscriptions received in the nature of a gift are recognised in Donations and Legacies. Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.
Settlement of insurance claims	Insurance claims are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS102 SORP) and are included as an item of other income in the SoFA.
Investment gains and losses	This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

2.2. Expenditure and Liabilities

Liability recognition	Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.
Governance and support costs	Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.
Grants with performance conditions	Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.
Grants payable without performance conditions	Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.
Redundancy cost	The charity made no redundancy payments during the reporting period.
Deferred income	No material item of deferred income has been included in the accounts.
Creditors	The charity has creditors which are measured at settlement amounts less any trade discounts
Provisions for liabilities	A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition as per paragraph 11.7 FRS102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS102 SORP.

2.3. Expenditure and Liabilities

Tangible fixed assets for use by charity

These are valued at cost and capitalised if they can be used for more than one year, and cost at least £1,000

The charge for depreciation is calculated to write off the cost of the fixed assets over their useful lives on the following bases:

Office & Musical Equipment	25% on the reducing balance
Furniture & fittings	25% on the reducing balance
Motor Vehicles	25% on the reducing balance
Freehold Office	1% on the Straight Line Method

Assets are depreciated from the time at which they are brought into use.

Intangible fixed assets

The charity has intangible fixed assets, that is, non-monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. The amortisation rates and methods used are disclosed in note 9.5

They are valued at cost.

Heritage assets

The charity has heritage assets, that is, non-monetary assets with historic, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The depreciation rates and methods used as disclosed in note 9.6.1.4.

They are valued at cost.

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower or cost or net realisable value.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

**Current asset
investments**

The charity has investments which it holds for resale or pending their sale and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

They are valued at fair value except where they qualify as basic financial instruments.

3. GRANTS & DONATIONS

	2022 Restricted £	2022 Unrestricted £	2022 Total £	2021 Total £
Donation, Tithe and Offering	-	380,898		340,416
Gift Aid		95,132	-	87,770
Grants		24,653		42,149
Other Income		24,001		11,245
Investment Income		25,518		23,482
	-	550,202		505,062

4. RESOURCES EXPENDED

Analysis of Resources Expended	Cost of Charitable Activities	Governance Cost	Total 2022	Total 2021
Direct Costs:				
Services & Events	52,911		52,911	50,499
Departmental /Project Support	-		-	-
Evangelism & Missions	61,688		61,688	58,982
Staff Costs	116,977		116,977	111,521
	231,576		231,576	221,002
Indirect Costs:				
Office and Admin Costs	59,547		59,547	53,878
Rent	5,243		5,243	6,379
Professional and Consultancy	16,770		16,770	21,153
Maintenance	19,551		19,551	31,128
Bank charges and Interest	22,032		22,032	22,708
Depreciation	58,351		58,351	61,728
Governance Cost		7,167	7,167	44
	181,494	7,167	188,661	197,018
Total Resources Expended	413,070	7,167	420,237	418,023

5. FIXED ASSETS

	Land & Building	Plant & Machinery	Fixtures & Fittings	Motor Vehicle	Computer Equipment	Total
	£	£	£	£		£
COST						
At 1 April 2021	2,335,928	137,823	147,688	48,879	21,592	2,691,910
Additions			1,500			1,500
Disposals						
At 31 March 2022	2,335,928	137,823	149,188	48,879	21,592	2,693,410
DEPRECIATION						
Accumulated Depreciation	659,312	128,407	118,735	48,879	14,933	970,266
Charge for the year	46,718	2,354	7,613	-	1,666	58,351
At 31 March 2022	706,030	130,761	126,348	48,879	16,599	1,028,617
NET BOOK VALUE						
At 31 March 2022	1,629,898	7,062	22,840	0	4,993	1,664,793
At 31 March 2021	1,676,616	9,416	28,953	0	6,659	1,721,644

6. DEBTORS

	2022	2021
	£	£
Other Debtors	10,253	-
Taxation & Social security Cost	3,824	-
	-	-
	14,077	-

7. CREDITORS - Due within one year

	2022	2021
	£	£
Trade Creditors	-	1,480
Taxation & Social security Cost	-	4,865
Groups & Association	10,369	5,538
	10,369	11,883

8. CREDITORS - Due after one year

Bank Loans by Instalment 1	653,891	708,845
Bank Loans by Instalment 2	463,678	463,652
	1,117,569	1,172,497