

MERCY BEYOND LIMITED

England & Wales · Charity number 1111377

Details

Other names	MERCY MINISTRIES UK, MERCY, MERCY UK, Mercy Ministries UK
Status	Registered
Legal form	Charitable company
Company number	05373315
Registered	2005-09-20
Register	View on the Charity Commission register

Contact

Address	Cornerstone Building Cragg Royd Lowertown Oxenhope Bradford
Phone	01535642042
Email	info@mercyuk.org
Website	www.mercyuk.org

Activities

Objects: (i) To prevent poverty and provide relief of poverty to individuals affected by hardship, disadvantage or distress by reason of social, emotional, psychological or economic circumstances and who wish to access Christian mental-health and well-being support.(ii) To advance the Christian faith by disseminating the gospel and Christian discipleship through digital and print materials, campaigns, and other means of communication to foster a deeper understanding and connection with Jesus Christ.(iii) To promote the health and well-being of individuals and the saving of lives through the prevention and relief of distress and suffering through the provision of biblical teaching, discipleship curricula, and holistic Christian-based mental health activities and programmes.(iv) Such other charitable purposes as shall further the attainment of the above objects of the company or any of them.

Activities: We are a Christian mental health charity providing support to individuals experiencing hardship, disadvantage, or distress by offering free access to faith-based support services, structured discipleship programmes, one-to-one support, and digital resources. We work with churches, individuals and partners across the UK and beyond, to advance the Christian faith and promote wellbeing.

Classification

- **How:** Provides Services, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Religious Activities, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE NATIONALLY.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£595,899	£866,724	£973,058	21
2023-12-31	£1,073,571	£1,212,849	£1,243,883	21
2022-12-31	£1,295,950	£1,378,372	£1,383,161	30
2021-12-31	£1,190,145	£1,286,377	£1,465,583	31
2020-12-31	£1,249,735	£1,202,171	£1,561,815	31

Trustees

Name	Role	Appointed
Arianna Walker	Chair	2026-06-02
Dr Rob Waller		2018-07-16
Fiona Taylor		2023-04-19
Jonathan Clark		2023-10-03
Justine Barnes		2025-05-28
Michael Alexander Vice		2026-01-17
Suzanna Penny Clarke		2026-03-04

MERCY BEYOND LIMITED

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Accounts



LIVE

FREE

2024

ANNUAL REPORT

STAY

FREE



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WHO WE ARE Mercy UK is a Christian Mental Health charity with a proven track record of helping people navigate the unique dynamics between faith and mental health. We provide therapeutic services, practical tools and church resources that are both theologically sound and psychologically proven.

ISAIAH 61 Our foundations are built on Isaiah 61:

*He has sent me to bind up the brokenhearted,
to proclaim freedom for the captives
and release from darkness for the prisoners,
to proclaim the year of the Lord's favour
and the day of vengeance of our God,
to comfort all who mourn,
and provide for those who grieve in Zion.*

We know how to help people peel back the layers of faith, behaviours, history and hurt so that root issues can be addressed, and people can develop their relationship with God, self and others.

**We know how to help people
live free and stay free.**



NEW

Our Commitment and Mandate to the Church

At Mercy UK, we recognise that many within the Church today are carrying pain that has not yet been fully acknowledged or addressed.

Through our conversations with individuals across a wide demographic, a common thread has emerged—many are navigating a deep sense of disconnection, hurt, and uncertainty in their spiritual journey.

These challenges are not isolated to individuals, but point to a broader longing for wholeness within the body of Christ.

THE CHALLENGES

We recognise that this pain can stem from many places; grief, disappointment, strained relationships, personal struggles or abuse. For some, it may include the effects of unhealthy or unhelpful dynamics within church settings. For others, it may be shaped by past trauma, including Adverse Childhood Experiences (ACEs), or the impact of racial or cultural exclusion.

Whatever the source, these experiences can leave individuals questioning their identity, their purpose, and even their understanding of God.

It's time to **LIVE FREE & STAY FREE**

We believe healing begins when we create safe spaces to process these experiences honestly, with grace and compassion.

At Mercy UK, we are committed to walking alongside those who are navigating these challenges, offering resources and support to help people rediscover their identity in Christ and find freedom and restoration.

Through intentional care, community, and Christ-centred support, we believe healing is possible—for individuals, for leaders, and for the Church as a whole.



Our Commitment to...

INDIVIDUALS

Through the *Keys to Freedom workbook* and *The Freedom Journey* programme, we provide practical tools for individuals to explore the root causes of their struggles and take steps toward healing. These programmes are designed not only to support personal breakthrough, but to encourage deeper intimacy with God, restored relationships, and renewed purpose.

LEADERS

Importantly, this need for healing is not limited to church members. Many pastors and leaders are also navigating their own internal battles—feelings of fatigue, discouragement, overwhelm, or a loss of clarity around their calling. As fellow believers, we recognise that leaders, too, need space to heal and be restored. It is a reminder that we are all human—each of us on a journey, each in need of grace.

THE CHURCH AS A WHOLE

We believe Christ is returning for a healed, whole, and unified Bride. This means that each of us has a role to play in the restoration of the Church—not by placing blame, but by taking personal responsibility for our own growth and healing. When we do this, we are better positioned to bring hope and restoration to others.

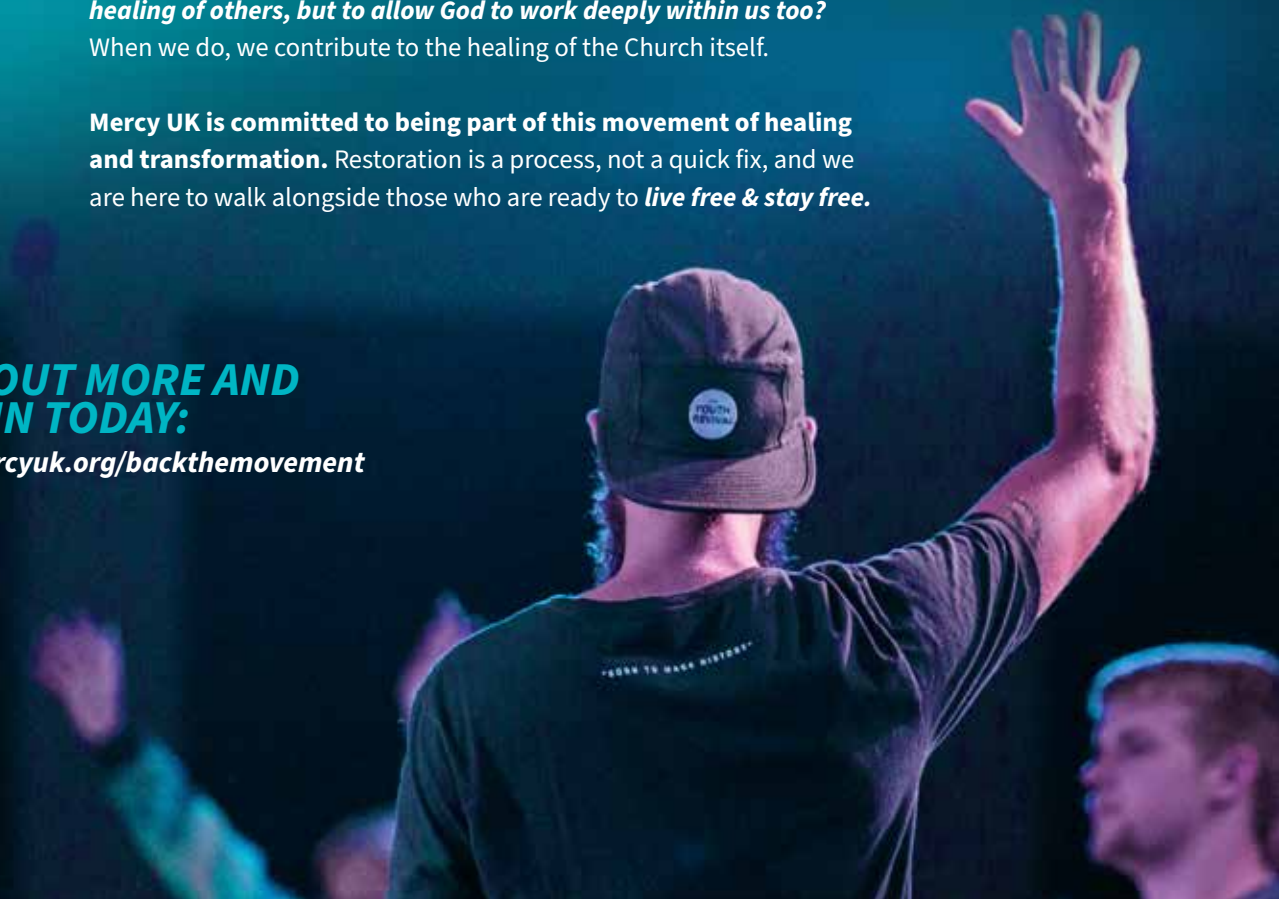
The question we must ask ourselves is...

Are we willing to respond to the invitation—not just to support the healing of others, but to allow God to work deeply within us too?
When we do, we contribute to the healing of the Church itself.

Mercy UK is committed to being part of this movement of healing and transformation. Restoration is a process, not a quick fix, and we are here to walk alongside those who are ready to **live free & stay free.**

**FIND OUT MORE AND
JOIN IN TODAY:**

www.mercyuk.org/backthemovement





AIMS & OBJECTIVES

HOW WE HELP

We help people peel back the layers of faith, behaviours, history and hurt so that root issues can be addressed, and people can develop their relationship with God, self and others.

We know how to help people live free and stay free. During 2024 our services included:

The Freedom Journey. A 16-week course to help Christians live free and stay free with one-to-one mentoring, counselling and access to other specialist support

Keys to Freedom. An 8-week discipleship course for group or individual study, designed to help Christians live free and stay free.

Training, resources and speaking engagements. We use our proven track record to educate, equip and empower individuals and churches.

OUR FORMER AIMS AND OBJECTIVES

The former charitable objects of Mercy UK as set out in our Memorandum and Articles of Association are:

To promote the benefit of the public, in particular women and girls, by

(a) providing relief from and support to women and girls affected by poverty, pregnancy, sickness, hardship and distress

(b) providing charitable relief (including the provision of housing or other accommodation) to women and girls in need of care by reason of their social, emotional and economic circumstances

(c) To advance the Christian religion in accordance with the statement of faith (attached as a schedule to the memorandum of association) through the gospel of the Lord Jesus Christ and the teachings of the word of God by presenting a values-based curriculum or teaching programme that will better enable persons to cope with the business of life.

(d) And such other charitable purposes as the directors of the company may from time to time determine.

UPDATED AIMS

Given the changes to our services post-Covid, including the closure of our residential services and pivoting to deliver online support to a broader demographic, a review of our charitable objects was being finalised in 2024 to more accurately describe the activities now delivered by Mercy UK.

(i) To prevent poverty and provide relief of poverty to individuals affected by hardship, disadvantage or distress by reason of social, emotional, psychological or economic circumstances and who wish to access Christian mental-health and well-being support.



(ii) To advance the Christian faith by disseminating the gospel and Christian discipleship through digital and print materials, campaigns, and other means of communication, to foster a deeper understanding and connection with Jesus Christ.

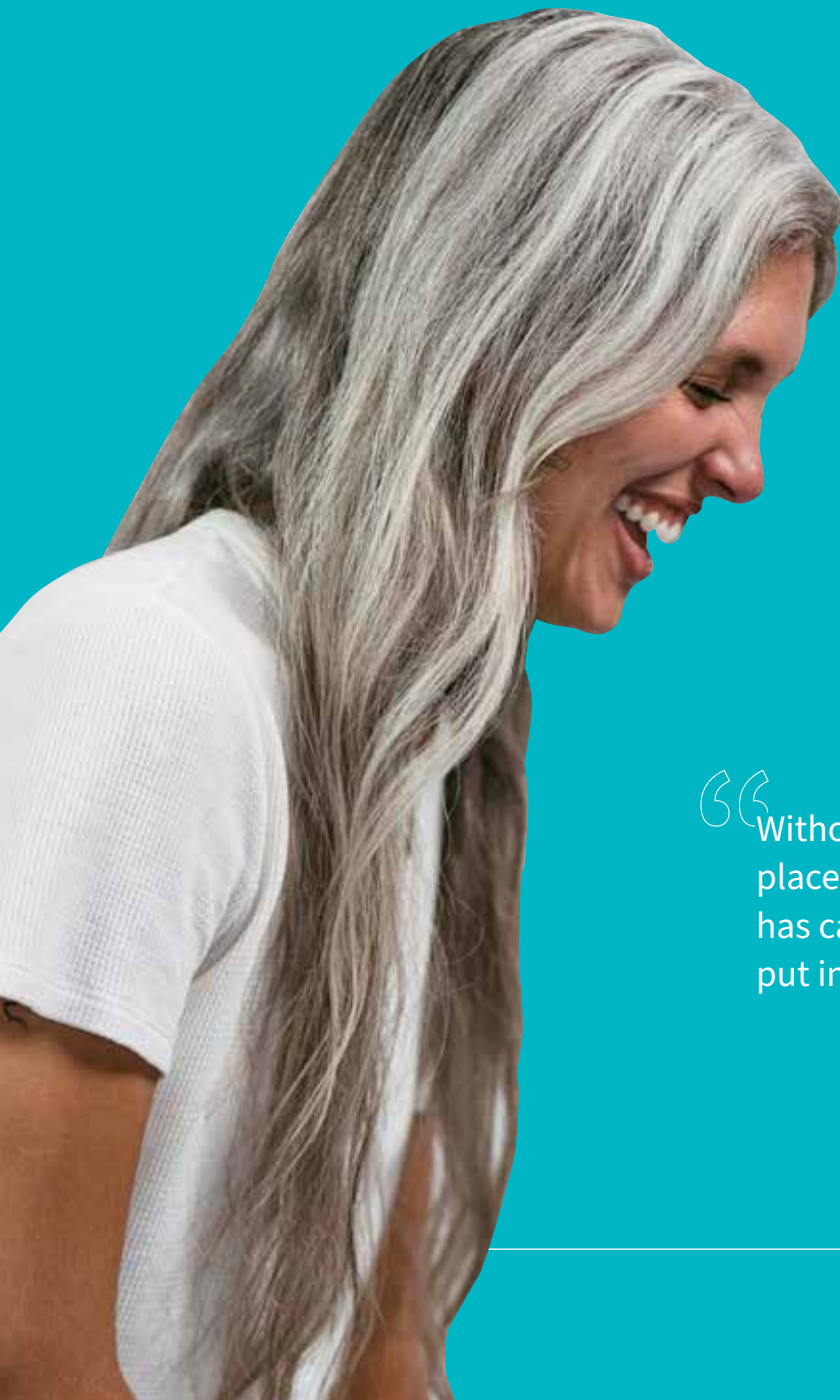
(iii) To promote the health and well-being of individuals and the saving of lives through the prevention and relief of distress and suffering through the provision of biblical teaching, discipleship curricula, and holistic Christian-based mental health activities and programmes.

(iv) Such other charitable purposes as shall further the attainment of the above objects of the company or any of them.

These proposed objects are consistent with the descriptions of purposes under the Charities Act 2011 and public benefit requirements and are aligned with Mercy UK's mission and vision for the future. Final approval from the Charity Commission is pending.

A YEAR OF **FREEDOM**

Celebrating our impact



“Without you I wouldn’t be here at this place to go forward and do what God has called for me to do. I said I can’t put into words how grateful I am.”



THE FREEDOM JOURNEY

The Freedom Journey is our 16-week holistic programme for men and women of all ages. Over approximately 10-hours of therapeutic engagement every week, participants work with a Freedom Journey facilitator to deepen their healing through access to assigned teaching, discipleship mentoring, weekly counselling sessions with a registered counsellor and access to fitness, nutritional or occupational therapy support, where needed.

118
people currently
receiving
direct support

This service was launched in 2023 and through 2024 this service has gone from strength to strength! Through 2024, at any one time we were providing direct support to approximately 118 people. This would range from those receiving support whilst in the application process, those waiting to start, as well as those actively engaged on the programme. We also offer life-time access to aftercare to anyone who has completed the programme.

With the Freedom Journey we have two primary goals:

- 1) See an increase in the amount of people Mercy UK could directly support
- 2) See demonstrable improvements to participants wellbeing.

GOAL 1: See an increasingly diverse range of participants

One of our primary goals was to see an increase in the amount and types of people that Mercy UK could directly support. Through 2024 received applications ranging from a 36-year-old father to a mother of four who is in pastoral leadership, to a 70-year-old who has been battling with the impact of trauma her whole life.

Support from day one

"I feel like my healing has already begun and I've not even started the programme yet!"

Individuals will receive direct one-to-one support from the moment they apply. The full application and pre-programme process can take anything from 60-90 days. During this time we assess the needs of an individual, provide initial support and advice and work on building up a local support network. They'll also get access to a suite of digital resources so that they can start their therapeutic and faith-based journey from the outset.

*We have even had **four** applicants decide not to proceed with the Freedom Journey because they had already received the breakthroughs they needed!*



"I honestly don't know where I would be without the Freedom Journey. I could never have afforded this level of comprehensive help. Before I started I was emotionally overloaded. I had never learnt to process any of my trauma... I had nowhere else to turn.

Andrea, 41, mother to two young boys, working in Christian Ministry.



GOAL 2:

See demonstrable improvements to participants' wellbeing

We are so pleased with the results that we saw through 2024. At the end of each module participants complete feedback and Core-10 forms (an assessment tool to measure psychological distress which is also used by the NHS). We have seen people with Core-10 scores over 20 (indicating a moderate-to-severe levels of distress) ending the programme with scores below 10, which indicate clinically insignificant levels – in other words, the same scores as someone with good mental health who needs no intervention or support!

100%

satisfaction
rate after
each module

100%

agree
that their
improved
wellbeing is
due to the
Freedom
Journey

We have always known that Jesus is the answer, but seeing it so clearly demonstrated really does motivate us to keep reaching more people!



CARRIE

"For nine years I couldn't work for more than two weeks without ending up in hospital"



"I now work as an Advisor for Citizens Advice. A job I have had for over 8 months!"



DANIEL

"My life was disjointed, dysregulated, dysfunctional."



"Life has changed. Because that baggage isn't there, I can go for a run, I can go to church, I can worship, I can work."



MARCIA

"I didn't have a great model of a father so there were things in terms of trust & intimacy that I couldn't grasp"



"It's changed my relationships, even with my husband, my children, my friends!"



ROZI

"I used to compare myself to everyone and anyone, because I felt I was never enough"



"Now I accept I am the way I am, because that's the way God made me"



RUTENDO

"I always had this deep sadness within me"



"When I'm triggered by my past, or something comes back from my past, I don't shy away and run away from it, but now I have the materials that I need to be able to address it"



LYNNE

"I didn't want to look in the mirror. Not even at the hairdressers"



"Now I'm on a mission to put on weight to the amazement of all around me. I can be the real me, free to look in the mirror"



KEYS TO FREEDOM

Keys to Freedom is our 8-week discipleship workbook, equipping people to go beyond presenting challenges and find healing at the root causes.

FOR INDIVIDUALS

The Keys to Freedom Workbook has continued to be a cornerstone of our offerings.

With almost 1,400 copies sold in 2024 through our website alone - that's nearly 4 workbooks every day - the product's success reflects not only the demand for this vital resource but also the powerful impact it has on those seeking to embark on their journey of transformation.

More than half of visitors to the product page take the step to purchase, demonstrating the strong connection between the resource and those in need.

FOR CHURCHES

As a discipleship resource, Keys to Freedom is incredibly versatile. Churches are using it as part of leadership training, post-Alpha groups, youth groups, marriage counselling, one-to-one mentoring or just general support groups for anyone that wants to go through Keys to Freedom.

NEW KEYS TO FREEDOM ONLINE HUB

In 2024 we launched our online Keys to Freedom Hub, making it easier than ever for churches to start using Keys to Freedom.

This new hub provides free training, exclusive access to the Facilitator Guide, huge savings on bulk orders of Keys to Freedom and a comprehensive FAQ section.



We love working alongside Mercy UK and find Keys to Freedom to be such a blessing to our church and for all who go through it. Bless you guys and thank you for all you're doing.



Kings Church, Aberdeen





RESOURCES & CAMPAIGNS

CAMPAIGNS

The Big Christian Mental Health Campaign

The impact of your investment into Mercy UK has extended far beyond the Freedom Journey.



As we launched and refined the Freedom Journey through 2023, we were simultaneously exploring how we can make the tools and resources developed for the Freedom Journey available to all Christians and to those that help others.

The culmination of this was the launch of the **Big Christian Mental Health Campaign** at the start of 2024, which wouldn't have been possible without your support. We are so expectant of how God is going to continue using this campaign to broaden our reach, and enable us to play a vital role in removing stigma, breaking taboos and normalising Christ-centred mental health support.

This campaign is already resonating. Since the launch, we have received media requests from USB Radio, Premier Magazine and Christian Podcasts. We have run a specific Men's Christian Mental Health campaign which saw us conduct over 18 hour long interviews in a 24-hour period! This helped raise awareness and funds and was featured live on UCB Radio. Social media engagement has increased by 150% as people share their own experiences of the dynamics between faith and mental health. Our Instagram following has increased by 25%. *And all of this has helped see a 50% increase in the amount of people exploring the Freedom Journey!*

RESOURCES

In 2024, as part of the Big Christian Mental Health Campaign, we redesigned our newsletters to be more informative and educational.

In every issue we help you navigate the tension between faith & mental health by looking at a *tension point*, a *talking point* and a *truth to ponder*.

Eg. Faith & Anger • Faith & Disappointment • Faith & Burnout

PLUS you will receive:

- ✓ Exclusive updates
- ✓ Free Resources
- ✓ Discounts
- ✓ Ways we can support you and your church

Scan to sign up!



Your mail landed this evening and you will never know just how much I needed it. Thank you for reminding me that God is faithful, despite the grief and pain we go through in life.



THANKING OUR SUPPORTERS



We remain immensely grateful to all our supporters not just for their giving, but for their prayers and continued cheerleading.

To show the impact of your support, we decided to hand the microphone to our participants. Please watch this short 3-min video that highlights the tangible impact of your generosity.

www.mercyuk.org/thankyou



I'd never be able to access something like this and go on the journey that I've been on and become the person I am now without that support and without your generosity and your kindness."



I can't thank the supporters enough. Yesterday a good friend of mine who's been a friend for many years and seen me at my worst she messaged me and said "it's beautiful to see all those years of You Been Loved and prayed for suddenly being fulfilled". I can't really improve on that."



Everyone who has given to this ministry: God bless you! Without you I wouldn't be here at this place to be able to go forward and do what God has called for me to do so I'm really thankful and as I said I can't put into words how grateful I am."



To anyone that supports Mercy UK just want to say thank you for supporting me on my journey through a difficult time in my life. By helping me on my journey I've now been able to go on to help other people – children and young people especially."



You have changed my life radically and without your support without your finances it just wouldn't happen so thank you it means the world it means the world to me."



Thank you for your support and thank you for any of you that are thinking about giving support and will support in the future, you're going to help change people's lives."



For anyone supporting Mercy UK: I'm just so thankful you've made a real difference to a real person with real issues. I had nowhere else to turn I couldn't have afforded this level of comprehensive help. I don't know where I'd be without the Freedom Journey so if you're wondering how your pennies are spent, they are very well spent and I am massively thankful."



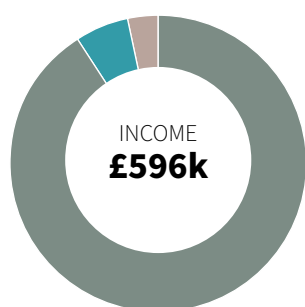
FINANCIAL REVIEW

In keeping with our Christian values, Mercy's financial principles are as follows:

- Services are provided free of charge.
- We tithe 10% of unrestricted donations to helping former participants as well as Christian ministries, charities or organisations that align with our vision and values.
- No money is accepted from any governmental body or source that would compromise our Christ-centred approach to mental health and wellbeing and the services we provide.

The year 2024 has presented ongoing financial challenges for the charity. As we do not receive any government funding, a significant portion of our income is derived from voluntary donations, with the remainder generated through fundraising initiatives, the sale of resources, and training days. The combined performance of regular giving, direct fundraising, training, events and resources yielded £1,041k. This was 90% of the £1,156k forecasted amount in the original plan for the year.

In May 2024, Mercy UK also established a wholly owned subsidiary trading company, Cornerstone Workspaces Ltd, to help utilise and maximise the potential of our main office building in Oxenhope. Cornerstone Workspaces provides affordable and flexible office spaces to local small businesses, entrepreneurs, and community groups. As a non-profit venture, the trading company operates with the dual purpose of supporting the local economy and generating unrestricted income for the charity. All surpluses generated by the company are transferred back to Mercy UK to support our charitable activities (included under 'other trading activities' in the figures below)

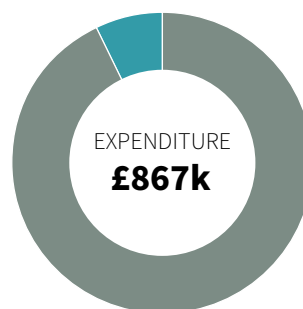


2024 Total Income: £596k

2023: £1.074m

Income and endowments from:

- Donation and legacies = £482k (81%)
- Charitable activities = £69k (12%)
- Other trading activities = £45k (8%)



2024 Total Expenditure: £867k

2023: £1.2m

- Charitable activities = £840k (97%)
- Raising funds = £27k (3%)

97% of our income was allocated against our charitable activities.
That's 97p in every £1!



RESERVES POLICY

The Trustees are committed to working within a Going Concern Framework, adhering to guidance issued by the Charity Commission to ensure effective management of funds and reserves. Our reserves policy reflects our commitment to achieving financial stability while maintaining flexibility to adapt to changing circumstances.

Mercy UK aims to hold unrestricted funds not committed or invested in tangible assets (“free reserves”) of £50,000. This represents approximately 1 to 1.5 months of operational expenditure. This target is intended to provide a basic safety net for one to one and a half months of essential expenses, offering immediate financial stability while being realistic given our current financial situation. It allows Mercy UK to rebuild reserves gradually without placing undue pressure on the charity.

On the 31st December 2024, our total reserves stood at £973k (2023: £1,244k), the vast majority of which are restricted funds represented by fixed assets for use by the charity and which cannot be turned into cash.

INVESTMENTS

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds so as to maximise interest on funds available.

TRUSTEES’ DECLARATION OF GOING CONCERN

The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments but acknowledge the challenges ahead given the current economic landscape and pressures facing charities.

The trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment continues to be reviewed and mitigations identified.

The trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the Trustees continue to adopt the going concern basis in preparing the financial statements.

RISK MANAGEMENT

Trustees continue to utilise the STEEPLE analysis tool to assess the risks of social, technological, economic, ethical, political, legal and environmental change drivers.

In response to the cost-of-living increases and because we continue to remain in faith for our finances, the trustees continue to use a Going Concern Framework to track and mitigate financial risks and formalise the board’s response at various thresholds of the charity’s financial position.

For Mercy UK, a structured and strategic approach to growth is essential. In 2024, work began on implementing a Balanced Scorecard KPI framework for assessing the agility and resilience of Mercy UK and providing insight into Mercy’s readiness for expansion or need for contraction



OUR ETHICAL PRACTICE

EQUALITY, DIVERSITY & INCLUSION

At Mercy UK, we are committed to creating an environment that values and respects the diverse backgrounds of our employees and service users. We believe that equality, diversity, and inclusion (EDI) are integral to our mission, and we strive to embed these principles in every aspect of our work by:

- Supporting Christians from underrepresented and disadvantaged backgrounds
- Educating ourselves about the lived experiences of individuals from diverse racial, cultural, and ethnic backgrounds
- Ensuring our services are culturally sensitive and meet the unique needs of those we serve
- Engaging with a diverse range of third-party practitioners, including those from Black, Asian, and other underrepresented communities
- Developing and implementing policies that actively promote equality, ensuring that all employees and beneficiaries are treated with respect and have equal access to opportunities

Given the nature and context of our work, which is rooted in Christian faith and values, roles within our organisation require individuals to be active members of the Christian faith. We recognise that being an active member of the Christian faith is a genuine occupational requirement for positions within the charity. In applying this exception, we are committed to ensuring that it is done lawfully and proportionately, and in a way that does not constitute direct or indirect discrimination.

EMPLOYEE EXPERIENCE

We are pleased to share the results of our staff survey carried out in April 2024, which reflect the deep passion and commitment of our team to the mission and values of Mercy UK. The feedback highlights the strong alignment between our core values and the experiences of those who work with us.

100%
agree

“Mercy UK is flexible with respect to commitments outside of the workplace such as family, medical appointments or study leave.”: An inspiring 100% of staff agreed that Mercy UK is flexible with respect to commitments outside of the workplace, with 82% strongly agreeing and 18% agreeing. This demonstrates our commitment to the wellbeing of our team, and the positive impact of this value is clear.

100%
agree

“Mercy UK embodies its core value of Passion for People”: A strong 100% of staff agreed that Mercy UK embodies its core value of Passion for People, with 63.64% strongly agreeing and 36.36% agreeing. This reinforces our ongoing commitment to not only supporting the individuals who benefit from our services but also nurturing a caring and supportive environment for our staff.

90%
agree

“Mercy UK embodies its core value of Passion for Excellence”: An encouraging 90.91% of staff agreed that we consistently demonstrate a commitment to excellence, with 63.64% strongly agreeing and 27.27% agreeing. While there is always room for growth, this shows that our team is deeply invested in delivering high-quality services and ensuring that we meet the highest standards in all that we do.

**GO TEAM
MERCY!**



SAFEGUARDING At Mercy UK, safeguarding is a top priority, and our safeguarding policy is deeply embedded in our practices. The policy undergoes an annual review by our trustees to ensure its continued relevance and effectiveness. Additionally, our team receives expert support and guidance from an organisation specialising in safeguarding within the faith sector. We remain committed to seeking consultation on any critical safeguarding concerns to ensure the highest standards of care.

If you have any safeguarding queries, please contact us at safeguarding@mercyuk.org.

ETHICAL PRACTICE Mercy UK's ethical practice is firmly rooted in our core values. When faced with ethical dilemmas, we are committed to applying Christian values to minimise harm and promote the wellbeing and empowerment of others. Our guiding principles are outlined in our Ethical Framework, which, along with our core values, serves as the foundation for all decision-making.

Our core values are:

- Passion for God
- Passion for People
- Passion for Excellence

For more information, our Statement of Ethical Practice is available on our website.

FUNDS HELD *Funds Held as Custodian Trustee on Behalf of Others*

The Trustees confirm that no funds are being held as custodian trustees on behalf of others.



PLANS FOR FUTURE PERIODS

FAITH-BASED EMPLOYEE WELLBEING PROGRAMME

EMPOWERING CHRISTIAN WORKPLACES FOR A THRIVING WORKFORCE

In the upcoming period, Mercy UK will introduce a transformative, faith-led Employee Well-Being Programme aimed at empowering Christian workplaces and fostering resilient, spiritually healthy, and high-performing teams. This initiative will provide tailored support for Christian businesses, charities, and churches by addressing the mental health challenges that significantly impact workplace performance and absenteeism. By integrating pastoral care, discipleship, and trauma-informed well-being strategies, the programme will offer a practical, faith-driven solution to support Christian organisations.

INCLUDING:

Workplace Well-Being Coaches:

Providing faith-based pastoral care, confidential listening services, prayer, and aftercare support. These coaches will be fully trained in safeguarding and counselling skills to ensure a spiritually and psychologically safe environment.

Keys to Freedom (KTF) Group Sessions:

An interactive 8-week discipleship programme designed to equip employees with tools for emotional resilience, personal growth, and spiritual development.

Thematic Workshops:

One-hour sessions addressing various topics such as personal leadership, change management, resilience, stress management, and discipleship, tailored to the specific needs of the organisation.

1:1 Faith-Based Support:

For employees seeking individualised guidance, Mercy UK will offer one-on-one KTF mentoring and the Freedom Journey, a 16-week trauma-informed programme that includes access to specialist practitioners and aftercare support.

PRICING:

Flexible pricing: Additionally, flexible pricing options will be available, allowing organisations to choose from stand-alone services or commit to a 12-month package for sustained impact and cost savings.

AIMS:

The programme aims to reduce workplace absenteeism, stress, and turnover, while enhancing employee engagement, retention, and personal development. Through this initiative, Mercy UK will support Christian organisations in nurturing healthier, more resilient teams, ultimately fostering a positive, faith-driven workplace culture.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice Accounting and Reporting by Charities, issued in March 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company and enable them to ensure that the accounts 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.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each trustee has taken all the steps that ought to have been taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Torevell Dent (Audit) LLP, were re-appointed as the charitable company's auditors during this year and have expressed their willingness to continue in that capacity.

This report was approved by the Board of Trustees on 10th September 2024 and signed on its behalf by:

Fiona Taylor
Chair of Trustees



OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Mercy Ministries UK (Mercy UK) is a charitable company limited by guarantee, incorporated on 23rd February 2005 and registered as a charity on 20th September 2005. The company is governed by a Memorandum and Articles of Association which determines the objects and powers of the charitable company. In the event of the organisation being wound up, members of the charitable company guarantee to contribute an amount not exceeding £1. The total number of such guarantees at the end of 2024 was x.

APPOINTMENT OF TRUSTEES

The Board of Trustees at Mercy UK, who are also directors of the charity for the purpose of the Companies Act, represent a group of individuals with a wide range of experience and skills.

All trustees give of their time voluntarily and receive no benefits from the charity. Any expenses that are claimed are shown in the notes to the accounts. Details of all the trustees can be found in the administrative information part of this document, as well as on our website.

Trustees are recruited on the basis of their experience for the role and the skills they might contribute in line with the objectives of the charity outlined in its Memorandum and Articles of Association. A skills matrix is used to identify skills gaps and inform recruitment needs.

TRUSTEE INDUCTION AND TRAINING

The charity has a trustee induction pack which explains the duties of a trustee and provides facts along with additional sources of information about the charity. New trustees are invited to a briefing session with the chairman to familiarise themselves with the charity.

STRUCTURE AND DECISION MAKING

The Board of Trustees at the end of 2024, consisted of six trustees, who are also members. The Trustees meet quarterly to review strategic, operational and financial performance together with the Senior Leadership Team.

The day-to-day running of Mercy UK has been delegated to the Senior Leadership team, consisting of the Director of People & Support and Director of Development who report to the Chief Operating Officer and operate under the visionary direction of the Chief Executive. The Chief Executive and Chief Operating Officer report directly to the Board of Trustees. All members of the Senior Leadership Team are present at Trustee meetings.

Key Performance Indicators are used to measure and review performance against the strategic plan with regular meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to monitor financial performance.

Mercy UK is affiliated to Mercy Multiplied International (MMI). The President and Founder of MMI is Nancy Alcorn. In addition to reporting to the Trustees, the Chief Executive also reports on a monthly basis to MMI, as a member of the MMI board of trustees.



REFERENCE AND ADMINISTRATIVE DETAIL

Company Information for the year ended 31st December 2024

COMPANY NAME	Mercy Ministries UK
DIRECTORS	Chairman: Fiona Taylor (appointed 19/04/2023) Helen Edwards (appointed 21/03/2018) Rob Waller (appointed 24/10/2018) Warrick McCullough (appointed 17/06/2019) Jonathan Clark (appointed 03/10/2023) Lavanya Dua (appointed 02/02/2024)
SECRETARY	Debbie Harvie (appointed 29/01/20)
CHIEF EXECUTIVE	Arianna Walker
REGISTERED OFFICE	Cragg Royd Lowertown Oxenhope BD22 9JE
BANK	Santander Bank Bridle Road, Bootle, Merseyside, GIR OAA
AUDITOR	Torevell Dent (Audit) LLP Chartered Certified Accountants Centre of Excellence, Hope Park, Trevor Foster Way, Bradford, BD5 8HH
COMPANY NUMBER	5373315
CHARITY NUMBER	1111377
OTHER NAMES USED	Mercy UK

AUDITOR'S REPORT

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MERCY MINISTRIES
UK FOR THE YEAR ENDED 31 DECEMBER 2024**

OPINION

We have audited the financial statements of Mercy Ministries UK for the year ended 31st December 2024 as set out on pages 12 to 18. The 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).

This report is made solely to the charitable company's members as a body, in accordance with Section 144 of the Charities Act 2011 made under Section 154 of the Act. Our audit work has been undertaken so that we might state to the charity's trustees, 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of reserves including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the requirements of the Charities Act 2011.



AUDITORS REPORT

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purpose 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative to do so.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 ISA's (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.

The risk of material misstatement in respect of irregularities, including fraud has been assessed as low. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with the management team. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities,



including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluation whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- The charitable company has not kept adequate accounting records and returns; or
- The financial statements are not in agreement with accounting records and returns; or
- We have not received all the information we require for our audit.

SIGNED:

Samantha Sutcliffe F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Torevell Dent (Audit) LLP

Chartered Certified Accountants

Statutory Auditor

1-3 St Ann's Place

Pellon Lane

Halifax

HX1 5RB

Date: 1 September 2025

Torevell Dent (Audit) LLP is eligible to act as auditor in terms of section 121 of the Companies Act 2006.



MERCY MINISTRIES UK

STATEMENT OF FINANCIAL ACTIVITIES

Summary Income and Expenditure Account for the year ended 31st December 2024

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>2024</u> <u>Total</u>	<u>2023</u> <u>Total</u>
Income and endowments from:					
Donations and legacies	4	351,408	130,395	481,803	977,062
Charitable activities		69,439	-	69,439	63,821
Other trading activities		44,657	-	44,657	32,688
Total income		465,504	130,395	595,899	1,073,571
Expenditure on:					
Raising funds		26,520	-	26,520	50,914
Charitable activities	5	709,809	130,395	840,204	1,161,935
Other					
Total expenditure		736,329	130,395	866,724	1,212,849
Net income/(expenditure)		(270,825)	-	(270,825)	(139,278)
Transfer between funds		-	-	-	-
Total funds brought forward		(549,081)	1,792,964	1,243,883	1,383,161
Total funds carried forward		(819,906)	1,792,964	973,058	1,243,883

The statement of financial activities includes all gains and losses in the year. All incoming sources and resources expended derived from continuing activities.

The notes which start on pages 31 form part of these financial statements

MERCY MINISTRIES UK

BALANCE SHEET

for the year ended 31st December 2024

	Notes	2024	2023
Fixed assets	6	1,199,431	1,280,507
Current Assets			
Stock		3,816	5,226
Debtors & prepayments	7	12,269	11,940
Cash at bank and in hand		39,525	27,188
		<u>55,610</u>	<u>44,354</u>
Creditors: amounts due within one year	8	<u>(83,983)</u>	<u>(80,978)</u>
Net Current Assets		(28,373)	(36,624)
Creditors: amounts due after more than one year		(198,000)	-
Total net assets		<u>973,058</u>	<u>1,243,883</u>
Reserves			
Unrestricted funds	10	(819,906)	(549,081)
Restricted funds	10	1,792,964	1,792,964
Total funds		<u>973,058</u>	<u>1,243,883</u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Charities SORP (FRS102) (effective January 2015)

Approved by the board of directors and trustees on 5th September and signed on its behalf by:



Fiona Taylor
Chair of Trustees



NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The assessment of the charity is a going concern.

The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments but acknowledge the challenges ahead given the current economic landscape and pressures facing charities.

The trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment continues to be reviewed and mitigations identified.

The trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming resources

Income is recognised and included in the accounts when all the following criteria are met:

- The Charity has entitlement to the funds;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- When a distribution is received from the estate.

Donated services and facilities

Donated services and facilities are recognised as income when the Charity has control over the item, and conditions associated with the donated item have been met, the



receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised based on the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds
- Expenditure on charitable activities

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Computer equipment	33% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis
Furniture and equipment	25% on a reducing balance basis
Freehold property	4% on a straight line basis

Stock

Stock is valued at the lower of cost and net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Charity would have been willing to pay for the items on the open market.



Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

		2024	2023
STAFF SALARIES AND NATIONAL INSURANCE	Salaries and wages	£518,715	£724,935
	Social security costs	£43,497	£61,302
		£ 562,212	£786,237

The average weekly number of staff employed, calculated as fulltime equivalents during the year was 21 (2023:30). No remuneration or expenses were paid to any of the trustees during the year. No employee received remuneration of £60,000 per annum or more.

NET INCOME	Net income is stated after charging:	2024	2023
	Depreciation	£81,074	£83,188
	Audit fee	£3,600	£4,080
	Income from donations and legacies	2024	2023
	Regular giving	£148,291	£179,103
	Restricted fund donations	£130,395	£590,267
	Donations	£92,770	£98,490
	Grants received from Trusts	£72,000	£58,500
	Gift Aid received	£38,347	£50,702
		£481,803	£977,062

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 26)

5 Expenditure on Charitable Activities

	2024	2023
International Affiliation fees	-	10,997
Staff costs and National Insurance	562,212	786,237
Recruiting and training	31,793	63,207
Premises costs	34,802	61,677
Programme activity costs	30,344	46,058
Administration costs	58,129	57,880
Motor and travel costs	6,955	14,014
Tithes	31,067	34,416
Depreciation and loss on sale of assets	81,074	83,188
Finance costs	228	181
Audit fee	3,600	4,080
	840,204	1,161,935

Tithes

It is a founding principle of Mercy UK to give away at least 10% of all unrestricted income to organisations and individuals that are involved in or do work that is in alignment with our vision. Donations made this year include gifts to former resident and individuals on mission trips, churches and other ministry organisations.

6 Tangible Fixed Assets

	Freehold Property £	Computer Equipment £	Furniture & Equipment £	Totals £
Cost				
At 1 st January 2024	1,903,447	92,413	51,029	2,046,889
Additions	-	-	-	-
Disposals at cost	-	-	-	-
Current	1,903,447	92,413	51,029	2,046,889
Depreciation				
At 1 st January 2024	639,876	83,975	42,531	766,382
Charge for period	76,138	2,812	2,124	81,074
Elim on disposal	-	-	-	-
At 31st December 2024	716,014	86,787	44,655	847,456
Net Book Value				
At 31 December 2024	1,187,433	5,626	6,374	1,199,433
At 31 December 2023	1,263,571	8,438	8,498	1,280,507

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

7 Debtors: Amounts falling due within one year

	<u>2024</u>	<u>2023</u>
Prepayments	10,754	10,175
Debtors	1,515	1,765
	<u>12,269</u>	<u>11,940</u>

8 Creditors: Amounts falling due within one year

	<u>2024</u>	<u>2023</u>
Trade creditors	20,875	14,725
Social Security	57,398	59,754
Accruals	5,710	6,499
	<u>83,983</u>	<u>80,978</u>

9 Operating Lease Rentals

	<u>2024</u>	<u>2023</u>
Annual operating lease rentals on equipment	<u>3,740</u>	<u>3,208</u>

10 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Totals £
Tangible fixed assets	-	1,199,431	1,199,431
Net current (liabilities) / assets	(819,906)	593,533	(226,373)
Transfer between funds	-	-	-
Net assets 31st December 2024	<u>(819,906)</u>	<u>1,792,964</u>	<u>973,058</u>

11 APB Ethical Standards

In common with many other charities of our size and nature we use our auditors to prepare accounts and submit returns to the tax authorities. Payment for non-audit services totalled £875 (2023: £875).



TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024		2023	
	£	£	£	£
Turnover				
Regular giving		148,294		179,103
Donations		295,165		747,257
Merchandise sales		28,316		30,191
Other income		16,341		2,497
Gift Aid		38,347		50,702
Fundraising		69,436		63,821
		595,899		1,073,571
Cost of sales				
Fundraising events and merchandise costs	26,520		50,914	
				(50,914)
Gross Profit		569,379		1,022,657
Expenditure				
Rates and water	3,573		3,034	
Insurance	9,542		9,676	
Light and heat	17,041		32,688	
Property maintenance	4,646		16,279	
Wages and National Insurance	562,212		786,237	
Telephone	913		2,680	
Printing and stationery	57		668	
Postage	6,472		5,364	
Travel and accommodation	3,215		10,806	
Training	2,191		8,962	
Corporate Service team costs	29,602		54,245	
Project motor costs	-		6,005	
Current	3,740		3,208	
Professional & consultancy fees	9,170		10,997	
Audit fees	3,600		6,493	
Resident recreation and resource costs	-		91	
Carried forward	655,974	569,379	957,433	1,022,657

TRADING AND PROFIT AND LOSS ACCOUNT

(CONTINUED)

	2024		2023	
	£	£	£	£
Brought forward	655,974	569,379	957,433	1,022,657
Website costs	533		57	
Programme non food costs	30,344		39,962	
Subscriptions	980		1,594	
IT costs	39,353		41,657	
Tithes	31,067		34,416	
Sundry expenses	651		3,447	
		(758,902)		(1,078,566)
		(189,523)		(55,909)
Finance costs				
Bank charges	228		181	
		(228)		(181)
		(189,751)		(56,090)
Depreciation				
Freehold property	76,138		76,138	
Furniture and equipment	2,124		2,832	
Computer equipment	2,812		4,218	
		(81,074)		(83,188)
Net (Expenses)		(270,825)		(139,278)

This page does not form part of the statutory financial statements

*THANK
YOU!*



mercyuk.org

MERCY BEYOND LIMITED

England & Wales - Charity number 1111377

Accounts



2023

ANNUAL REPORT

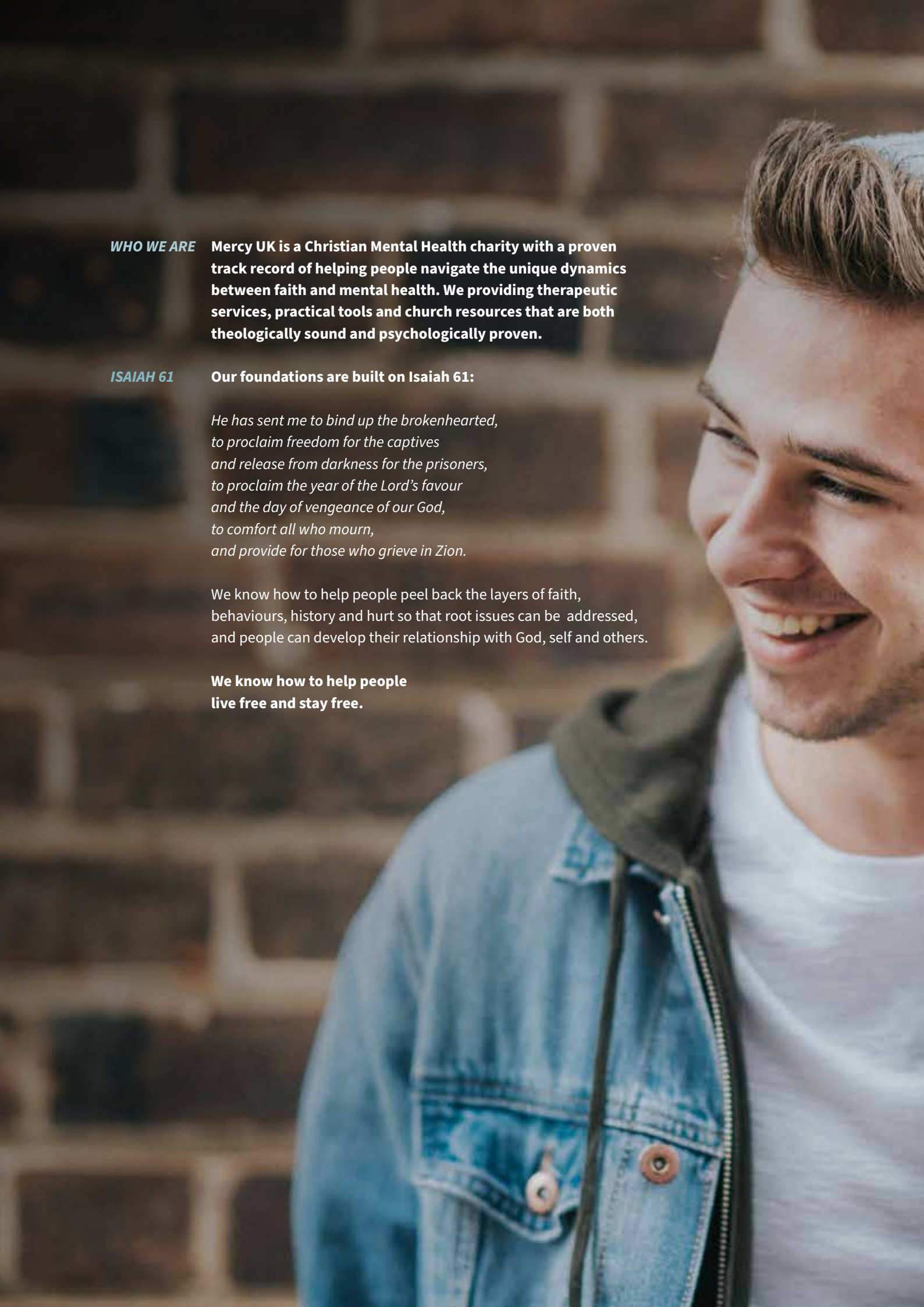
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WHO WE ARE Mercy UK is a Christian Mental Health charity with a proven track record of helping people navigate the unique dynamics between faith and mental health. We providing therapeutic services, practical tools and church resources that are both theologically sound and psychologically proven.

ISAIAH 61 Our foundations are built on Isaiah 61:

*He has sent me to bind up the brokenhearted,
to proclaim freedom for the captives
and release from darkness for the prisoners,
to proclaim the year of the Lord's favour
and the day of vengeance of our God,
to comfort all who mourn,
and provide for those who grieve in Zion.*

We know how to help people peel back the layers of faith, behaviours, history and hurt so that root issues can be addressed, and people can develop their relationship with God, self and others.

**We know how to help people
live free and stay free.**



AIMS & OBJECTIVES

HOW WE HELP

We help people peel back the layers of faith, behaviours, history and hurt so that root issues can be addressed, and people can develop their relationship with God, self and others.

We know how to help people live free and stay free. During 2023 our services included:

The Freedom Course. A 16-week course to help Christians live free and stay free with one-to-one mentoring, counselling and access to other specialist support

Keys to Freedom. An 8-week discipleship course for group or individual study, designed to help Christians live free and stay free.

Training, resources and speaking engagements. We use our proven track record to educate, equip and empower individuals and churches.

OUR AIMS AND OBJECTIVES

The objectives of Mercy UK as set out in our Memorandum and Articles of Association are:

To promote the benefit of the public, in particular women and girls, by

(a) providing relief from and support to women and girls affected by poverty, pregnancy, sickness, hardship and distress

(b) providing charitable relief (including the provision of housing or other accommodation) to women and girls in need of care by reason of their social, emotional and economic circumstances

(c) To advance the Christian religion in accordance with the statement of faith (attached as a schedule to the memorandum of association) through the gospel of the Lord Jesus Christ and the teachings of the word of God by presenting a values-based curriculum or teaching programme that will better enable persons to cope with the business of life.

(d) And such other charitable purposes as the directors of the company may from time to time determine.

The Trustees have referred to the Charities Commission's general guidance on public benefit when reviewing the aims and objectives of Mercy UK and planning its activities. The Trustees are confident that Mercy UK meets the public benefit requirements.

Given the changes to our services post-Covid, including the closure of our residential services and pivoting to deliver online support to a broader demographic, a review of our charitable purposes was undertaken in 2023 to more accurately describe the activities now delivered by Mercy UK in meeting its charitable purposes for the public benefit. This is a regulated change, and final approval will be obtained from the Charity Commission in 2024.



A YEAR OF FREEDOM

Celebrating our first year of the Freedom Course, which is proving more effective than we could have hoped for!

In February 2023, we opened applications for our inaugural cohort of Freedom Course participants. At the time, we had already received over 150 registrations of interest and within 24 hours we had reached the maximum number of applications we could process!

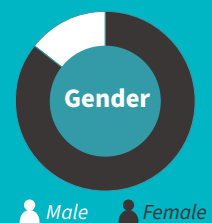
This initial interest was indicative of the consistent demand we have seen for the Freedom Course throughout 2023.

GOAL 1

SEE AN INCREASINGLY DIVERSE RANGE OF PARTICIPANTS

One of our primary goals was to see an increase in the amount and types of people that Mercy UK could directly support. Prior to the Freedom Course, our Direct Support was provided through a residential home with a fixed capacity and limited to young women between the ages of 18-35.

In 2023, 50 participants were accepted onto the Freedom Course.



“For the first time in my life, I know that I am **ENOUGH**”

“Through my journeying with you all, I have been forever changed and just cannot begin to express how grateful I am to have been given the chance to go through the Freedom Course. For the first time in my life, I know that I am ENOUGH, FORGIVEN & that I am LOVED. I can feel the difference freedom brings each day and I am so excited for the adventures of my future with my God.”

“I have only just started and I have already recommended it to people of both sexes.”



GOAL 2

SEE DEMONSTRABLE IMPROVEMENTS TO PARTICIPANTS' WELLBEING

The Freedom Course is proving to be more effective than we could ever have hoped for. We consistently measure a participant's well-being using the industry standard 'Core-10' assessment (Clinical Outcomes in Routine Evaluation) at the end of each Freedom Course module. Typically, counselling will see these scores improve incrementally over a long period of time. The Freedom Course, with our unique holistic and faith-based approach, is seeing these scores improve dramatically over the 16-week course. We are receiving many astounding testimonies, from participants and counsellors alike!

We have seen people with Core-10 scores over 20, indicating a moderate-to-severe level of distress, ending the course with scores below 10, which indicate clinically insignificant levels – in other words, the same scores as someone with good mental health who needs no intervention or support.

The scores also tell another significant story: as people start their journey, their CORE-10 scores often rise, indicating that they are opening up and being more honest about the challenges they're facing. But as the course proceeds, these start to decline to levels well below their peak range, and in **all** cases, below their starting score.



Starting my application to the Freedom Course has allowed me to see the gift of being on the receiving end of being vulnerable with another person and having that vulnerability stewarded kindly, with no judgment. It's made me desire to want to be that way with others.



God is really just healing and highlighting various things in my life! I'm finding that I'm recognising the "why" im doing things with much greater ease. I've noticed an ease of communicating with friends and family, as well as a resilience. God has really started working on my abandonment issues and I'm becoming more and more confident in Him!





IMPACT

We are excited to share the incredible feedback relating to our participant experience and engagement for 2023:

100%

are seeing an improvement in their Core-10 score

100%

satisfaction rate after each module

100%

agree that their improved wellbeing is due to the Freedom Course

We have also seen encouraging improvements in our own Discipleship Matrix tool, which measures learning and engagement in key discipleship areas:

75%

are more confident in identifying unhealthy or unhelpful beliefs

61%

are more confident in receiving emotional healing and comfort from God

Counsellor feedback:

We've also been incredibly encouraged to receive feedback from our third-party counsellors, who have been taken aback by the rate of improvement they are seeing in participants as they access the free counselling available to them through the course. One commented that they have "never seen such effective and fundamental change in a client".

Another sent us this feedback:



I wanted to give you some feedback about what my counselling clients have expressed about the Freedom Course: For all of them their experience has been life changing. They hear from God as never before, they understand their value (and have broken agreement with the lies they have believed about themselves), they trust God much more and feel deeply transformed generally speaking. Their relationship with their facilitators seems to be a highlight of their experience and I have noticed that a grieving process happens when the end is close (which is a good sign that they don't want it to finish!). I believe that what you are doing is so wonderful and it is a privilege to witness this. Well done!



THANKING OUR SUPPORTERS

We remain immensely grateful to all our supporters not just for their giving, but for their prayers and continued cheerleading. Thank you.



ONE MILLION STEPS

In 2023, our 'One Million Steps' fundraiser was a great success. We exceeded our expectations, raising over £21,000. Even more encouragingly, over 70 participants contributed to a total of more than 1.2 million steps. We really did feel the contribution of our supporters through this campaign, many of whom added to our total by organising their own fundraisers.



CHRISTMAS APPEAL

In November 2023, we launched The Big Christian Mental Health Campaign as our Christmas Appeal and were so encouraged with the success we saw, raising a total of £68,000 from over 100 individuals – double our previous best for a Christmas Fundraiser.

This total was thanks to a few significant donations from supporters and a generous Match Fund. We are so grateful to all who gave in the midst of such economic uncertainty and so many other pressing global needs.



TREASURE BUILDERS

Our regular donors or 'Treasure Builders,' continue to form our most sustainable source of income. Sadly, many of our Treasure Builders have communicated to us the pressures on their own personal finances due to the increased cost of living, and at the close of 2023, the 12-month rolling giving average had reduced to £19.23 (2022: £20.53) and we have experienced a 10% decline in regular giver numbers.

IMPACT



WORLDWIDE REACH

We are affiliated with a global network based in America, with a growing number of associates including:

Canada, Isle of Man, Germany, Denmark, Sweden and the Faroe Islands

Keys to Freedom is being used across the world and has already been translated into 5 languages.

FREEDOM COURSE

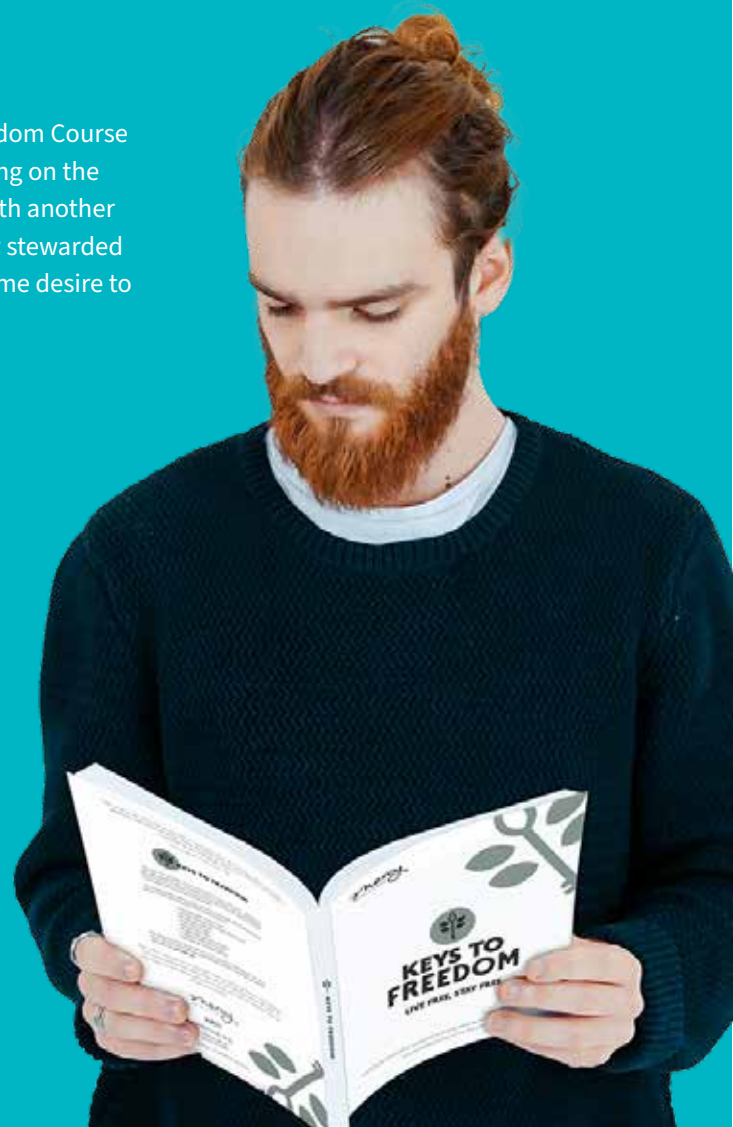
**118
people directly
supported
through the
Freedom Course**

“Starting my application to the Freedom Course has allowed me to see the gift of being on the receiving end of being vulnerable with another person and having that vulnerability stewarded kindly, with no judgment. It’s made me desire to want to be that way with others.”

KEYS TO FREEDOM

**100s
of churches all
over the country
use Keys to
Freedom as their
main ‘freedom’
curriculum to
support their
community’s
faith journey.**

“I am happy to report the best testimony shared with me today was that as a direct result of completing KTF a number of individuals made the decision to get baptised. I’m sorry let me say that again AS A DIRECT RESULT of completing KTF a number of individuals made the decision to be baptised.”





FINANCIAL REVIEW

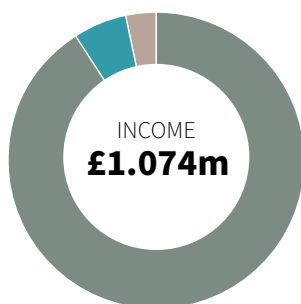
In keeping with our Christian values, Mercy's financial principles are as follows:

- Services are provided free of charge.
- We tithe 10% of unrestricted donations to Christian ministries, charities or organisations.
- No money is accepted from any governmental body or source that would compromise our Christ-centred approach to mental health and wellbeing and the services we provide.

INCOME

2023 has continued to present financial challenges. The charity receives no government funding for its work and a significant proportion of income is sourced from voluntary donations and the remainder is collected through fundraising initiatives and the sale of resources and training days.

The combined performance of regular giving, direct fundraising, training, events and resources yielded £1.041m. This was 90% of the £1.156m forecasted amount in the original plan for the year.



2023 Total Income: £1.074m

2022: £1.296m

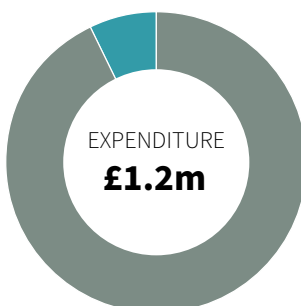
Income and endowments from:

- Donation and legacies = £977k (91%)
- Charitable activities = £64k (6%)
- Other trading activities = £33k (3%)

Our regular donors or 'Treasure Builders,' continue to form our most substantial and sustainable source of income. At the close of 2022, the 12-month rolling giving average was £20.53 (2021: £19.89). Our overall retention rate of givers was 87% (2021: 89%).

EXPENDITURE

Our total expenditure for 2023 was £1.2m, (2022: £1.38m) a 12% year-on-year decrease.



2023 Total Expenditure: £1.2m

2022: £1.38m

- Charitable activities = £1.162m (96%)
- Raising funds = £51k (4%)

96% of our income was allocated against our charitable activities.
That's 96p in every £1!



RESERVES POLICY

Reserves Policy Statement

As of 31st December 2023, Mercy UK's total reserves stood at £1,244,000 (2022: £1,383,000), with the majority represented by restricted funds tied up in fixed assets and not readily available for operational use. In light of the current financial landscape and to ensure more practical financial management, the Trustees have revised the reserves policy to better align with achievable goals while maintaining financial stability. The new policy is as follows:

Revised Reserves Target:

- **TARGET RANGE:** Mercy UK aims to hold unrestricted funds not committed or invested in tangible assets ("free reserves") within a target range of £50,000. This represents approximately 1 month of operational expenditure.
- **RATIONALE:** This revised target is intended to provide a basic safety net for one month of essential expenses, offering immediate financial stability while being realistic, given our current financial situation. It allows Mercy UK to rebuild reserves gradually without placing undue pressure on the charity.

Policy and Practice:

- **ANNUAL REVIEW:** The reserves target will be reviewed annually to ensure it remains appropriate given changes in income, expenditure, and financial risk. This will help maintain relevance and adjust the target as necessary.
- **GRADUAL ACCUMULATION:** Mercy UK will work towards achieving the revised reserves target through incremental accumulation, setting manageable monthly or quarterly goals.
- **RISK MANAGEMENT:** To complement this reserves policy, Mercy UK will explore contingency plans and develop a comprehensive risk management strategy to safeguard against future income shortfalls.

Commitment to Financial Management:

The trustees are committed to working within a Going Concern Framework, adhering to guidance issued by the Charity Commission to ensure effective management of funds and reserves. This revised reserves policy reflects our commitment to achieving financial stability while maintaining flexibility to adapt to changing circumstances.



INVESTMENTS Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds so as to maximise interest on funds available.

TRUSTEES' DECLARATION OF GOING CONCERN The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments but acknowledge the challenges ahead given the current economic landscape and pressures facing charities.

The trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment continues to be reviewed and mitigations identified.

The trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the Trustees continue to adopt the going concern basis in preparing the financial statements.



RISK MANAGEMENT

Trustees continue to utilise the STEEPLE analysis tool to assess the risks of social, technological, economic, ethical, political, legal and environmental change drivers.

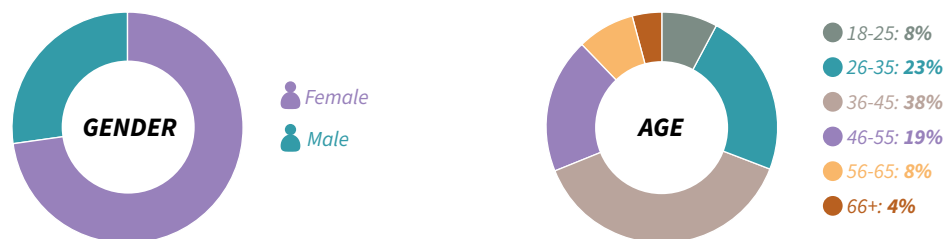
The trustees continue to use a Going Concern Framework to track and mitigate financial risks and formalise the board's response at various thresholds of the charity's financial position.

HEALTH, SAFETY & WELLBEING

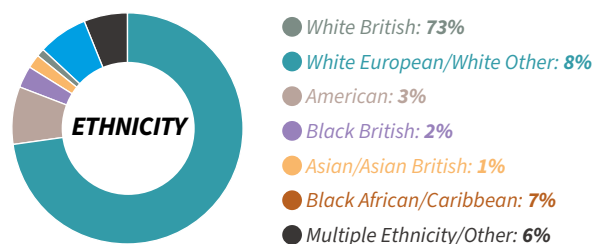
In 2023, we undertook an internal Equality, Diversity and Inclusion audit and found that:

Demographic of our Mercy UK employed team:

Ethnicity has historically not been recorded in our HR system. This is now a key change to monitor the demographic of Mercy UK employees.



Demographic of Freedom Course Participants:





WHERE DO WE CURRENTLY HAVE INEQUALITIES AND UNDER-REPRESENTATIONS?

Gender – men are under-represented amongst our employees and Freedom Course beneficiaries

Age – young adults (under 25s) and older adults (over 55s) are under-represented amongst our employed staff and Freedom Course beneficiaries

Ethnicity – people of colour are under-represented amongst our employed staff and Freedom Course beneficiaries

At Mercy UK, we are committed to fostering an environment that values and respects the diversity of our employees and service users. We believe that equality, diversity, and inclusion (EDI) are essential to our mission, and we are dedicated to promoting these principles in all aspects of our work by:

- vocalising support for marginalised Christians
- educating ourselves about what life is like for Christian people from different racial backgrounds
- ensuring we offer culturally appropriate services to our beneficiaries
- putting policies and responses in place to ensure all employees and beneficiaries are treated with the same respect and offered equal access to the same opportunities

The nature and context of our work and mission, rooted in Christian faith and values, requires that our roles necessitate individuals to be active members of the Christian faith. This means that being an active member of the Christian faith can be considered a genuine occupational requirement for positions within the charity. When applying this exception, we will ensure that it is done so in a lawful and proportionate manner and will not constitute direct or indirect discrimination.

STAFF SURVEY

Our employee feedback for 2023 provides insight into our employee experience and engagement:

Length of Service:

- 👤 **46%** of our team have worked with us for less than 3 years
- 👤 **36%** of our team have worked with us for between 3 – 5 years
- 👤 **18%** of our team have worked with us for more than 5 years

Go Team Mercy!

91 %
AGREE
9% Neutral



MERCY UK
EMBODIES THE
CORE VALUE OF
**PASSION FOR
GOD**

100 %
AGREE



MERCY UK
EMBODIES THE
CORE VALUE OF
**PASSION FOR
PEOPLE**

91 %
AGREE
9% Neutral



MERCY UK
EMBODIES THE
CORE VALUE OF
**PASSION FOR
EXCELLENCE**



SAFEGUARDING ***Safeguarding of vulnerable adults and third parties:*** Mercy UK's safeguarding policy is well embedded into practice and the policy is reviewed by the trustees annually. Our team also benefits from the support and advice of an organisation that specialises in safeguarding in the faith sector and continue to seek consultation in relation to any critical safeguarding concerns.

Safeguarding queries can be raised by contacting safeguarding@mercyuk.org

ETHICAL PRACTICE ***Promoting the wellbeing and empowerment of all stakeholders through ethical practices and decision-making.***

Our core values inform the principles of our ethical practice. If any ethical dilemmas or considerations occur, or where best practice is unclear, Mercy UK commits to applying broader Christian values to minimise harm and promote the wellbeing and empowerment of others. In resolving conflicts, the guiding ethical principles of our Ethical Framework and our core values, must be considered as those which guide and underpin our general ethical commitment.

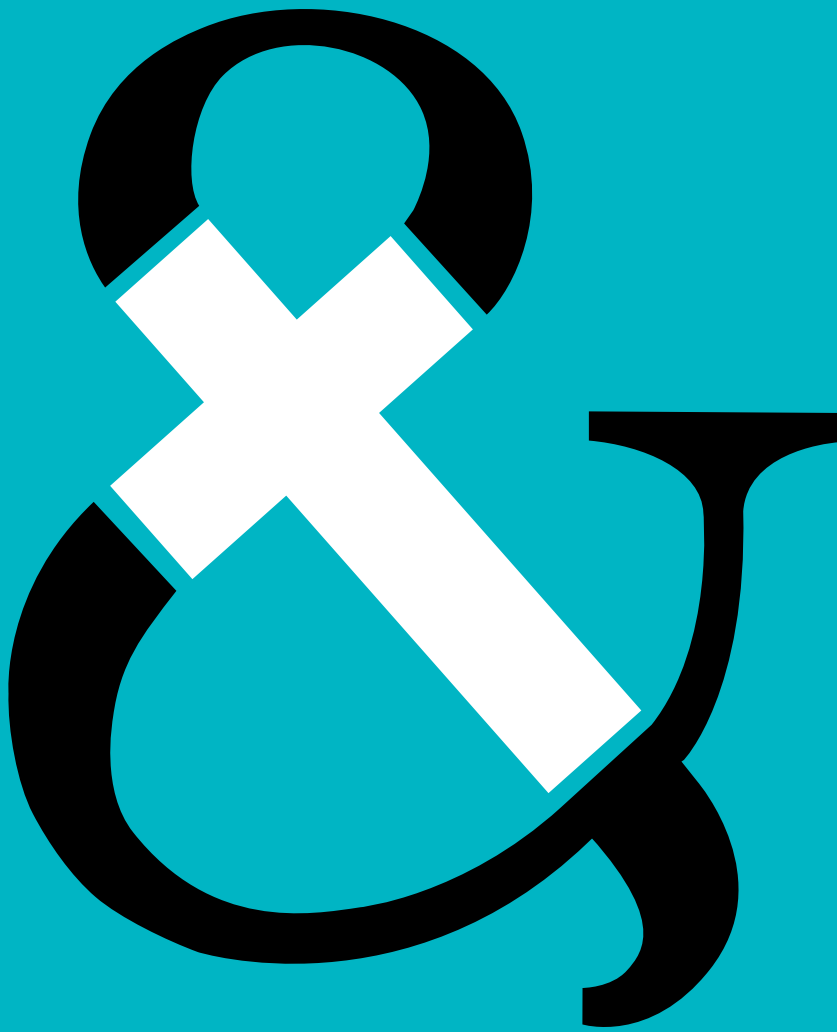
Our core values are:

- Passion for God
- Passion for People
- Passion for Excellence

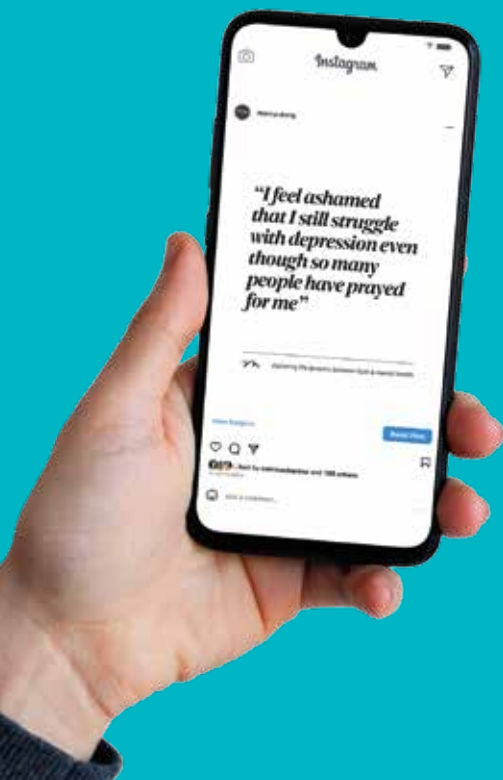
Our Statement of Ethical Practice is available on our website:
www.mercyuk.org/safeguarding-and-ethical-practice

FUNDS HELD ***Funds Held as Custodian Trustee on Behalf of Others***

The Trustees confirm that no funds are being held as custodian trustees on behalf of others.



PLANS FOR FUTURE PERIODS



In 2024 we will be launching The Big Christian Mental Health Campaign to enable Christians all over the country to improve their mental health and wellbeing.

This ambitious year of activity has two main objectives:

HOST THE CONVERSATION

We want to do our part to help break the taboo, remove the stigma, and normalise Christ-centered mental health and wellbeing support.

EQUIP, EMPOWER AND SUPPORT

This year will see us creating over a hundred new resources, making training more accessible and delivering one-to-one counselling, coaching and mentoring sessions online through the Freedom Course.

All for free. All in response to the mental health crisis our country, and our churches, are facing.

Will you join us?

STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements the trustees are required to:

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice Accounting and Reporting by Charities, issued in March 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company and enable them to ensure that the accounts 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.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each trustee has taken all the steps that ought to have been taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Torevell Dent (Audit) LLP, were re-appointed as the charitable company's auditors during this year and have expressed their willingness to continue in that capacity.

This report was approved by the Board of Trustees on 23rd September 2024 and signed on its behalf by:

Fiona Taylor
Chair of Trustees



STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Mercy Ministries UK (Mercy UK) is a charitable company limited by guarantee, incorporated on 23rd February 2005 and registered as a charity on 20th September 2005. The company is governed by a Memorandum and Articles of Association which determines the objects and powers of the charitable company. In the event of the organisation being wound up, members of the charitable company guarantee to contribute an amount not exceeding £1. The total number of such guarantees at the end of 2023 was nine.

APPOINTMENT OF TRUSTEES

The Board of Trustees at Mercy UK, who are also directors of the charity for the purpose of the Companies Act, represent a group of individuals with a wide range of experience and skills.

All trustees give of their time voluntarily and receive no benefits from the charity. Any expenses that are claimed are shown in the notes to the accounts. Details of all the trustees can be found in the administrative information part of this document, as well as on our website.

Trustees are recruited on the basis of their experience for the role and the skills they might contribute in line with the objectives of the charity outlined in its Memorandum and Articles of Association. A skills matrix is used to identify skills gaps and inform recruitment needs.

TRUSTEE INDUCTION AND TRAINING

The charity has a trustee induction pack which explains the duties of a trustee and provides facts along with additional sources of information about the charity. New trustees are invited to a briefing session with the chairman to familiarise themselves with the charity.

STRUCTURE AND DECISION MAKING

The Board of Trustees at the end of 2023, consisted of eight trustees, who are also members.

The trustees meet quarterly to review strategic, operational and financial performance together with the Senior Leadership Team.

The day-to-day running of Mercy UK has been delegated to the Senior Leadership team, consisting of the Director of People & Support and Director of Development who report to the Chief Operating Officer and who in turn, reports to the Chief Executive Officer. The Senior Leadership Team operates under the direction of the Chief Executive. The Chief Executive reports directly to the Board of Trustees. All members of the Senior Leadership Team are present at trustee meetings.

Key Performance Indicators are used to measure and review performance against the



strategic plan with regular meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to monitor financial performance.

In 2023, the sub-committee Terms of References were reviewed and any amendments were ratified by the board.

Mercy UK is affiliated to Mercy Multiplied International (MMI). The President and Founder of MMI is Nancy Alcorn. In addition to reporting to the trustees, the Chief Executive also reports on a monthly basis to MMI, as a member of the MMI board of trustees.



REFERENCE AND ADMINISTRATIVE DETAIL

Company Information for the year ended 31st December 2023

COMPANY NAME	Mercy Ministries UK
DIRECTORS	Chairman: Fiona Taylor (appointed 19/04/2023) Helen Edwards (appointed 25/04/2019) Rob Waller (appointed 24/10/2018) Warrick McCullough (appointed 25/04/2019) Zara Mapanga (appointed 16/05/2022) Paul Manwaring (appointed 18/07/2022) Jonathan Clark (appointed 03/10/2023) Lavanya Dua (appointed 06/02/2023)
SECRETARY:	Debbie Harvie (appointed 29/01/20)
CHIEF EXECUTIVE:	Arianna Walker
REGISTERED OFFICE:	Cragg Royd Lowertown Oxenhope BD22 9JE
BANK:	Santander Bank Bridle Road, Bootle, Merseyside, GIR OAA
AUDITOR:	Torevell Dent (Audit) LLP Chartered Certified Accountants Centre of Excellence, Hope Park, Trevor Foster Way, Bradford, BD5 8HH
COMPANY NUMBER:	5373315
CHARITY NUMBER:	1111377
OTHER NAMES USED:	Mercy UK

AUDITOR'S REPORT

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MERCY MINISTRIES
UK FOR THE YEAR ENDED 31 DECEMBER 2022**

OPINION

We have audited the financial statements of Mercy Ministries UK for the year ended 31st December 2023 as set out on pages 12 to 18. The 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).

This report is made solely to the charitable company's members as a body, in accordance with Section 144 of the Charities Act 2011 made under Section 154 of the Act. Our audit work has been undertaken so that we might state to the charity's trustees, 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of reserves including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the requirements of the Charities Act 2011.



AUDITORS REPORT

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purpose 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative to do so.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 ISA's (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.

The risk of material misstatement in respect of irregularities, including fraud has been assessed as low. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with the management team. There are inherent limitations in the audit procedures described



above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluation whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- The charitable company has not kept adequate accounting records and returns; or
- The financial statements are not in agreement with accounting records and returns; or
- We have not received all the information we require for our audit.

SIGNED:

Samantha Sutcliffe F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Torevell Dent (Audit) LLP
Chartered Certified Accountants
Statutory Auditor
1-3 St Ann's Place
Pellon Lane
Halifax
HX1 5RB

Date: 1 September 2024

Torevell Dent (Audit) LLP is eligible to act as auditor in terms of section 121 of the Companies Act 2006.



MERCY MINISTRIES UK

STATEMENT OF FINANCIAL ACTIVITIES

Summary Income and Expenditure Account for the year ended 31st December 2022

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>1280507 Funds</u>	<u>2023 Total</u>	<u>2022 Total</u>
Income and endowments from:					
Donations and legacies	4	386,795	590,267	977,062	1,261,367
Charitable activities		63,821	-	63,821	9,977
Other trading activities		32,688	-	32,688	24,606
Total income		483,304	590,267	1,073,571	1,295,950
Expenditure on:					
Raising funds		50,914	-	50,914	96,709
Charitable activities	5	571,668	590,267	1,161,935	1,281,663
Other					
Total expenditure		622,582	590,267	1,212,849	1,378,372
Net income/(expenditure)		(139,278)	-	(139,278)	(82,422)
Transfer between funds		-	-	-	-
Total funds brought forward		(409,803)	1,792,964	1,383,161	1,465,583
Total funds carried forward		(549,081)	1,792,964	1,243,883	1,383,161

The notes which start on pages 25 form part of these financial statements

MERCY MINISTRIES UK

BALANCE SHEET

for the year ended 31st December 2022

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Fixed assets	6	1,280,507	1,363,695
Current Assets			
Stock		5,226	6,815
Debtors & prepayments	7	11,940	17,491
Cash at bank and in hand		27,188	124,836
		<u>44,354</u>	<u>149,142</u>
Creditors: amounts due within one year	8	<u>(80,978)</u>	<u>(129,676)</u>
Net Current Assets		(36,624)	19,466
Total net assets		<u>1,243,883</u>	<u>1,383,161</u>
Reserves			
Unrestricted funds	10	(549,081)	(409,803)
Restricted funds	10	1,792,964	1,792,964
Total funds		<u>1,243,883</u>	<u>1,383,161</u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Charities SORP (FRS102) (effective January 2015)

Approved by the board of directors and trustees on 5th September and signed on its behalf by:



Fiona Taylor
Chair of Trustees

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The assessment of the charity is a going concern.

The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments but acknowledge the challenges ahead given the current economic landscape and pressures facing charities.

The trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment continues to be reviewed and mitigations identified.

The trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming resources

Income is recognised and included in the accounts when all the following criteria are met:

- The Charity has entitlement to the funds;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- When a distribution is received from the estate.

Donated services and facilities

Donated services and facilities are recognised as income when the Charity has control over the item, and conditions associated with the donated item have been met, the



receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised based on the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds
- Expenditure on charitable activities

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Computer equipment	33% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis
Furniture and equipment	25% on a reducing balance basis
Freehold property	4% on a straight line basis

Stock

Stock is valued at the lower of cost and net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Charity would have been willing to pay for the items on the open market.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their



estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

		2023	2022
STAFF	Salaries and wages	£724,935	£818,213
SALARIES AND	Social security costs	£61,302	£63,116
NATIONAL		£786,237	£881,329
INSURANCE			

The average weekly number of staff employed, calculated as fulltime equivalents during the year was 30 (2021:31). No remuneration or expenses were paid to any of the trustees during the year. No employee received remuneration of £60,000 per annum or more.

NET INCOME	Net income is stated after charging:	2022	2021
	Depreciation	£86,241	£86,241
	Audit fee	£3,840	£3,840
	Income from donations and legacies	2023	2022
	Regular giving	£179,103	£279,970
	Restricted fund donations	£590,267	£716,415
	Donations	£98,490	£113,084
	Grants received from Trusts	£58,500	£85,368
	Gift Aid received	£50,702	£66,530
		£977,062	£1,261,367

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

5 Expenditure on Charitable Activities

	<u>2023</u>	<u>2022</u>
International Affiliation fees	10,997	10,400
Staff costs and National Insurance	786,237	881,329
Recruiting and training	63,207	50,504
Premises costs	61,677	42,358
Programme activity costs	46,058	75,625
Administration costs	57,880	65,731
Motor and travel costs	14,014	19,398
Tithes	34,416	43,930
Depreciation and loss on sale of assets	83,188	86,241
Finance costs	181	2,307
Audit fee	4,080	3,840
	<u>1,161,935</u>	<u>1,281,663</u>

Tithes

It is a founding principle of Mercy UK to give away at least 10% of all unrestricted income to organisations and individuals that are involved in or do work that is in alignment with our vision. Donations made this year include gifts to former resident and individuals on mission trips, churches and other ministry organisations.

6 Tangible Fixed Assets

	Freehold Property £	Computer Equipment £	Furniture & Equipment £	Totals £
<u>Cost</u>				
At 1 st January 2023	1,903,447	92,413	51,029	2,046,889
Additions	-	-	-	-
Disposals at cost	-	-	-	-
Current	<u>1,903,447</u>	<u>92,413</u>	<u>51,029</u>	<u>2,046,889</u>
<u>Depreciation</u>				
At 1 st January 2023	563,738	79,757	39,699	683,194
Charge for period	76,138	4,218	2,832	83,188
Elim on disposal	-	-	-	-
At 31st December 2023	<u>639,876</u>	<u>83,975</u>	<u>42,531</u>	<u>766,382</u>
<u>Net Book Value</u>				
At 31 December 2023	<u>1,263,571</u>	<u>8,438</u>	<u>8,498</u>	<u>1,280,507</u>
At 31 December 2022	<u>1,339,709</u>	<u>12,656</u>	<u>11,330</u>	<u>1,363,695</u>

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

7 Debtors: Amounts falling due within one year

	<u>2023</u>	<u>2022</u>
Prepayments	10,175	15,093
Debtors	1,765	2,398
	<u>11,940</u>	<u>17,491</u>

8 Creditors: Amounts falling due within one year

	<u>2023</u>	<u>2022</u>
Trade creditors	14,725	14,067
Social Security	59,754	22,824
Accruals	6,499	92,785
	<u>80,978</u>	<u>129,676</u>

9 Operating Lease Rentals

	<u>2023</u>	<u>2022</u>
Annual operating lease rentals on equipment	<u>3,208</u>	<u>2,799</u>

10 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Totals £
Tangible fixed assets	-	1,280,507	1,280,507
Net current (liabilities) / assets	(549,081)	512,457	(36,624)
Transfer between funds	-	-	-
Net assets 31st December 2023	<u>(549,081)</u>	<u>1,792,964</u>	<u>1,243,883</u>

11 APB Ethical Standards

In common with many other charities of our size and nature we use our auditors to prepare accounts and submit returns to the tax authorities. Payment for non-audit services totalled £875 (2022: £825).



TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2023		2022	
	£	£	£	£
Turnover				
Regular giving		179,103		279,969
Donations		747,257		914,870
Merchandise sales		30,191		21,070
Other income		2,497		3,534
Gift Aid		50,702		66,530
Fundraising		63,821		9,977
		<u>1,073,571</u>		<u>1,295,950</u>
Cost of sales				
Fundraising events and merchandise costs		50,914		96,709
		<u>(50,914)</u>		<u>(96,709)</u>
Gross Profit		<u>1,022,657</u>		<u>1,199,241</u>
Expenditure				
Rates and water	3,034		2,629	
Insurance	9,676		9,197	
Light and heat	32,688		14,638	
Property maintenance	16,279		15,894	
Wages and National Insurance	786,237		881,329	
Telephone	2,680		4,825	
Printing and stationery	668		2,710	
Postage	5,364		7,843	
Travel and accommodation	10,806		16,599	
Training	8,962		9,403	
Corporate Service team costs	54,245		41,101	
Project motor costs	6,005		14,228	
Current	3,208		2,799	
Professional, consultancy and audit fees	10,997		10,400	
	6,493		4,613	
Resident recreation and resource costs	91		216	
Carried forward	<u>957,433</u>	<u>1,022,657</u>	<u>1,038,424</u>	<u>1,199,241</u>



TRADING AND PROFIT AND LOSS ACCOUNT
(CONTINUED)

	2023		2022	
	£	£	£	£
Brought forward	957,433	1,022,657	1,038,424	1,199,241
Website costs	57		447	
Programme non food costs	39,962		61,181	
Subscriptions	1,594		562	
IT costs	41,657		43,995	
Tithes	34,416		43,930	
Sundry expenses	3,447		4,576	
		(1,078,566)		(1,193,115)
		(55,909)		6,126
Finance costs				
Loan interest			1,623	
Bank charges	181		684	
		(181)		(2,307)
		(56,090)		3,819
Depreciation				
Freehold property	76,138		76,138	
Furniture and equipment	2,832		3,776	
Computer equipment	4,218		6,327	
		(83,188)		(86,241)
Net (Expenses)		(139,278)		(82,422)

*THANK
YOU!*



[mercyuk.org](https://www.mercyuk.org)

MERCY BEYOND LIMITED

England & Wales - Charity number 1111377

Accounts



2022

ANNUAL REPORT



mercyuk.org

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LIVE FREE, STAY FREE

WHO WE ARE We want every Christian to have the tools they need to thrive: To experience real freedom from the issues that hold them back and to navigate life's challenges from this place of wellbeing and wholeness.

ISAIAH 61 HE HAS SENT US TO "BIND UP THE BROKEN-HEARTED, TO PROCLAIM FREEDOM TO THE PRISONERS AND RELEASE FROM DARKNESS FOR THE CAPTIVES TO COMFORT ALL WHO MOURN, AND PROVIDE FOR THOSE WHO GRIEVE IN ZION..."



AIMS & OBJECTIVES

HOW WE HELP ***We help Christians live free and stay free through a range of services, training and resources that deepen their relationship with God, self and others.***

During 2022 our services included:

Our Mercy Home

An online and onsite, free of charge discipleship programme for women with life-controlling issues.

The Freedom Course

A 16-week course to help you live free and stay free with one-to-one mentoring, counselling and access to other specialist support.

Keys to Freedom

An 8-week discipleship course for group or individual study, designed to help you live free and stay free.

Training, resources and speaking engagements

Designed to educate, equip and empower you and your church.

OUR AIMS AND OBJECTIVES ***The objectives of Mercy UK as set out in our Memorandum and Articles of Association are:***

- (a)** to provide relief and support to women and girls affected by poverty, pregnancy, sickness, hardship and distress, deprivation, destitution and helplessness.*
- (b)** to provide shelter and/or benevolent relief to women and girls in need of care by reason of their social, emotional and economic circumstances.*
- (c)** to promote the gospel of the Lord Jesus Christ and the teachings of the word of God through the presentation of a values based curriculum or teaching programme that will better enable persons to cope with the business of life.*
- (d)** and such other charitable purposes as shall further the attainment of the above objectives of the Company or any of them.*

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of Mercy UK and planning its activities. The trustees are confident that Mercy UK meets the public benefit requirements.



“WE DIDN'T STOP THERE...”

2022 SAW SOME OF THE MOST SIGNIFICANT DEVELOPMENTS FOR MERCY UK SINCE WE FIRST OPENED THE DOORS OF OUR HOME BACK IN 2006.

Coming out of the global pandemic, 2022 started as a year of hope – the chance to put years of turmoil behind us. But the truth is that the UK, like the world as a whole, lurched from one crisis into another.

While health fears started to subside, they were replaced with a cost of living crisis and war on the doorstep of Europe. It was increasingly clear that we remained in the grip of a mental health and wellbeing crisis, on a scale that we haven't seen for a generation, and one which wasn't about to subside anytime soon. As the statistics show, Christians and the Church as a whole are not immune to the mental and emotional impact of these challenges.

With 16 years' worth of experience helping people navigate rough terrain by equipping them with the tools they need to take care of their physical, mental and spiritual health, we knew we needed to do something.



Our residential programme had seen hundreds of women walk through the doors of the Mercy Home to find freedom and transformation, but this was only available to women from 18 to around 30 years of age.

Our mental health awareness training has seen thousands of people equipped to respond to mental health challenges in their church, but people need more than speeches and one-off training days.

Over 30,000 people had bought a copy of our Keys to Freedom workbook, which contains the core principles of the biblical approach Mercy UK uses, but when facing a large-scale mental health crisis people need more than a self-guided workbook.

So, we didn't stop there.

Throughout the course of 2022, we continually took a step back to ask ourselves this question: "How can we use the tools that God has given us to help more people?"

INTRODUCING: THE FREEDOM COURSE

Watch the promo
video here:
[Mercyuk.org/FC](https://mercyuk.org/FC)



In September 2022, we officially gave everyone a glimpse of our brand-new service, the Freedom Course: a 16-week, one-to-one, remote support service for men and women.

The Freedom Course is made up of 10 hours of therapeutic engagement every week and includes access to a registered counsellor, weekly sessions with a trained Freedom Course Facilitator and access to practitioners in fitness, nutrition and occupational therapy. Participants are also offered lifetime access to our dedicated Aftercare team.

THE PILOT

In 2022, we took our first pilot participants through the course. The results, even in those early days, were so encouraging. Using the industry-standard Core 10 framework, we regularly measured the wellbeing of participants. Where counselling alone traditionally sees incremental improvement over a long period of time, we were seeing changes to an



individual's wellbeing within weeks. You can read one of their testimonies on page 9.

RUBIES & PEARLS

What started the year on a whiteboard was launched nine months later on the grounds of Kensington Palace at our Rubies & Pearls fundraising event. As well as helping to raise vital funds, this was an opportunity to announce how we as a charity were going to reach more people than ever before. It was such a privilege to spend the evening with new and old supporters alike; people that have journeyed with Mercy since the beginning and people that were hearing our testimonies for the very first time.



A GLIMPSE OF THE DEMAND

By the end of the year, with very little promotion, we had already received over 150 expressions of interest to apply for the Freedom Course. Many of these were people who had been supporters of Mercy for years, but had never met the criteria for our residential programme. Interestingly though, many were ideal candidates for our residential programme, but preferred the format of this remote provision. It soon became abundantly clear that the Freedom Course could enable us to better serve those we'd always focused on, while also making our support accessible to everyone else.

REASSESSING THE RESIDENTIAL PROGRAMME

Mercy UK's 6-month residential programme for young women has always been at the heart of what we do since we first opened our doors in 2006. Every other service and resource that we have created was crafted out of this frontline work.

However, over the last few years we had noticed a trend – more people than ever were needing to find breakthroughs in their lives, but there was less desire to apply for a residential programme. Between October 2021 and October 2022 the total active applications had dropped by 50%. This wasn't just unique to us either – it was happening across the globe.

Our residential provision was facing other challenges too. Regulatory changes in legislation post-Brexit and an increase in applications from people on Schedule 2 Controlled drugs was making it harder to say yes to those who were applying.

All these factors combined meant that it was harder to keep the residential programme at optimum capacity, which was drastically increasing the cost per head to provide this provision.

So we took a step back and asked: how can we use the tools that God has given us to help more people?

In December, we decided to respond to the needs we were seeing and divert our resources from our 6-month residential programme and pour them into the Freedom Course. As a result nothing changed about the freedom being encountered when God is able to minister to the root of people's issues. But, everything changed about the potential to break down barriers and enable more people to start that freedom journey.

THANKING OUR SUPPORTERS

As the cost of living crisis started to squeeze, we were so incredibly grateful for those who continued to stand by us. This support gave us the stability that enabled us to continually re-evaluate how we can reach those in need of freedom.



LIVERPOOL ONE / BRAVEHEART

In 2022, Liverpool One church invited the people attending their Braveheart women's conference to fundraise for Mercy UK. Individuals were given £10 each to invest in a fundraising idea and the results were incredible. From those little seeds we saw over £7,000 worth of donations from hundreds of different ideas!

SUPPORTER FUNDRAISING

We are so grateful for the supporters who went out of their way to fundraise on our behalf. This year that included ladies from Joy Community Church (pictured left) who undertook a Colour Fun Run for Mercy UK and raised £1,000!

CHRISTMAS APPEAL

Our Christmas appeal was our first announcement of the Freedom Course to our supporters. We were so blessed by the support we received, raising over £26,000. We featured some fantastic testimonies from Chris, Laura and Jess, all sharing how they had found freedom in their lives by encountering the healing and restoration that only God can provide. All three had worked through the same process and curriculum that is at the heart of the Freedom Course. It's a process that enables people to untangle the complexity of their challenges and invite God to address the root causes of their struggles.



TESTIMONIES

RESIDENTIAL PROGRAMME



“2020 threw a massive wall of doubt between me and the God I thought I knew... However, there really is no wall He won’t kick down and no lie He won’t tear down. Over my time at Mercy, His truth continued to rebuild the bridge, brick by brick, until the moment where He joined all the dots together and I could see it so clearly; that He has been there all along. He’s never left my side and has been weaving it all together into His beautiful perfect plan.

My voice that’s been silenced for so long has been restored. When the enemy roared how damaged I am, the voice of truth came rushing in declaring ‘there is nothing wrong with you... It’s NOT your fault!’

I can walk out of Mercy with the confidence of knowing the Father’s heart and His fierce protection over me. I can walk out with the freedom that I do not have to live bound by my past, but live free in my beautiful, covenant-love relationship with the One who will lead and guide me on to an adventure together, beyond anything I could have ever thought of or even imagined.”

FREEDOM COURSE

One of the pilot participants was a church pastor with a young family. She had become increasingly aware of the impact that past trauma was having on her emotions and her ability to lead her congregation, but felt she had nowhere to turn.

Within weeks of journeying through the Freedom Course she sent us this feedback:

“There’s definitely been a huge change in me. I’m challenging my responses and feelings of hurt and rejection – that is not normal for me! It has been life-changing for me and my family.

I’ve never felt so supported and am learning my disorders are just a means of coping. The biggest thing I’ve noticed is I haven’t felt rage over these weeks – just peace.”

KEYS TO FREEDOM

To watch Chris’ story of how going through Keys to Freedom helped him to stop focusing on his own failures, visit: www.mercyuk.org/chris



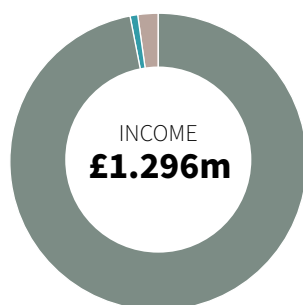


FINANCIAL REVIEW

2022 continued to present financial challenges. Like many charities, the cost of living crisis and the war in Ukraine both had a real-time impact on our income. Less people were in a position to give and many people were using their precious resources to respond to the catastrophic violence that was happening so close to home.

INCOME

We are so incredibly grateful to our loyal supporters and financial partners who continued to sow into the lives of those in need, despite the challenges to their personal finances. The combined performance of regular giving, direct fundraising, training, events and resources yielded £1.296m. This was 83% of the £1.561m forecasted amount in the original plan for the year.



2022 Total Income: £1.296m

2021: £1.190m

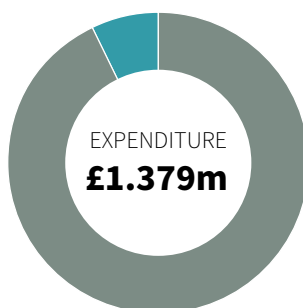
Income and endowments from:

- Donation and legacies = £1.261m (97%)
- Charitable activities = £10k (1%)
- Other trading activities = £25k (2%)

Our regular donors or ‘Treasure Builders,’ continue to form our most substantial and sustainable source of income. At the close of 2022, the 12-month rolling giving average was £20.53 (2021: £19.89). Our overall retention rate of givers was 87% (2021: 89%).

EXPENDITURE

Our total expenditure for 2022 was £1.379m, (2021: £1.286m) a 7.8% increase in spending from 2021.



2022 Total Expenditure: £1.379m

2021: £1.286m

- Raising funds = £97k (8%)
- Charitable activities = £1.282m (92%)

This means that in 2022, 92% of our income was allocated against our charitable activities. That’s 92p in every £1!



In our approach to financial management, we continue to uphold our founding principles:

1. *Our residential Christian discipleship programme is provided completely free of charge.*
2. *We give away at least 10% of all unrestricted donations received to other Christian ministries.*
3. *No money is accepted from any governmental body or other source that will compromise our practice of Christian principles within the residential discipleship programme or other services provided.*

RESERVES POLICY

On the 31st December 2022, our total reserves stood at £1.383m (2021: £1.466m) the majority of which are restricted funds represented by fixed assets for use by the charity and which cannot be turned into cash.

The policy for reserves is to hold unrestricted funds not committed or invested in tangible assets (“the free reserves”) to the total of 3 months of resources expended, in addition to the known income received each month.

The year ended with unrestricted reserves of -£410k (2021: -£143,441). The 2022 target reserves total which represents the total of 3 months of resources expended was £140k.

The trustees have reviewed the charity’s needs for reserves in line with the guidance issued by the Charity Commission.

INVESTMENTS

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds so as to maximise interest on funds available.

TRUSTEES’ DECLARATION OF GOING CONCERN

2022 was a year full of challenges, but we are so excited about the paths opening up for Mercy UK to reach more people than ever before.

Although this year made it clear that some big changes are ahead for the way in which Mercy UK supports people, the heart and mission hasn’t changed in the slightest. The charity is still wholeheartedly committed to seeing Christians and the UK Church find freedom and healing from life’s hurts. We are confident that some of the difficult decisions that had to be made, especially towards the end of 2022 as we decided to stop the 6-month residential programme, will mean that Mercy UK is better placed to keep seeing people live free and stay free.

The charity receives no government funding for its work. A significant proportion of income is sourced from voluntary donations and the remainder is collected through fundraising initiatives and the sale of resources and training days.



The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments. They are also satisfied that the Senior Leadership Team are seeking to diversify the charity's income streams further to reduce this risk and monitor the financial position of the charity in regular sub-committee reviews of the management accounts.

The trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment has been undertaken and mitigations identified.

The trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the trustees continue to adopt the going concern basis in preparing the financial statements.



RISK MANAGEMENT

Trustees continue to utilise the STEEPLE analysis tool to assess the risks of social, technological, economic, ethical, political, legal and environmental change drivers.

In response to the cost of living increases and because we continue to remain in faith for our finances, we introduced a Going Concern Framework in 2022. This is to help us track and mitigate financial risks and formalise the board's response at various thresholds of Mercy UK's going concern position.

HEALTH, SAFETY & WELLBEING *Our commitment to provide a safe environment to facilitate the health and wellbeing of staff, volunteers and beneficiaries, especially residents in our residential home.*

Throughout 2022, we continued to invest in the wellbeing of our staff. This included securing a partnership with Health Assured to provide an Employee Assistance Programme for staff and family members with free access to counselling as well as legal and financial advice.

To promote continued personal development, we also took advantage of the government's funding for apprenticeships courses and have invested in the ongoing training and development of a number of the team who are now undertaking Level 6 and Level 7 apprenticeship courses.

SAFEGUARDING *Safeguarding of vulnerable adults and third parties: Promoting the welfare of children and vulnerable adults with the aim of protecting them from harm.*

Mercy UK's safeguarding policy is embedded in our practice and reviewed annually. We benefit from the support and advice of an organisation that specialises in safeguarding in the faith sector and continue to seek consultation in relation to any critical safeguarding concerns.

In 2022, we facilitated a consultation with a former resident forum to help us understand the impact of the closure of the residential programme and how we might continue to offer support and signposting to all our former residents.

ETHICAL PRACTICE *Promoting the wellbeing and empowerment of all stakeholders through ethical practices and decision-making.*

Mercy UK operates in line with an Ethical Framework. Our Statement of Ethical Practice is available on our website.



STAFF SURVEY

As a means of reviewing our practice, as well as the engagement and experience of our staff teams, employees of Mercy UK participate in an annual survey to identify and explore any areas of improvement in our practice. The results of our 2022 survey were encouraging:

100%
AGREE



MERCY UK
EMBODIES
THE CORE
VALUE OF
**PASSION
FOR GOD**

90%
AGREE



MERCY UK
EMBODIES
THE CORE
VALUE OF
**PASSION FOR
PEOPLE**

95%
AGREE



MERCY UK
EMBODIES
THE CORE
VALUE OF
**PASSION FOR
EXCELLENCE**

**I FEEL
PROUD
TO WORK
AT MERCY
UK**



90% AGREE





PLANS FOR FUTURE PERIODS

FREEDOM COURSE

After the successful pilot of the Freedom Course, 2023 will be the year in which we officially open up to applicants. In this first year we anticipate we will take 50 participants through the course, which is a threefold increase in the number of people we can support one-to-one.

TRAINING

40% of churchgoers have experienced mental health issues and yet 65% said their church had not been supportive. We know that churches – and church leaders especially – need to be equipped to deal with the tsunami of mental health and wellbeing needs in our communities and our congregations. In 2023, we plan to meet this need by securing funding to allow us to run free in-person MPower and Keys to Freedom Facilitator training events across the country.

RESOURCING CHRISTIANS

Our social media and email platforms are increasingly becoming a key part of our mission to put our tools, resources and insights into the hands of Christians everywhere. We aim to make much more of our resources and insight available so that people can continue to deepen their own relationship with God, self and others.

RESIDENTIAL PROVISION

Over the next year we will be exploring whether we will offer a residential aspect to our services in the future. While we know this will not take the form of a full 6-month programme, we also know that sometimes people need to take time out of their day-to-day life to focus on their wellbeing, especially when tackling complex mental, emotional or spiritual issues.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice Accounting and Reporting by Charities, issued in March 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each trustee has taken all the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Torevell Dent (Audit) LLP, were re-appointed as the charitable company's auditors during this year and have expressed their willingness to continue in that capacity.

This report was approved by the Board of Trustees on 5th September 2023 and signed on its behalf by:



Helen Edwards
Acting Chair of Trustees



STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Mercy Ministries UK (Mercy UK) is a charitable company limited by guarantee, incorporated on 23rd February 2005 and registered as a charity on 20th September 2005. The company is governed by a Memorandum and Articles of Association which determines the objects and powers of the charitable company. In the event of the organisation being wound up, members of the charitable company guarantee to contribute an amount not exceeding £1. The total number of such guarantees at the end of 2022 was seven.

APPOINTMENT OF TRUSTEES

The Board of Trustees at Mercy UK, who are also directors of the charity for the purpose of the Companies Act, represent a group of individuals with a wide range of experience and skills.

All trustees give of their time voluntarily and receive no benefits from the charity. Any expenses that are claimed are shown in the notes to the accounts. Details of all the trustees can be found in the administrative information part of this document, as well as on our website.

Trustees are recruited on the basis of their experience for the role and the skills they might contribute in line with the objectives of the charity outlined in its Memorandum and Articles of Association.

TRUSTEE INDUCTION AND TRAINING

The charity has a trustee induction pack which explains the duties of a trustee and provides facts along with additional sources of information about the charity. New trustees are invited to a briefing session with the Chair to familiarise themselves with the charity alongside a tour and visit to Mercy UK.

STRUCTURE AND DECISION MAKING

The Board of Trustees at the end of 2022, consisted of seven members.

The trustees meet four times a year to review strategy and operational or financial performance together with the charity's Chief Executive Officer and other members of the Senior Leadership Team.

The day-to-day running of Mercy UK has been delegated to the Senior Leadership team, consisting of the Director of People & Support, Director of Development and the Director of Operations who report to the Chief Operating Officer and who in turn, reports to the Chief Executive Officer. The Senior Leadership Team operates under the direction of the Chief Executive. The Chief Executive reports directly to the Board of Trustees both by telephone and written communication and also at the trustee's meetings. All members of the Senior Leadership Team are present at trustee meetings.



Key Performance Indicators are used to measure and review performance against the strategic plan with regular meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to monitor financial performance.

In 2022, the practice of holding sub-committees continued, which allows for more strategic discussion and decision-making into key areas of risk. In 2022, a Going Concern sub-committee was approved delegated powers by the trustees to support the Senior Leadership Team in navigating the charity's financial hardship.

Mercy UK is affiliated to Mercy Multiplied International (MMI). The President and Founder of MMI is Nancy Alcorn. In addition to reporting to the Trustees, the Chief Executive also reports on a monthly basis to MMI, as a member of the MMI board of trustees.



REFERENCE AND ADMINISTRATIVE DETAIL

Company Information for the year ended 31st December 2022

COMPANY NAME	Mercy Ministries UK
DIRECTORS & TRUSTEES:	Chair: Helen Edwards (appointed Chair on 25/04/2019) Dr. Rob Waller (appointed 24/10/2018) Llyn Morrow (MMI) (appointed 25/04/2019) Warrick McCullough (appointed 25/04/2019) Debbie Wattis (appointed 25/04/2019) Eric Camp (appointed 25/11/2019) Zara Mapanga (appointed 16/05/2022)
SECRETARY:	Debbie Harvie (appointed 29/01/20)
CHIEF EXECUTIVE:	Arianna Walker
REGISTERED OFFICE:	Cragg Royd Lowertown Oxenhope BD22 9JE
BANK:	Santander Bank Bridle Road, Bootle, Merseyside, L30 4GB
AUDITOR:	Torevell Dent (Audit) LLP Chartered Certified Accountants Centre of Excellence, Hope Park, Trevor Foster Way, Bradford, BD5 8HH
COMPANY NUMBER:	5373315
CHARITY NUMBER:	1111377
OTHER NAMES USED:	Mercy UK

AUDITOR'S REPORT

*REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MERCY MINISTRIES
UK FOR THE YEAR ENDED 31 DECEMBER 2022*

OPINION

We have audited the financial statements of Mercy Ministries UK for the year ended 31st December 2022 as set out on pages 12 to 18. The 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).

This report is made solely to the charitable company's members as a body, in accordance with Section 144 of the Charities Act 2011 made under Section 154 of the Act. Our audit work has been undertaken so that we might state to the charity's trustees, 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of reserves including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the requirements of the Charities Act 2011.



AUDITORS REPORT

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purpose 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative to do so.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 ISA's (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.

The risk of material misstatement in respect of irregularities, including fraud has been assessed as low. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with the management team. There are inherent limitations in the audit procedures described



above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluation whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- The charitable company has not kept adequate accounting records and returns; or
- The financial statements are not in agreement with accounting records and returns; or
- We have not received all the information we require for our audit.

SIGNED:

Samantha Sutcliffe F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Torevell Dent (Audit) LLP

Chartered Certified Accountants

Statutory Auditor

1-3 St Ann's Place

Pellon Lane

Halifax

HX1 5RB

Date: 1 September 2023

Torevell Dent (Audit) LLP is eligible to act as auditor in terms of section 121 of the Companies Act 2006.



MERCY MINISTRIES UK

STATEMENT OF FINANCIAL ACTIVITIES

Summary Income and Expenditure Account for the year ended 31st December 2022

	Notes	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
Income and endowments from:					
Donations and legacies	4	544,952	716,415	1,261,367	1,085,132
Charitable activities		9,977	-	9,977	68,090
Other trading activities		24,606	-	24,606	36,923
Total income		579,535	716,415	1,295,950	1,190,145
Expenditure on:					
Raising funds		96,709	-	96,709	71,431
Charitable activities	5	743,302	538,361	1,281,663	1,214,946
Other		-	-	-	-
Total expenditure		840,011	538,361	1,378,372	1,286,377
Net income/(expenditure)		(260,476)	178,054	(82,422)	(96,232)
Transfer between funds		-	-	-	-
Total funds brought forward		(149,327)	1,614,910	1,465,583	1,561,815
Total funds carried forward		(409,803)	1,792,964	1,383,161	1,465,583

The statement of financial activities includes all gains and losses in the year. All incoming sources and resources expended derived from continuing activities.

The notes which start on pages 25 form part of these financial statements

MERCY MINISTRIES UK

BALANCE SHEET

for the year ended 31st December 2022

	Notes	2022	2021
Fixed assets	6	1,363,695	1,449,936
Current Assets			
Stock		6,815	5,814
Debtors & prepayments	7	17,491	15,734
Cash at bank and in hand		124,836	81,951
		<u>149,142</u>	<u>103,499</u>
Creditors: amounts due within one year	8	<u>(129,676)</u>	<u>(87,852)</u>
Net Current Assets		19,466	15,647
Total net assets		<u>1,383,161</u>	<u>1,465,583</u>
Reserves			
Unrestricted funds	10	(409,803)	(143,441)
Restricted funds	10	1,792,964	1,609,025
Total funds		<u>1,383,161</u>	<u>1,465,584</u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Charities SORP (FRS102) (effective January 2015)

Approved by the board of directors and trustees on 5th September and signed on its behalf by:



Helen Edwards

Director and Trustee

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The assessment of the charity is a going concern.

The Covid-19 pandemic affected the Charity's ability to continue delivering its training and speaking engagements, a significant income stream for the organisation. However, due to robust measures and excellence governance, the Trustees and the Management Team were able to quickly adapt to the change in circumstances. Cashflow forecasts were adjusted to reflect the uncertainties and the short term and long-term objectives of the Charity were reconsidered.

Many of the services have been adapted to be able to be delivered remotely to protect income streams and an in-depth review of expenditure has led to measures being implemented to reduce any expenditure considered to be non-essential to meet the short- and medium-term objectives of the Charity.

Since the balance sheet date the level of monthly regular giving has continued without any significant loss. Whilst plans are in place to attract new donors, the conservative assumption for the forecasts is that giving will continue at the 2021 level.

Furthermore, the terms of repayment of the loan from Goshen Trust have been extended beyond twelve months and the high-level donors have committed for the following 12 months.

Cashflow forecasts including consideration of the reserves of the Charity show positive cashflows for the foreseeable future.

Incoming resources

Income is recognised and included in the accounts when all the following criteria are met:

- The Charity has entitlement to the funds;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- When a distribution is received from the estate.

Donated services and facilities

Donated services and facilities are recognised as income when the Charity has control over the item, and conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised based on the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds
- Expenditure on charitable activities

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Computer equipment	33% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis
Furniture and equipment	25% on a reducing balance basis
Freehold property	4% on a straight line basis

Stock

Stock is valued at the lower of cost and net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Charity would have been willing to pay for the items on the open market.



Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

		2022	2021
STAFF SALARIES AND NATIONAL INSURANCE	Salaries and wages	£818,213	£800,009
	Social security costs	£63,116	£60,257
		£881,329	£860,266

The average weekly number of staff employed, calculated as fulltime equivalents during the year was 30 (2021:31). No remuneration or expenses were paid to any of the trustees during the year. No employee received remuneration of £60,000 per annum or more.

NET INCOME	Net income is stated after charging:	2022	2021
	Depreciation	£86,241	£90,664
	Audit fee	£3,840	£3,540
	Income from donations and legacies	2022	2021
	Regular giving	£279,970	£232,097
	Restricted fund donations	£716,415	£700,736
	Donations	£113,084	£63,222
	Grants received from Trusts	£85,368	£50,882
	Gift Aid received	£66,530	£38,195
		£1,261,367	£1,085,132

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

5 Expenditure on Charitable Activities

	2022	2021
International Affiliation fees	10,400	21,357
Staff costs and National Insurance	881,329	860,266
Recruiting and training	50,504	33,491
Premises costs	42,358	39,354
Residential programme activity costs	75,625	67,975
Administration costs	65,731	44,506
Motor and travel costs	19,398	9,181
Tithes	43,930	44,358
Depreciation and loss on sale of assets	86,241	90,664
Finance costs	2,307	254
Audit fee	3,840	3,540
	1,281,663	1,214,946

Tithes

It is a founding principle of Mercy UK to give away at least 10% of all unrestricted income to organisations and individuals that are involved in or do work that is in alignment with our vision.

Donations made this year include gifts to former resident and individuals on mission trips, churches and other ministry organisations.

6 Tangible Fixed Assets

	Freehold Property £	Computer Equipment £	Furniture & Equipment £	Totals £
Cost				
At 1 st January 2022	1,903,447	92,413	51,029	2,046,889
Additions	-	-	-	-
Disposals at cost	-	-	-	-
At 31st December 2022	1,903,447	92,413	51,029	2,046,889
Depreciation				
At 1 st January 2022	487,600	73,430	35,923	596,953
Charge for period	76,138	6,327	3,776	86,241
Elim on disposal	-	-	-	-
At 31st December 2022	563,738	79,757	39,699	683,194
Net Book Value				
At 31 December 2022	1,339,709	12,656	11,330	1,363,695
At 31 December 2021	1,415,847	18,983	15,106	1,449,936

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

7 Debtors: Amounts falling due within one year

	2022	2021
Prepayments	15,093	14,110
Debtors	2,398	1,624
	17,491	15,734

8 Creditors: Amounts falling due within one year

	2022	2021
Trade creditors	14,067	17,304
Social Security	22,824	19,884
Accruals	92,785	30,664
Loan	-	20,000
	129,676	87,852

9 Operating Lease Rentals

	2022	2021
Annual operating lease rentals on equipment	2,799	3,566

10 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Totals £
Tangible fixed assets	-	1,363,695	1,363,695
Current assets	131,651	17,491	149,142
Current liabilities	(541,454)	411,778	(129,676)
Transfer between funds	-	-	-
Net assets 31 st December 2022	(409,803)	1,792,964	1,383,161

11 APB Ethical Standards

In common with many other charities of our size and nature we use our auditors to prepare accounts and submit returns to the tax authorities. Payment for non-audit services totalled £825 (2021: £825).



TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022		2021	
	£	£	£	£
Turnover				
Regular giving		279,969		232,097
Donations		914,870		814,840
Merchandise sales		21,070		21,049
Other income		3,534		15,874
Gift Aid		66,530		38,195
Fundraising		9,977		68,090
		1,295,950		1,190,145
Cost of sales				
Fundraising events and merchandise costs		96,709		71,431
		1,199,241		1,118,714
Gross Profit				
Expenditure				
Rates and water	2,629		5,644	
Insurance	9,197		6,910	
Light and heat	14,638		12,338	
Property maintenance	15,894		14,462	
Wages and National Insurance	881,329		860,266	
Telephone	4,825		4,212	
Printing and stationery	2,710		3,152	
Postage	7,843		4,974	
Travel and accommodation	16,599		5,615	
Training	9,403		17,604	
Corporate Service team costs	41,101		15,887	
Project motor costs	14,228		9,838	
Leasing costs	2,799		3,566	
International affiliation fees	10,400		21,357	
Professional, consultancy and audit fees	4,613		5,417	
Resident recreation and resource costs	216		2,012	
Carried forward	1,038,424	1,199,241	993,254	1,118,714



TRADING AND PROFIT AND LOSS ACCOUNT

(CONTINUED)

	2022		2021	
	£	£	£	£
Brought forward	1,038,424	1,199,241	993,254	1,118,714
Project food costs	27,100		26,464	
Website costs	447		535	
Programme non food costs	34,081		29,661	
Subscriptions	562		4,224	
IT costs	43,995		20,380	
Tithes	43,930		44,358	
Sundry expenses	4,576		5,152	
		1,193,115		1,124,028
		6,126		(5,314)
Finance costs				
Loan interest	1,623		-	
Bank charges	684		254	
		2,307		254
		3,819		(5,568)
Depreciation				
Freehold property	76,138		76,138	
Furniture and equipment	3,776		5,035	
Computer equipment	6,327		9,491	
		86,241		90,664
Net(Expenses)		(82,422)		(96,232)

*THANK
YOU!*



mercyuk.org

MERCY BEYOND LIMITED

England & Wales - Charity number 1111377

Accounts



2021

ANNUAL REPORT

*Celebrating 15 years of restoring hope and
transforming lives*



[mercyuk.org](https://www.mercyuk.org)

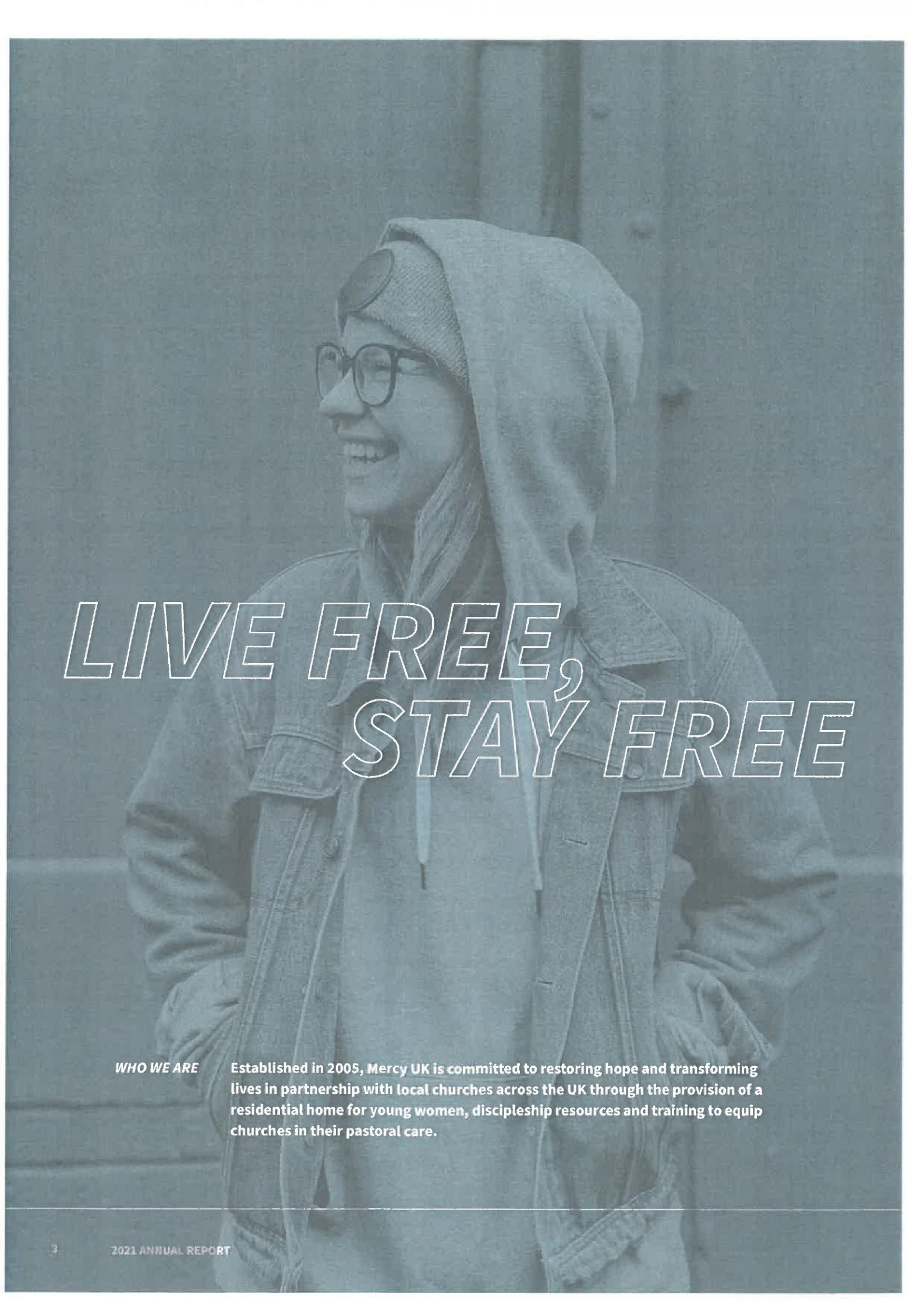
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LIVE FREE, STAY FREE

WHO WE ARE

Established in 2005, Mercy UK is committed to restoring hope and transforming lives in partnership with local churches across the UK through the provision of a residential home for young women, discipleship resources and training to equip churches in their pastoral care.

AIMS & OBJECTIVES

HOW WE HELP *“Restoring hope, transforming lives in partnership with local churches across the UK”*

Mercy UK is committed to restoring hope and transforming lives by empowering Christians to develop their relationship with God, self and others. We offer a wide range of services online and onsite to equip you with the tools to live free and stay free.

Our services include:

Our Mercy Home – An online and onsite, free-of-charge discipleship programme for women with life-controlling issues.

Keys to Freedom – An 8-week discipleship course for group or individual study, designed to help you live free and stay free.

Training, resources and speaking engagements – to educate, equip and empower you and your church.

OUR AIMS AND OBJECTIVES **The objectives of Mercy UK as set out in our Memorandum and Articles of Association are:**

- (a) to provide relief from and support to women and girls affected by poverty, pregnancy, sickness, hardship and distress, deprivation, destitution and helplessness*
- (b) to provide shelter and/or benevolent relief to women and girls in need of care by reason of their social, emotional and economic circumstances*
- (c) To promote the gospel of the Lord Jesus Christ and the teachings of the word of God through the presentation of a values based curriculum or teaching programme that will better enable persons to cope with the business of life.*
- (d) And such other charitable purposes as shall further the attainment of the above objects of the Company or any of them*

The trustees have referred to the Charity Commission’s general guidance on public benefit when reviewing the aims and objectives of Mercy UK and planning its activities. The trustees are confident that Mercy UK meets the public benefit requirements.



CELEBRATING 15 YEARS

Since Mercy first opened the doors of our Residential Home in 2006, this scripture has remained at the heart of everything we do:

HE HAS SENT US TO "BIND UP THE BROKEN-HEARTED, TO PROCLAIM FREEDOM TO THE PRISONERS AND RELEASE FROM DARKNESS FOR THE CAPTIVES TO COMFORT ALL WHO MOURN, AND PROVIDE FOR THOSE WHO GRIEVE IN ZION..."

ISAIAH 61

In September of 2021 we celebrated our 15th Birthday of living this scripture! 15 years of seeing God bring freedom, hope and transformation to hundreds of young women in our Mercy home and thousands of people through all of our other services.

It was such a blessing, in the midst of a global pandemic that was still causing uncertainty and instability, to take time to pause and reflect on the stable foundations that God has built in this ministry, and the certainty we have that His work is not yet done.

We are so grateful to the supporters – new and faithful – who enable this ministry to keep going and growing like never before.

Here are some of our highlights from the year:

CELEBRATING OUR HERITAGE

BACK TO THE HEART, BACK TO THE START LAUNCH

At the end of 2019 we asked our supporters to send in questions about the early days of Mercy UK. We launched our birthday year with a half an hour exclusive interview with Arianna and Debbie, who have pioneered Mercy since the beginning. You can still watch this video here: https://youtu.be/L_kwTg7_M38

REACHING NEW AUDIENCES



KONNECT RADIO – BREAKFAST SHOW SPONSOR

For an entire year, starting on March 1st, we appeared on Konnect Radio every Wednesday morning as the sponsors of their Breakfast show. Konnect is a fast-growing Christian radio station, and this regular slot became a wonderful platform to celebrate stories and share faith-filled thoughts with Christians across the UK and abroad.



BBC RADIO 4 – EASTER SUNRISE SERVICE

It was a huge privilege to lead the BBC Radio 4 Easter Sunrise service. Arianna, Debbie and one of our former residents did a wonderful job of sharing the heart of God to millions of listeners across the country on the UK's most respected talk-radio show.



TBN – STATE OF FAITH

At the start of 2020 the TBN crew spent time in the Mercy Home filming for their 'State of Faith' series, which explored how the message of Jesus was travelling around the globe. It focused on areas seeing the greatest growth, so it was such a blessing that Mercy was able to represent what God is doing in the episode about the UK & Ireland.

XCEL MEN'S CONFERENCE

After a year and half of fluctuating lockdowns and social distancing, it was incredible to be a part of an event that saw over 2000 men come together in person to worship and grow spiritually. At the event we invited the delegates to join us in deepening their faith. We had over 200 join a remote Keys to Freedom support group, and over 900 walked away with a copy of our Keys to Freedom discipleship workbook.





BIRTHDAY FETE

To mark our actual birthday in September, we flung open the doors of Mercy and held a Birthday Fete for the village, supporters, friends and family. We had a magical day, complete with carnival games, stalls, food vendors, bouncy castles and the entire staff team dressed up as Disney Characters for the children to find!

However, the biggest highlight of all came from conducting back-to-back home tours throughout the day. We had streams of people lining up to be shown around the Mercy Home, many of whom had no idea what Mercy even do. It was incredible to see how many people went in curious, and came out visible overcome with emotion at hearing how many lives had been completely and radically transformed within those walls.

RAISING AWARENESS

CAR COMPETITION

One of the analogies we often use to describe our work at Mercy is 'helping people to navigate the rough terrain of our lives'. To help us celebrate 15 years of helping people navigate all sorts of rough terrain, one of our incredible supporters donated a stunning Isuzu 4x4 for us to use as an incredible competition prize! Over 1000 people entered for their chance to win, with the winner being announced live on Facebook.

CHRISTMAS APPEAL

We wanted to round off the year by focusing on a story that captures the beating heart of our mission. We shared the story of Kelly – a former resident who came to the Mercy Home and experienced her first ever Christmas where she felt safe and loved. This experience helped her to understand why Jesus was born, and what he came to do: to set people free, and be there to walk alongside them as they stay free. This was our most successful Christmas appeal ever, raising a wonderful £26,372 thanks to match-funding.

We also shared some message of thanks from the current group of residents. Here is one of them:

"There are not enough words to describe how much it means to me, that you would sacrifice and invest into our Christmas the way you have. With such love and generosity, reflecting the Father's heart to us all in such a beautiful way. Because of your generosity, I can now look forward to experiencing a Christmas that is so full of peace and joy. I can look forward to a Christmas where I don't have to worry or be afraid, but I can feel and be safe."



TESTIMONIES

At the end of 2019 we were delighted to be able to reopen the home after it was forced to close at the start of the Covid-19 Pandemic. Throughout 2020 we then had the amazing joy of celebrating, once again, the graduation of residents as they completed the Mercy Home programme. Every graduation is precious, but this year it felt even more precious than normal, as we reflected on how vital our ministry is, how it is needed now more than ever. Each testimony carried echoes of 15 years' worth of former residents who had gone before, and got us excited for the next 15 years' worth of testimonies to come!

Here are a glimpse of these powerful stories:

EMILY
GRADUATE

"My time at Mercy has been beautiful. I'm learning that beauty is in the eye of the beholder, and as my facilitator Kirsty often told me, messy is beautiful. I thought I would come out all shiny and new - I'm not any of those things, nor do I want to be anymore. I think learning how to be messy and hang tight to the belief that it's beautiful in the eyes of Jesus is the journey I'm on, and what a liberating one it is."



KYLIE
GRADUATE

"I came into Mercy with my heart locked off to God and the world, but over time I'm learning that when I see the ashes, God sees the beauty. He is teaching me that hope will arise with him as my Saviour. I have never felt the love of a loving father but as I learn to allow him to hold me in his arms, I can start to see the flip side of evil and the things he has worked out for my good. All the days of my life he has been with me, praised me, loved me and his goodness that runs after me will never stop."



FINANCIAL REVIEW

2021 continued to bring significant financial challenges. The restrictions of in-person events hit our fundraising and training opportunities. As we resolutely reached out to churches and supporters through this challenging season, we were increasingly hearing how fragile church finances and leadership structures were. This has had a direct impact on our ability to sell our Mpower and Keys to Freedom training events, but made us more determined than ever to be the support network they were in desperate need of.

INCOME

Despite all these challenges, we have continued to be incredibly blessed financially. The combined performance of regular giving, direct fundraising, training, events and resources yielded £288k. This was 78% of the £370k forecasted amount, which, considering the year was far more unstable and chaotic than anyone could have predicted, is a fantastic achievement.



2021 Total Income: £1.190m

2020: £1.249m

Income and endowments from:

- Donation and legacies = £1.085m (91%)
- Charitable activities = £68,090 (6%)
- Other trading activities = £36,923 (3%)

Our regular donors or 'Treasure Builders,' continue to form our most substantial and sustainable source of income. During 2021 we felt the impact of the pandemic on Treasure Builder income with our 12-month rolling giving average down slightly to £19.89 (2019: £20.48). We also saw a decrease in our overall retention rate of givers at 86% (2020: 93%).

EXPENDITURE

Our total expenditure for 2020 was £1.286m, (2020: £1.202m) a 7% increase in spending from 2020.



2021 Total Expenditure: £1.286m

2020: £1.202m

- Raising funds = £71,431 (6%)
- Charitable activities = £1.214m (94%)

This means that in 2021, 94% of our income was allocated against our charitable activities. That's 94p in every £1!

In our approach to financial management, we continue to uphold our founding principles:

1. *Our residential Christian discipleship programme is provided completely free of charge.*
2. *We give away at least 10% of all unrestricted donations received to other Christian ministries.*
3. *No money is accepted from any governmental body or other source that will compromise our practice of Christian principles within the residential discipleship programme or other services provided.*

RESERVES POLICY

On the 31st December 2021, our total reserves stood at £1.466m (2019: £1.562m), the majority of which are restricted funds represented by fixed assets for use by the charity which cannot be turned into cash.

The policy for reserves is to hold unrestricted funds not committed or invested in tangible assets ("the free reserves") to the total of 3 months of resources expended in addition to the known income received each month. The year ended with unrestricted reserves of -£143,441 (2020: -£32,737). The 2021 target reserves total which represents the total of 3 months of resources expended was £93,600.

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission. This policy is reviewed annually.

TRUSTEES' DECLARATION OF GOING CONCERN

2021 saw us return to more normal operations following the unprecedented disruption caused in 2020; our Home reopened, and some in-person training events resumed. Investments made in the previous year to our IT infrastructure enabled us to continue to offer remote support so that we could navigate the unpredictability caused by the pandemic.

Despite the challenges, Mercy's ability to continually reevaluate the landscape and adapt accordingly, have meant that they haven't faltered in their ability and determination to serve the UK church and Christian's who are seeking healing from life's hurts. The future plans and adaptations that Mercy are working on to grow and diversify leaves us with the utmost confidence in Mercy UK's ability to continue as a going concern.

INVESTMENTS

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds so as to maximise interest on funds available.

RISK MANAGEMENT

Trustees continue to utilise the STEEPLE analysis tool to assess the risks of social, technological, economic, ethical, political, legal and environmental change drivers.

FINANCIAL SUSTAINABILITY *Our ability to generate sufficient income and meet all expenditure requirements incurred by the charity, in order to fulfil our objectives to an excellent standard.*

The charity receives no government funding for its work. A significant proportion of income is sourced from voluntary donations and the remainder is collected through fundraising initiatives and the sale of resources and training days.

The trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments. They are also satisfied that the Senior Leadership Team are seeking to diversify the charity's income streams further to reduce this risk and monitor the financial position of the charity in regular sub-committee reviews of the management accounts.

The trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment has been undertaken and mitigations identified.

The trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the trustees continue to adopt the going concern basis in preparing the financial statements.

HEALTH, SAFETY & WELLBEING *Our commitment to provide a safe environment to facilitate the health and wellbeing of staff, volunteers and beneficiaries, especially residents in our residential home.*

Throughout 2021 we continued to invest in the wellbeing of our staff. This included introducing an employee assistance programme by Health Assured to provide staff and family members with free access to counselling as well as legal and financial advice.

We also launched a 'Cycle to Work' scheme enabling staff to purchase a new bike and encourage active travel.

SAFEGUARDING *Safeguarding of vulnerable adults and third parties: promoting the welfare of children and vulnerable adults with the aim of protecting them from harm.*

Mercy UK's safeguarding policy is embedded in our practice and reviewed annually. We

benefit from the support and advice of an organisation that specialises in safeguarding in the faith sector and continue to seek consultation in relation to any critical safeguarding concerns.

ETHICAL PRACTICE

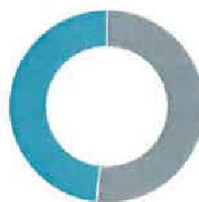
Promoting the wellbeing and empowerment of all stakeholders through ethical practices and decision-making.

Mercy UK operates in line with an Ethical Framework which is reviewed annually.

In 2021, we introduced a Core Competency Statement which sets the minimum standards of training and skills competencies across the charity. In 2022, there are plans to extend our ethical practice to include more robust ethical sourcing in our merchandise and printing supply chains.

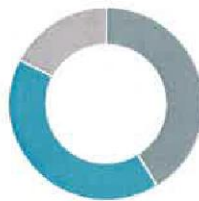
STAFF SURVEY

As a means of reviewing our practice as well as the engagement and experience of our staff teams, employees of Mercy UK participate in an annual survey to identify and explore any areas of improvement in our practice.



I FEEL PROUD TO WORK FOR MERCY UK

- Strongly Agree (52%)
- Agree (48%)



THERE ARE REGULAR AND ACCESSIBLE OPPORTUNITIES TO ENGAGE IN TRAINING OR SKILLS DEVELOPMENT AT MERCY UK

- Strongly Agree (41%)
- Agree (41%)
- Neutral (18%)

"I feel supported in my role and confident to give feedback on my colleagues and managers."

STAFF SURVEY
COMMENT, 2021

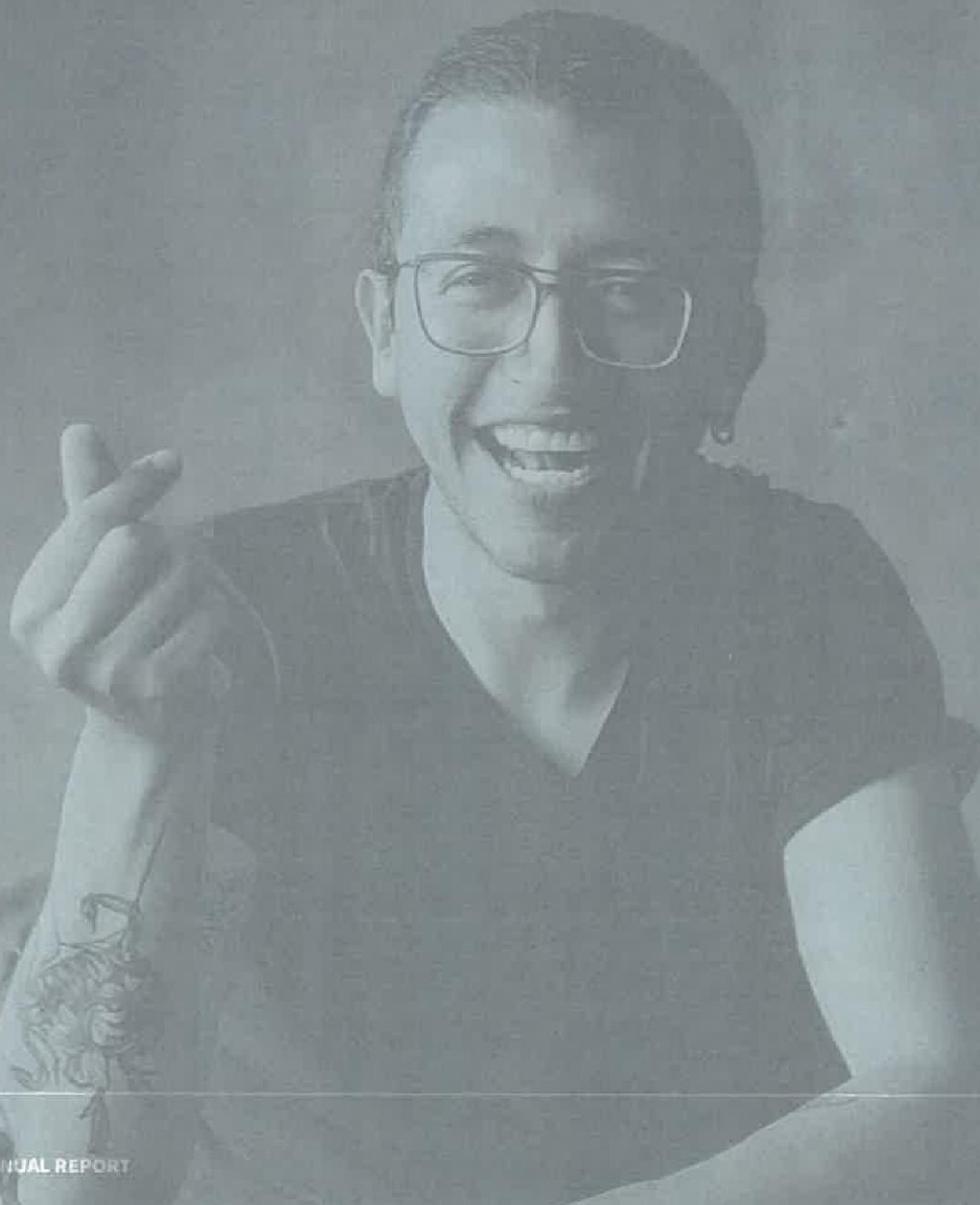
"I really value the encouragements to take care of our wellbeing, such as going for walks, flexi work and the high level of trust involved in those things. As employers it highlights that you appreciate people have lives and needs that can't always be worked around a 9-5 and that makes me really appreciate working for a company that has those things in place."

STAFF SURVEY COMMENT, 2021

PLANS FOR FUTURE PERIODS

In order to continue building on the progress and developments made in 2021, and continuing Mercy's recovery from the impact of the COVID-19 pandemic, the following strategic priorities will shape our activity in 2022:

- 1** Expansion of digital services and capabilities to include the development of digital resources and training, as well as the introduction of a support services database.
- 2** Increase income and improve fundraising return on investment, with an increased focus on Trust Funds and securing new regular donors.
- 3** Working towards publicly recognised accreditations and awards.
- 4** Develop and launch the Freedom Programme: a remote support programme which offers free-of-charge counselling, a teaching curriculum and specialist support where needed.



STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice Accounting and Reporting by Charities, issued in March 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each trustee has taken all the steps they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, Torevell Dent (Audit) LLP, were re-appointed as the charitable company's auditors during this year and have expressed their willingness to continue in that capacity.

This report was approved by the Board of Trustees on 18th July 2022 and signed on its behalf by:



Helen Edwards
Chair of Trustees

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Mercy Ministries UK (Mercy UK) is a charitable company limited by guarantee, incorporated on 23rd February 2005 and registered as a charity on 20th September 2005. The company is governed by a Memorandum and Articles of Association which determines the objects and powers of the charitable company. In the event of the organisation being wound up, members of the charitable company guarantee to contribute an amount not exceeding £1. The total number of such guarantees at the end of 2021 was 8.

APPOINTMENT OF TRUSTEES

The Board of Trustees at Mercy UK, who are also directors of the charity for the purpose of the Companies Act, represent a group of individuals with a wide range of experience and skills.

All trustees give of their time voluntarily and receive no benefits from the charity. Any expenses that are claimed are shown in the notes to the accounts. Details of all the trustees can be found in the administrative information part of this document.

Trustees are recruited on the basis of their experience for the role and the skills they might contribute in line with the objectives of the charity outlined in its Memorandum and Articles of Association.

TRUSTEE INDUCTION AND TRAINING

The charity has a trustee induction pack which explains the duties of a trustee and provides facts along with additional sources of information about the charity. New trustees are invited to a briefing session with the Chair to familiarise themselves with the charity alongside a tour and visit to Mercy UK.

STRUCTURE AND DECISION MAKING

The Board of Trustees at the end of 2021, consisted of seven members.

The trustees meet four times a year to review strategy and operational or financial performance in conjunction with the charity's Chief Executive Officer and other members of the Senior Leadership Team.

The day-to-day running of Mercy UK has been delegated to the Senior Leadership Team, consisting of the Director of People & Support, Director of Development and the Director of Operations who report to the Chief Operating Officer and who in turn, reports to the Chief Executive Officer. The Senior Leadership Team operates under the direction of the Chief Executive. The Chief Executive reports directly to the Board of trustees both by telephone and written communication and also at the trustee meetings. All members of the Senior Leadership Team are present at trustee meetings.

In 2021, a new Director of Development was appointed, tasked with overseeing communications, supporter engagement, church partnerships and fundraising.

Key Performance Indicators are used to measure and review performance against the strategic plan with regular meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to monitor financial performance.

In 2021, the practice of holding sub-committees continued, which allows for more strategic discussion and decision-making into key areas of risk.

Mercy UK is affiliated to Mercy Multiplied International (MMI). The President and Founder of MMI is Nancy Alcorn. In addition to reporting to the trustees, the Chief Executive and Chief Operating Officer also report on a monthly and quarterly basis respectively, by written communication and telephone to MMI.

REFERENCE AND ADMINISTRATIVE DETAIL

Company Information for the year ended 31st December 2021

COMPANY NAME	Mercy Ministries UK
DIRECTORS & TRUSTEES:	Chair: Helen Edwards (appointed Chair on 25/04/2019) Juliet Mayhew (resigned 07/06/2021) Dr. Rob Waller (appointed 24/10/2018) Llyn Morrow (MMI) (appointed 25/04/2019) Warrick McCullough (appointed 25/04/2019) Phil Allen (appointed 25/04/2019) Debbie Wattis (appointed 25/04/2019) Eric Camp (appointed 25/11/2019) Ali Camp (resigned 26/10/2021)
SECRETARY:	Debbie Harvie (appointed 29/01/20)
CHIEF EXECUTIVE:	Arianna Walker
REGISTERED OFFICE:	Cragg Royd Lowertown Oxenhope BD22 9JE
BANK:	Santander Bank Bridle Road, Bootle, Merseyside, L30 4GB
AUDITOR:	Torevell Dent (Audit) LLP Chartered Certified Accountants Centre of Excellence, Hope Park, Trevor Foster Way, Bradford, BD5 8HH
COMPANY NUMBER:	5373315
CHARITY NUMBER:	1111377
OTHER NAMES USED:	Mercy UK

AUDITOR'S REPORT

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MERCY MINISTRIES
UK FOR THE YEAR ENDED 31 DECEMBER 2021**

OPINION

We have audited the financial statements of Mercy Ministries UK for the year ended 31st December 2021 as set out on pages 12 to 18. The 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).

This report is made solely to the charitable company's members as a body, in accordance with Section 144 of the Charities Act 2011 made under Section 154 of the Act. Our audit work has been undertaken so that we might state to the charity's trustees, 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of reserves including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the requirements of the Charities Act 2011.

**RESPONSIBILITIES
OF TRUSTEES**

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees (who are also the directors of the charitable company for the purpose 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative to do so.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

**BASIS OF
OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS
RELATING TO
GOING CONCERN**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**OTHER
INFORMATION**

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

**AUDITOR'S
RESPONSIBILITIES**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 ISA's (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.

The risk of material misstatement in respect of irregularities, including fraud has been assessed as low. We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with the management team. There are inherent limitations in the audit procedures described

above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluation whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- The charitable company has not kept adequate accounting records and returns; or
- The financial statements are not in agreement with accounting records and returns; or
- We have not received all the information we require for our audit.

SIGNED:


Samantha Sutcliffe F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Torevell Dent (Audit) LLP

Chartered Certified Accountants

Statutory Auditor

1-3 St Ann's Place

Pellon Lane

Halifax

HX1 5RB

Date: 27 June 2022

Torevell Dent (Audit) LLP is eligible to act as auditor in terms of section 121 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
Income and endowments from:					
Donations and legacies	4	384,396	700,736	1,085,132	1,017,411
Charitable activities		68,090	-	68,090	30,230
Other trading activities		36,923	-	36,923	38,804
JRS Grants		-	-	-	163,290
Total income		489,409	700,736	1,190,145	1,249,735
Expenditure on:					
Raising funds		21,431	50,000	71,431	27,296
Charitable activities	5	584,568	630,378	1,214,946	1,163,933
Other		-	-	-	10,942
Total expenditure		605,999	680,378	1,286,377	1,202,171
Net income/(expenditure)		(116,590)	20,358	(96,232)	47,564
Transfer between funds		-	-	-	-
Total funds brought forward		(32,737)	1,594,552	1,561,815	1,514,251
Total funds carried forward		(149,327)	1,614,910	1,465,583	1,561,815

The statement of financial activities includes all gains and losses in the year. All incoming sources and resources expended derived from continuing activities.

The notes which start on pages 25 form part of these financial statements

BALANCE SHEET

for the year ended 31st December 2021

	Notes	2021	2020
Fixed assets	6	1,449,936	1,509,279
Current Assets			
Stock		5,814	7,388
Debtors & prepayments	7	15,734	8,205
Cash at bank and in hand		81,951	603,471
		<u>103,499</u>	<u>619,064</u>
Creditors: amounts due within one year	8	<u>(87,852)</u>	<u>(566,528)</u>
Net Current Assets		15,647	52,536
Total net assets		<u>1,465,583</u>	<u>1,561,815</u>
Reserves			
Unrestricted funds	10	(149,327)	(32,737)
Restricted funds	10	1,614,910	1,594,552
Total funds		<u>1,465,583</u>	<u>1,561,815</u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Charities SORP (FRS102) (effective January 2015)

Approved by the board of directors and trustees on 18th July and signed on its behalf by:

Helen Edwards

Director and Trustee

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The assessment of the charity is a going concern.

The Covid-19 pandemic affected the Charity's ability to continue delivering its training and speaking engagements, a significant income stream for the organisation. However, due to robust measures and excellent governance, the Trustees and the Management Team were able to quickly adapt to the change in circumstances. Cashflow forecasts were adjusted to reflect the uncertainties and the short term and long-term objectives of the Charity were reconsidered.

Many of the services have been adapted to be able to be delivered remotely to protect income streams and an in-depth review of expenditure has led to measures being implemented to reduce any expenditure considered to be non-essential to meet the short- and medium-term objectives of the Charity.

Since the balance sheet date the level of monthly regular giving has continued without any significant loss. Whilst plans are in place to attract new donors, the conservative assumption for the forecasts is that giving will continue at the 2021 level.

Furthermore, the terms of repayment of the loan from Goshen Trust have been extended beyond twelve months and the high-level donors have committed for the following 12 months.

Cashflow forecasts including consideration of the reserves of the Charity show positive cashflows for the foreseeable future.

Incoming resources

Income is recognised and included in the accounts when all the following criteria are met:

- The Charity has entitlement to the funds;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- When a distribution is received from the estate.

Donated services and facilities

Donated services and facilities are recognised as income when the Charity has control over the item, and conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised based on the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds
- Expenditure on charitable activities

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Computer equipment	33% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis
Furniture and equipment	25% on a reducing balance basis
Freehold property	4% on a straight line basis

Stock

Stock is valued at the lower of cost and net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Charity would have been willing to pay for the items on the open market.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their

estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

		2021	2020
STAFF	Salaries and wages	£800,009	£785,799
SALARIES AND	Social security costs	£60,257	£59,146
NATIONAL		£860,266	£844,945
INSURANCE			

The average weekly number of staff employed, calculated as fulltime equivalents during the year was 31 (2020:31). No remuneration or expenses were paid to any of the trustees during the year. No employee received remuneration of £60,000 per annum or more.

NET INCOME	Net income is stated after charging:	2021	2020
	Depreciation	£90,663	£93,867
	Audit fee	£3,540	£3,540
	Income from donations and legacies	2021	2020
	Regular giving	£232,097	£197,173
	Restricted fund donations	£700,736	£690,919
	Donations	£63,222	£51,581
	Grants received from Trusts	£50,882	£37,700
	Gift Aid received	£38,195	£40,038
		£1,085,132	£1,017,411

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

5 Expenditure on Charitable Activities

	2021	2020
International Affiliation fees	21,357	17,192
Staff costs and National Insurance	860,266	844,945
Recruiting and training	33,491	30,459
Premises costs	39,354	55,062
Residential programme activity costs	67,975	23,359
Administration costs	44,506	47,230
Motor and travel costs	9,181	8,778
Tithes	44,358	39,060
Depreciation and loss on sale of assets	90,664	93,867
Finance costs	254	441
Audit fee	3,540	3,540
	1,214,946	1,163,933

Tithes

It is a founding principle of Mercy UK to give away at least 10% of all unrestricted income to organisations and individuals that are involved in or do work that is in alignment with our vision. Donations made this year include gifts to former resident and individuals on mission trips, churches and other ministry organisations.

6 Tangible Fixed Assets

	Freehold Property £	Computer Equipment £	Furniture & Equipment £	Totals £
Cost				
At 1 st January 2021	1,876,399	88,140	51,029	2,015,568
Additions	27,048	4,273	-	31,321
Disposals at cost	-	-	-	-
At 31st December 2021	1,903,447	92,413	51,029	2,046,889
Depreciation				
At 1 st January 2021	411,462	63,939	30,888	506,289
Charge for period	76,138	9,491	5,035	90,664
Elim on disposal	-	-	-	-
At 31st December 2021	487,600	73,430	35,923	596,953
Net Book Value				
At 31 December 2021	1,415,847	18,983	15,106	1,449,936
At 31 December 2020	1,464,937	24,201	20,141	1,509,279

STATEMENT OF FINANCIAL ACTIVITIES:

NOTES ON THE NUMBERS (SEE PAGE 23)

7 Debtors: Amounts falling due within one year

	2021	2020
Prepayments	14,110	8,198
Debtors	1,624	7
	15,734	8,205

8 Creditors: Amounts falling due within one year

	2021	2020
Trade creditors	17,304	14,420
Social Security	19,884	18,240
Accruals	30,664	489,868
Loan	20,000	44,000
	87,852	566,528

9 Operating Lease Rentals

	2021	2020
Annual operating lease rentals on equipment	3,566	4,166

10 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Totals £
Tangible fixed assets	-	1,449,936	1,449,936
Current assets	60,079	43,420	103,499
Current liabilities	(209,406)	121,554	(87,852)
Transfer between funds	-	-	-
Net assets 31 st December 2021	(149,327)	1,614,910	1,465,583

11 Ethical Standards

In common with many other charities of our size and nature we use our auditors to prepare accounts and submit returns to the tax authorities. Payment for non-audit services totalled £825 (2020: £825).

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021		2020	
	£	£	£	£
Turnover				
Regular giving		232,097		197,173
Donations		814,840		780,200
Merchandise sales		21,049		26,018
Other income		15,874		12,786
Gift Aid		38,195		40,038
Fundraising		68,090		30,230
		1,190,145		1,086,445
Cost of sales				
Fundraising events and merchandise costs	71,431		27,296	
Gross Profit		1,118,714		1,059,149
Other Income				
JRS Government Grants	N/A		163,290	
		1,118,714		1,224,439
Expenditure				
Rates and water	5,644		4,951	
Insurance	6,910		7,102	
Light and heat	12,338		10,639	
Property maintenance	14,462		32,370	
Wages and National Insurance	860,266		844,945	
Telephone	4,212		4,444	
Printing and stationery	3,152		4,648	
Postage	4,974		8,462	
Travel and accommodation	5,615		4,612	
Training	17,604		5,378	
Corporate Service team costs	15,887		25,081	
Project motor costs	9,838		7,466	
Leasing costs	3,566		4,166	
International affiliation fees	21,357		17,192	
Professional, consultancy and audit fees	5,417		8,553	
Resident recreation and resource costs	2,012		1,036	
Charity shop expenses	-		10,942	
Carried forward	993,254	1,118,714	1,001,987	1,222,439

This page does not form part of the statutory financial statements

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021		2020	
	£	£	£	£
Brought forward	993,254	1,118,714	1,001,987	1,222,439
Project food costs	26,464		7,691	
Website costs	535		505	
Programme non food costs	29,661		7,166	
Subscriptions	4,224		5,673	
IT costs	20,380		15,697	
Tithes	44,358		39,060	
Sundry expenses	5,152		2,788	
		1,124,028		1,080,567
		(5,314)		141,872
Finance costs				
Bank charges	254		441	
		254		441
		(5,568)		141,431
Depreciation				
Freehold property	76,138		75,056	
Furniture and equipment	5,035		6,713	
Computer equipment	9,491		12,098	
		90,664		93,867
Net(Expenses)		(96,232)		47,564

*THANK
YOU!*



[mercyuk.org](https://www.mercyuk.org)

MERCY BEYOND LIMITED

England & Wales - Charity number 1111377

Accounts



ANNUAL REPORT 2020

A year of restoring hope and transforming lives

TRUSTEES' REPORT

WHO WE ARE

Established in 2005, Mercy UK is committed to restoring hope and transforming lives in partnership with local churches across the UK through the provision of a residential home for young women, people-helper training and advice, and a remote support service.

HOW WE HELP

"Restoring hope, transforming lives in partnership with local churches across the UK"

Mercy UK is committed to restoring hope and transforming lives by empowering Christians to develop their relationship with God, self and others. We offer a wide range of services online and on-site to equip you with the tools to live free and stay free.

Our services include:

- **OUR MERCY HOME** – An online and on-site, free-of-charge discipleship programme for women with life-controlling issues.
- **KEYS TO FREEDOM** - An 8-week discipleship course for group or individual study, designed to help you live free and stay free.
- **TRAINING, RESOURCES AND SPEAKING ENGAGEMENTS** - To educate, equip and empower you and your church.

OUR AIMS AND OBJECTIVES

The objectives of Mercy UK as set out in our Memorandum and Articles of Association are:

To promote the benefit of the public, in particular women and girls, by

(a) providing relief from and support to women and girls affected by poverty, pregnancy, sickness, hardship and distress

(b) providing charitable relief (including the provision of housing or other accommodation) to women and girls in need of care by reason of their social, emotional and economic circumstances

(c) To advance the Christian religion in accordance with the statement of faith (attached as a schedule to the memorandum of association) through the gospel of the Lord Jesus Christ and the teachings of the word of God by presenting a values based curriculum or teaching programme that will better enable persons to cope with the business of life.

(d) And such other charitable purposes as the directors of the company may from time to time determine.

The Trustees have referred to the Charities Commission's general guidance on public benefit when reviewing the aims and objectives of Mercy UK and planning its activities. The Trustees are confident that Mercy UK meets the public benefit requirements.

STRATEGIC REPORT: OUR AIMS AND ACHIEVEMENTS

The Truth of the Word of God is foundational to our mission and God often uses His Word to direct us in our strategies for the future. In 2020, God spoke to us from the story of Solomon who was visited by the Queen of Sheba in 1 Kings 10. In this story, Solomon's obedience led to an overflow in blessing, which resulted in observation from others, such as the Queen of Sheba, which ultimately led to a further outpouring of favour and of praise to God.

And so, 2020 was the year of 'building with plenty' - this was our statement which we held on to in faith, throughout 2020.

2020 has been a year like no other, many people faced challenges; mentally, emotionally, physically, financially, relationally. At Mercy UK, we know we are called and equipped to help people navigate the rough terrain of life. So, back in March 2020, we rolled up our sleeves and got to work.

We made over 300 well-being calls to our supporters, checking in with them, offering prayer and encouragement, and a listening ear. But we didn't stop there...

Over 450 people received weekly email support and prayer from our team as we launched online Keys to Freedom groups. But we didn't stop there...

Hundreds of people messaged us with individual prayer requests and every Monday morning we gather as a team and intercede for each and every one by name. But we didn't stop there...

We sent out over 500 'Scripture Action Cards' sets as gifts to our supporters, to help people stay anchored in the Word during difficult times. But we didn't stop there...

We trained over 475 church leaders and people-helpers by quickly adapting our existing training to be done online and even launched brand new training days, 'Equipped for Life' personal leadership day, and our 'Let's Talk About...' workshops. But we didn't stop there...

In total, over 1,500 copies of Keys to Freedom were sold or given away in 2020. That's now over 18,000 copies since its launch in 2017. But we didn't stop there...

The end of Quarter 1 saw our resident group return home and the Mercy home close in response to the Coronavirus pandemic. The Home Staff worked commendably hard to transition the programme delivery from on-site to online during this period and demonstrated exceptional agility and resilience, enabling new residents to continue to join and graduate from the programme. The adaptations to the delivery of the programme were received well by our resident group and at the end of quarter 2, our reported Satisfaction Rate was 85%, by the end of quarter 3 this had increased to 87.5%

In November 2020, the home re-opened with Covid-secure measures in place, staff re-trained and new protocols established to ensure a low-transmission risk. The new capacity of the home is now a maximum of 12, and the new layout allows for separate staff bedrooms and a quarantine or short-stay room. Savings in direct running costs were reallocated to the refurbishment of the home, which included complete refurbishments of the bedrooms and library, replacement of all carpets with hardwood flooring and replacement of fire-doors.

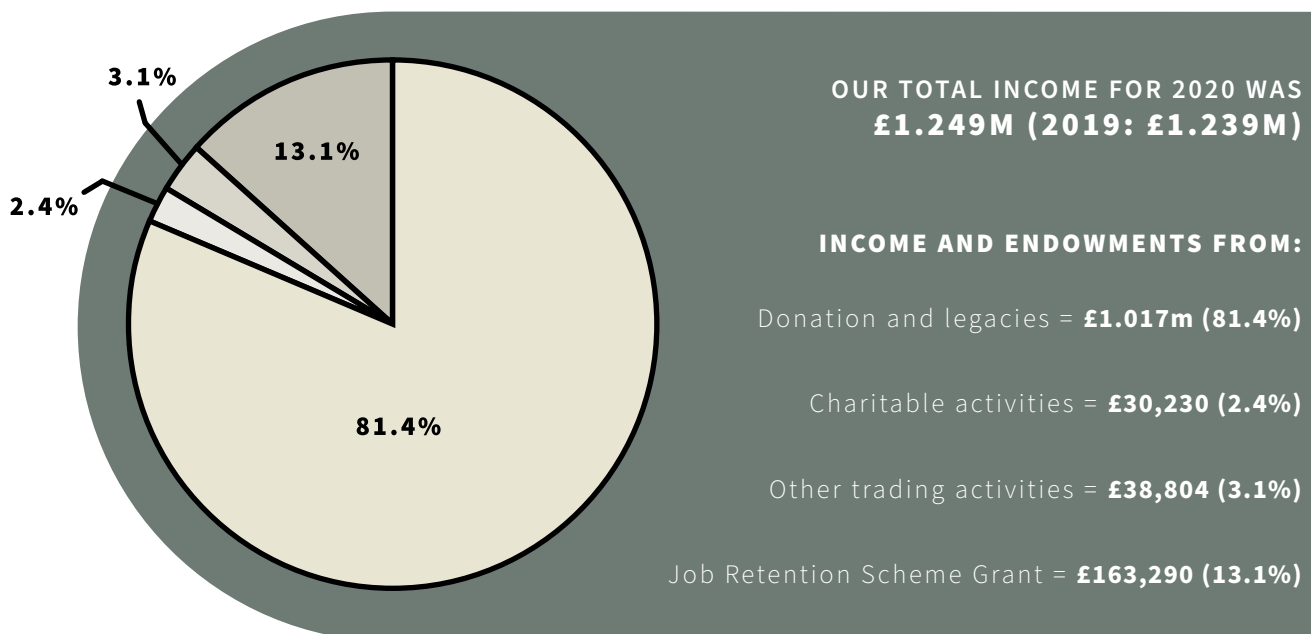
According to research carried out in 2019,* the Mercy programme produces an estimated three-fold return on investment (£3.82 for each £1 invested) in social value added to society, and we anticipate the online elements of the programme will help produce an even greater return and open up many more opportunities to help others.

FINANCIAL REVIEW

With 2020 promised to be a 'Year of Building with Plenty', Mercy faced not only unprecedented challenges in its finances but also unprecedented provision.

The combined performance of regular giving, direct fundraising, training, events and resources yielded £297k, 77% of the £384k forecasted to receive through the pandemic and income from grants and trusts was significantly higher than expected, mainly due to grant funding through the government-funded Coronavirus Job Retention Scheme (CJRS).

Our 2020 Christmas campaign which focussed on our residential home raised £25,691 - £10k more than forecasted, and signified the launch of our 2021 year-long campaign 'Back to the Heart, Back to the Start' which will celebrate 15 years since opening the home!



Our regular donors or 'Treasure Builders,' continue to form our most substantial and sustainable source of income. At the close of 2020, the 12-month rolling giving average was £20.48 (2019: £22.30), although this is a decrease in the monthly average overall, we did see an increase in our overall retention rate of givers of 93% (2019: 79%).

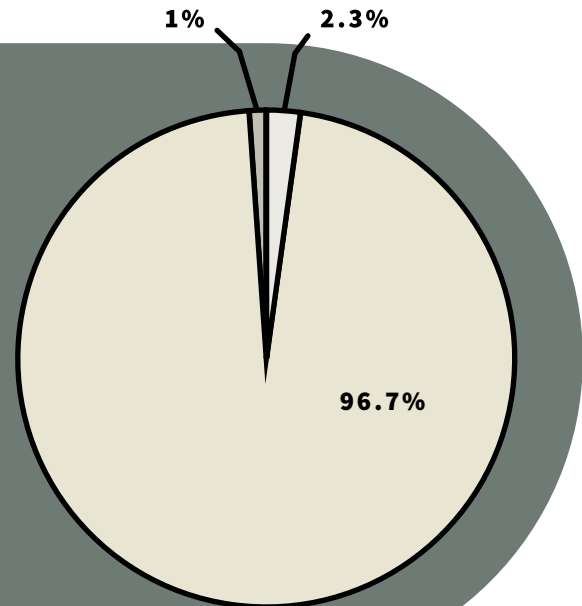
OUR TOTAL EXPENDITURE FOR 2020 WAS
£1.202M (2019: £1.313M)
AN 8% DECREASE IN SPENDING
FROM OUR 2019 FIGURE

EXPENDITURE:

Raising funds = **£27,296 (2.3%)**

Charitable activities = **£1,163m (96.7%)**

Other = **£10,942 (1%)**



This means that in 2020, **93%** of our income was allocated against our charitable activities.

That's **93p** in every **£1**!

In our approach to financial management, we continue to uphold our founding principles:

1. Our residential Christian discipleship programme is provided completely free of charge
2. We give away at least 10% of all unrestricted donations received to other Christian ministries
3. No money is accepted from any governmental body or other source that will compromise our practice of Christian principles within the residential discipleship programme or other services provided

TRUSTEES' DECLARATION OF GOING CONCERN

Whilst a number of our day-to-day business functions became limited in the wake of the Covid-19 pandemic, an investment into our IT hardware in early 2020 meant that our services could be adapted to be delivered remotely, including the residential programme. Mercy UK now enters 2021 with a streamlined organisational structure, able to continue delivering hybrid services online and in-person, with future plans to expand this.

The board and management have considered the consequences of Covid-19 and other events and conditions, and have determined that they do not create a material uncertainty that casts significant doubt upon Mercy UK's ability to continue as a going concern.

RESERVES POLICY

On the 31st December 2020, our total reserves stood at £1.562m (2019: £1.515m), the majority of which are restricted funds represented by fixed assets for use by the charity which cannot be turned into cash.

The policy for reserves is to hold unrestricted funds not committed or invested in tangible assets ("the free reserves") to the total of 3 months of resources expended in addition to the known income received each month.

The year ended with unrestricted reserves of -£32,737 (2019: -£37,046). The 2020 target reserves total which represents the total of 3 months of resources expended was £86.25k.

In 2020, we were successful in replenishing our reserves. The mean reserves target level for 2021 is calculated to be £86.5k.

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. This policy is reviewed annually.

RISK MANAGEMENT

Trustees continue to utilise the STEEPLE analysis tool to assess the risks of social, technological, economic, ethical, political, legal and environmental change drivers.

In Q2, 2020, a 'Coronavirus Response & Recovery Plan' was compiled which outlined the charity's mitigation of the risks posed by Covid-19. **The plan included:**

1. A beneficiary impact assessment, outlining adjustments to support services made by Mercy UK to meet beneficiary needs in the short and long-term,
2. A phased plan to reduce salary expenditure to ensure the long-term sustainability of the charity,
3. Scenario modelling based on a 20%, 50% and 70% reduction of 'Known Income' which includes Treasure Builder income, Gift Aid and Committed Trust Fund Income,
4. Fundraising recovery streams.

Financial sustainability - Our ability to generate sufficient income and meet all expenditure requirements incurred by the charity, in order to fulfil our objectives to an excellent standard.

The charity receives no government funding for its work. A significant proportion of income is sourced from voluntary donations and the remainder is collected through fundraising initiatives and the sale of resources and training days.

The Trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet its financial commitments. They are also satisfied that the Senior Leadership Team are seeking to diversify the charity's income streams further to reduce this risk and monitor the financial position of the charity in regular sub-committee reviews of the management accounts.

The Trustees believe the charity is well placed to manage its financial risks successfully despite the current economic climate. Due consideration has been given to key financial risks and, in line with Charity Commission guidance, a financial risk assessment has been undertaken and mitigations identified.

The Trustees have a reasonable expectation that the measures in place are adequate to continue in operational existence for the foreseeable future. As a result, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Health, safety and wellbeing of staff, volunteers and beneficiaries - Our commitment to provide a safe environment to facilitate the health and wellbeing of staff, volunteers and beneficiaries, especially residents in our residential home.

In response to the Covid-19 pandemic and subsequent government restrictions and recommendations, a board sub-committee was established to review the health, safety and wellbeing of staff, volunteers and beneficiaries of Mercy UK in relation to infectious disease management. The sub-committee was responsible for reviewing and approving the infectious disease risk assessment, the outbreak management protocols and the implementation of new workplace practices and protocols, which included guidance for agile or 'working at home' employees.

In March 2020, our annual health & safety audit was carried out. Although analysis of this report was delayed due to Covid-19 outbreak, action was taken to replace the fire doors in the residential home and fit automatic door closers on doors to the hallways, communal areas and bedrooms, as well as in office spaces in our Cornerstone Training & Resource building.

In 2021, we intend to continue investing in the health, safety and wellbeing of our staff by offering health & safety training to our staff and residents including, but not limited to, Display Screen User training, First Aid training, Fire Marshal training, Food Hygiene, RIDDOR and COSHH. The use of PPE in designated areas will continue as a standard operating procedure.

Safeguarding of vulnerable adults and third parties - promoting the welfare of children and vulnerable adults with the aim of protecting them from harm.

Mercy UK's safeguarding policy is embedded in our practice and reviewed annually. We benefit from the support and advice of an organisation that specialises in safeguarding in the faith sector and continue to seek consultation in relation to any critical safeguarding concerns.

Ethical practice - promoting the wellbeing and empowerment of all stakeholders through ethical practices and decision-making.

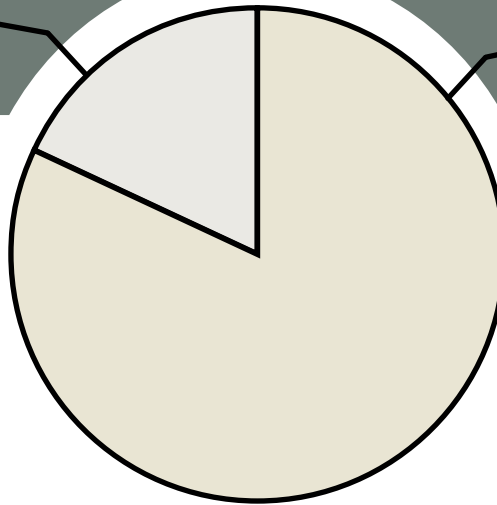
Mercy UK operates in line with an Ethical Framework which is reviewed annually. In 2021, there are plans to extend our ethical practice to include more robust ethical sourcing in our merchandise and printing supply chains.

As a means of reviewing our practice as well as the engagement and experience of our staff teams, employees of Mercy UK participate in an annual survey to identify and explore any areas of improvement in our practice. The result of our 2020 survey was encouraging.

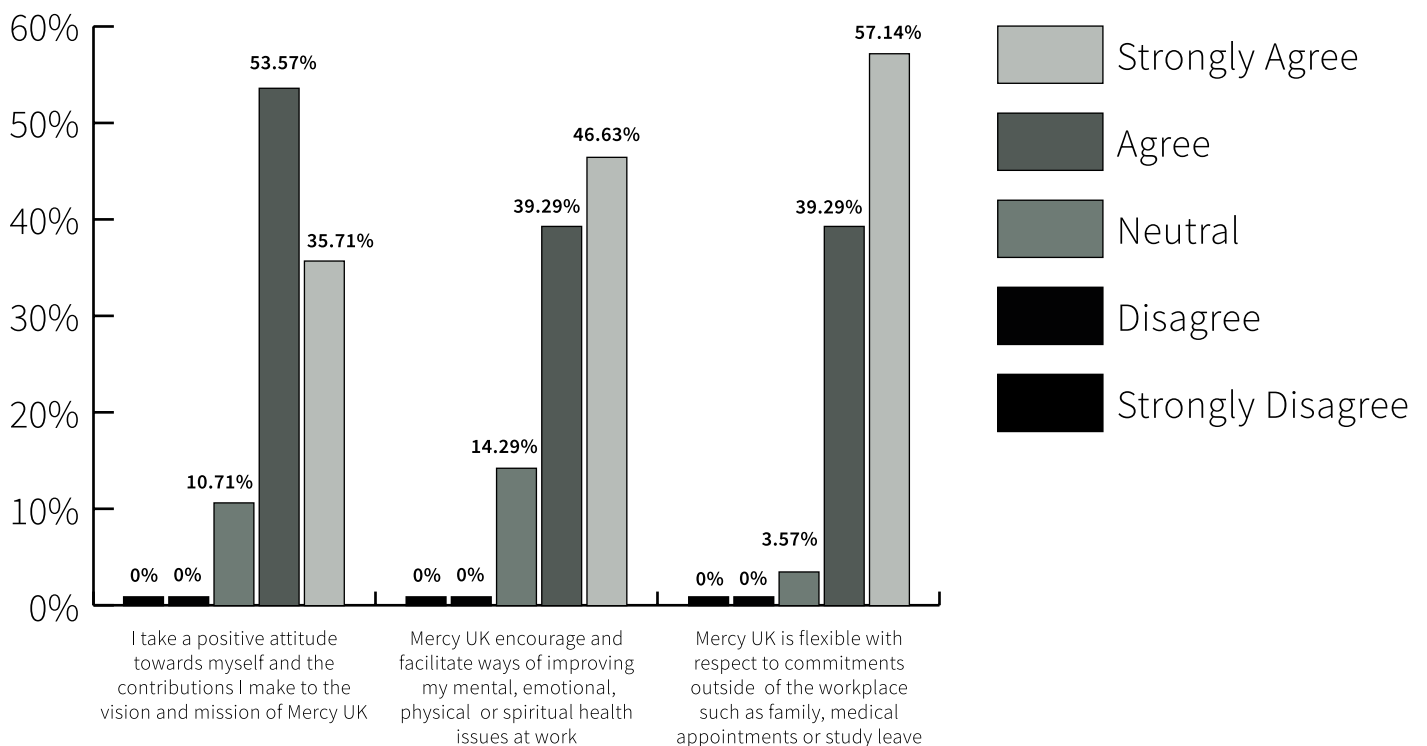
"I FEEL PROUD TO WORK FOR MERCY UK"

18%
AGREE

82%
STRONGLY
AGREE



HOW WOULD YOU RATE THE FOLLOWING STATEMENTS:



**A RECENT GRADUATE OF THE MERCY UK PROGRAMME SHARED HER
EXPERIENCE OF OUR RESIDENTIAL TEAM:**

“My stay in the mercy home was far from a ‘stint of treatment’ or rehabilitation.. it was an immersion into a loving and care-giving environment, love and care that was consistent, stable and secure.

One of my most prominent memories of experiencing this healing love was a time I found myself hiding in a room on the top floor. Anxiety was crippling me, and caused me to flee and find the safest place I could to escape the perceived threat. This spot for me was in a study room on the top floor, in a corner that was quite closed in by furniture. I’d squeezed into a tiny space, curled up on the floor.. sobbing. My facilitator found me, I can’t remember her words, but I remember her warmth, gentleness and patience. She told me she’d be waiting in the room next door, when I felt ready to come and talk. Eventually I followed, and there she was waiting patiently. Again, I don’t remember her words, but I remember as clear as day her warmth and care. Even now, when I have a tough time or find myself in distress, the memories stored of these moments bring comfort and calm, like the day they took place.

In this interaction, along with the many, many more poured into my life by the staff at Mercy, I experienced the healing love and embrace of my Heavenly Father. I encountered this love through the faith-filled and love-motivated staff at Mercy UK.

It amazes me to this day how much those experiences have transformed my inner world to walk in the peace and freedom I’d only ever dreamt of before Mercy. Let me be clear that Mercy is not ‘the answer, a quick fix, a treatment’, it’s a place that is committed to expressing the heart of a loving God, whose redeeming love can and does transform the darkest nights.”

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trustees confirm that no funds are being held as custodian trustees on behalf of others.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The trustees are required by company law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. **In preparing those financial statements the trustees are required to:**

- (a) Select suitable accounting policies and apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) State whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- (d) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which 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.

In accordance with Company Law, as the company's Directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the auditors are unaware; and,
- as the Directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

PLANS FOR FUTURE PERIODS

In order to continue building on the progress and developments made in 2020, and continuing Mercy's recovery from the impact of the COVID-19 pandemic, **the following strategic priorities will shape our activity in 2021:**

1. Expansion of digital services alongside in-person services
2. Increase income and improve fundraising return on investment
3. Embedding a culture of training and development for staff
4. Working towards publicly recognised accreditations and awards
5. Defining the scope of future digital and in-person services such as 'Freedom Centres'

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Mercy Ministries UK (Mercy UK) is a charitable company limited by guarantee, incorporated on 23rd February 2005 and registered as a charity on 20th September 2005. The company is governed by a Memorandum and Articles of Association which determines the objects and powers of the charitable company. In the event of the organisation being wound up, members of the charitable company guarantee to contribute an amount not exceeding £1. The total number of such guarantees at the end of 2020 was 9.

RECRUITMENT AND APPOINTMENT OF BOARD OF TRUSTEES

The Board of Trustees at Mercy UK, who are also directors of the charity for the purpose of the Companies Act, represent a group of individuals with a wide range of experience and skills.

All Trustees give of their time voluntarily and receive no benefits from the charity. Any expenses that are claimed are shown in the notes to the accounts. Details of all the Trustees can be found in the administrative information part of this document.

Trustees are recruited on the basis of their experience for the role and the skills they might contribute in line with the objectives of the charity outlined in its Memorandum and Articles of Association.

In 2020, no new directors were appointed. One director resigned in December 2020. A new secretary to the company was appointed.

TRUSTEE INDUCTION AND TRAINING

The charity has a Trustee induction pack which explains the duties of a Trustee and provides facts along with additional sources of information about the charity. New Trustees are invited to a briefing session with the chairman to familiarise themselves with the charity alongside a tour and visit to Mercy UK.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees at the end of 2020, consisted of nine members.

The Trustees meet four times a year to review strategy and operational or financial performance in conjunction with the charity's Chief Executive Officer and other members of the Senior Leadership Team.

The day-to-day running of Mercy UK has been delegated to the Senior Leadership team, consisting of the Director of People & Support and the Director of Operations who report to the Chief Operating Officer and who in turn, reports to the Chief Executive Officer. The Senior Leadership Team operates under the direction of the Chief Executive. The Chief Executive reports directly to the Board of Trustees both by telephone and written communication and also at the Trustee's meetings. All members of the Senior Leadership Team are present at Trustee meetings.

Key Performance Indicators are used to measure and review performance against the strategic plan with regular meetings ensuring that corrective action is taken where needed. Monthly management accounts are also used to monitor financial performance.

In 2020, the practice of holding sub-committees continued, which allows for more strategic discussion and decision-making into key areas of risk.

Mercy UK is affiliated to Mercy Multiplied International (MMI). The President and Founder of MMI is Nancy Alcorn. In addition to reporting to the Trustees, the Chief Executive and Chief Operating Officer also report on a monthly and quarterly basis respectively, by written communication and telephone to MMI.

REFERENCE AND ADMINISTRATIVE LEAVE

COMPANY INFORMATION FOR THE YEAR ENDED 31ST DECEMBER 2019

DIRECTORS AND TRUSTEES:

Helen Edwards – Chairman (*appointed 25/04/2019*)
Juliet Mayhew (*appointed 23/10/2014*)
William Van Der Hart (*resigned 02/12/2020*)
Dr. Rob Waller (*appointed 24/10/2018*)
Llyn Morrow (MMI) (*appointed 25/04/2019*)
Warrick McCullough (*appointed 25/04/2019*)
Phil Allen (*appointed 25/04/2019*)
Debbie Wattis (*appointed 25/04/2019*)
Eric Camp (*appointed 25/11/2019*)
Ali Camp (*appointed 25/11/2019*)

SECRETARY:

Debbie Harvie (*appointed 29/01/2020*)

CHIEF EXECUTIVE:

Arianna Walker

REGISTERED OFFICE:

Cragg Royd
Lowertown
Oxenhope
BD22 9JE

BANK:

Santander Bank
Bridle Road
Bootle
Merseyside
GIR OAA

AUDITOR:

Torevell Dent (Audit) LLP
Chartered Certified Accountants
Centre of Excellence
Hope Park
Trevor Foster Way
Bradford
BD5 8HH

COMPANY NUMBER:

5373315

CHARITY NUMBER:

1111377

OTHER NAMES USED:

Mercy UK

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice Accounting and Reporting by Charities, issued in March 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company and enable them to ensure that the accounts 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each trustee has taken all the steps that ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

The auditors, Torevell Dent (Audit) LLP, were re-appointed as the charitable company's auditors during this year and have expressed their willingness to continue in that capacity.

This report was approved by the Board of Trustees on 7th June 2021 and signed on its behalf by:

Helen Edwards

Chair of Trustees

AUDITOR'S REPORT

MERCY MINISTRIES UK

Report of the Independent Auditors to the Members of Mercy Ministries UK For the year ended 31 December 2020

OPINION

We have audited the financial statements of Mercy Ministries UK for the year ended 31st December 2020. The 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).

This report is made solely to the charitable company's members as a body, in accordance with Section 144 of the Charities Act 2011 made under Section 154 of the Act. Our audit work has been undertaken so that we might state to the charity's trustees 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of reserves including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been properly prepared in accordance with the requirements of the Charities Act 2011.

MERCY MINISTRIES UK
Report of the Independent Auditors to the Members of Mercy Ministries UK
For the year ended 31 December 2020

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purpose 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or has no realistic alternative to do so.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MERCY MINISTRIES UK
Report of the Independent Auditors to the Members of Mercy Ministries UK
For the year ended 31 December 2020

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

MERCY MINISTRIES UK
Report of the Independent Auditors to the Members of Mercy Ministries UK
For the year ended 31 December 2020

We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluation, whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- The charitable company has not kept adequate accounting records and returns; or
- The financial statements are not in agreement with accounting records and returns; or
- We have not received all the information we require for our audit.

Samantha Sutcliffe F.C.C.A. (Senior Statutory Auditor)

For and on behalf of Torevell Dent (Audit) LLP
Chartered Certified Accountants
Statutory Auditor
1-3 St Ann's Place
Pellon Lane
Halifax
HX1 5RB

Date.....

TOREVELL DENT (AUDIT) LLP IS ELIGIBLE TO ACT AS AUDITOR IN TERMS OF SECTION 121 OF THE COMPANIES ACT 2006.

STATEMENT OF FINANCIAL ACTIVITIES

MERCY MINISTRIES UK

Statement of Financial Activities

Summary Income and Expenditure Account for the year ended 31st December 2020

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Income and endowments from:					
Donations and legacies	4	326,492	690,919	1,017,411	1,080,111
Charitable activities		30,230	-	30,230	87,999
Other trading activities		38,804	-	38,804	71,156
JRS Grants		163,290	-	163,290	-
Total income		558,816	690,919	1,249,735	1,239,266
Expenditure on:					
Raising funds		23,474	3,822	27,296	83,008
Charitable activities	5	520,091	643,842	1,163,933	1,203,319
Other		10,942	-	10,942	26,606
Total expenditure		554,507	647,664	1,202,171	1,312,933
Net income/(expenditure)		4,309	43,255	47,564	(73,667)
Transfer between funds		-	-	-	-
Total funds brought forward		(37,046)	1,551,297	1,514,251	1,587,918
Total funds carried forward		(32,737)	1,594,552	1,561,815	1,514,251

The statement of financial activities includes all gains and losses in the year. All incoming sources and resources expended derived from continuing activities.

THE NOTES ON PAGES 26-30 FORM PART OF THESE FINANCIAL STATEMENTS

BALANCE SHEET

MERCY MINISTRIES UK

Balance Sheet

For the year ended 31st December 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Fixed assets	6	1,509,279	1,551,718
Current Assets			
Stock		7,388	14,548
Debtors & prepayments	7	8,205	3,672
Cash at bank and in hand		<u>603,471</u>	<u>486,412</u>
		619,064	504,632
Creditors: amounts due within one year	8	<u>(566,528)</u>	<u>(542,099)</u>
Net Current Assets		52,536	(37,467)
Total net assets		<u>1,561,815</u>	<u>1,514,251</u>
Reserves			
Unrestricted funds	10	(32,737)	(37,046)
Restricted funds	10	1,594,552	1,551,297
Total funds		<u>1,561,815</u>	<u>1,514,251</u>

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and with the Charities SORP (FRS102) (effective January 2015)

Approved by the board of directors and trustees on and signed on its behalf by:

Helen Edwards

Director and Trustee

THE NOTES ON PAGES 26-30 FORM PART OF THESE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

MERCY MINISTRIES UK

Notes to the Financial Statements - for the year ended 31st December 2020

1: ACCOUNTING POLICIES

BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

PREPARATION OF THE ACCOUNTS ON A GOING CONCERN BASIS

The assessment of the charity is a going concern.

The Covid-19 pandemic affected the Charity's ability to continue delivering its training and speaking engagements, a significant income stream for the organisation. However, due to robust measures and excellence governance, the Trustees and the Management Team were able to quickly adapt to the change in circumstances. Cashflow forecasts were adjusted to reflect the uncertainties and the short term and long-term objectives of the Charity were reconsidered.

Many of the services have been adapted to be able to be delivered remotely to protect income streams and an in-depth review of expenditure has led to measures being implemented to reduce any expenditure considered to be non-essential to meet the short- and medium-term objectives of the Charity.

Since the balance sheet date despite the pandemic, the level of monthly regular giving has continued without any significant loss. Whilst plans are in place to attract new donors, the conservative assumption for the forecasts is that giving will continue at the 2020 level.

Furthermore, the terms of repayment of the loan from Goshen Trust have been extended beyond twelve months and the high-level donations have been received in advance in 2020 and are also committed for 2021.

Cashflow forecasts including consideration of the reserves of the Charity show positive cashflows for the foreseeable future.

INCOMING RESOURCES

Income is recognised and included in the accounts when all the following criteria are met:

- The Charity has entitlement to the funds;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted
- The estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made; or
- When a distribution is received from the estate.

DONATED SERVICES AND FACILITIES

Donated services and facilities are recognised as income when the Charity has control over the item, and conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised based on the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. **Expenditure is classified under the following activity headings:**

- Costs of raising funds
- Expenditure on charitable activities

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

COMPUTER EQUIPMENT:	33% on a reducing balance basis
MOTOR VEHICLES:	25% on a reducing balance basis
FURNITURE AND EQUIPMENT:	25% on a reducing balance basis
FREEHOLD PROPERTY:	4% on a straight line basis

STOCK

Stock is valued at the lower of cost and net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Charity would have been willing to pay for the items on the open market.

HIRE PURCHASE AND LEASING COMMITMENTS

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

2: STAFF SALARIES AND NATIONAL INSURANCE

	<u>2020</u>	<u>2019</u>
	£	£
Salaries and wages	785,799	784,491
Social security costs	<u>59,146</u>	<u>60,652</u>
	<u>844,945</u>	<u>845,143</u>

The average weekly number of staff employed, calculated as full-time equivalents during the year was 31 (2019:32). No remuneration or expenses were paid to any of the trustees during the year. No employee received remuneration of £60,000 per annum or more.

3: NET INCOME

Net income is stated after charging:	<u>2020</u>	<u>2019</u>
	£	£
Depreciation	93,867	81,917
Audit fee	3,540	3,540

4: INCOME FROM DONATIONS AND LEGACIES

	<u>2020</u>	<u>2019</u>
	£	£
Regular giving	197,173	220,419
Restricted fund donations	690,919	638,885
Donations	51,581	128,447
Grants received from Trusts	37,700	45,750
Gift Aid received	<u>40,038</u>	<u>46,610</u>
	<u>1,017,411</u>	<u>1,080,111</u>

5: EXPENDITURE ON CHARITABLE ACTIVITIES

	<u>2020</u>	<u>2019</u>
	£	£
International Affiliation fees	17,192	24,016
Staff costs and National Insurance	844,945	845,143
Recruiting and training	30,459	14,320
Premises costs	55,062	43,465
Residential programme activity costs	23,359	37,075
Administration costs	47,230	76,070
Motor and travel costs	8,778	24,098
Tithes	39,060	53,367
Depreciation and loss on sale of assets	93,867	81,917
Finance costs	441	308
Audit fee	3,540	3,540
	<u>1,163,933</u>	<u>1,203,319</u>

TITHES

It is a founding principle of Mercy UK to give away at least 10% of all unrestricted income to organisations and individuals that are involved in or do work that is in alignment with our vision. Donations made this year include gifts to former residents and individuals on mission trips, churches and other ministry organisations.

6: TANGIBLE FIXED ASSETS

	Freehold Property £	Computer Equipment £	Furniture & Equipment £	Totals £
<u>Cost</u>				
At 1st January 2020	1,876,399	57,240	30,501	1,964,140
Additions	-	30,900	20,528	51,428
Disposals at cost	-	-	-	-
At 31st December 2020	1,876,399	88,140	51,029	2,015,568
<u>Depreciation</u>				
At 1st January 2020	336,406	51,841	24,175	412,422
Charge for period	75,056	12,098	6,713	93,867
Elim on disposal	-	-	-	-
At 31st December 2020	411,462	63,939	30,888	506,289
<u>Net Book Value</u>				
At 31 December 2020	1,464,937	24,201	20,141	1,509,279
At 31 December 2019	1,539,993	5,399	6,326	1,551,718

7: DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2020</u> £	<u>2019</u> £
Prepayments	8,198	3,672
Debtors	7	-
	<u>8,205</u>	<u>3,672</u>

8: CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2020</u>	<u>2019</u>
	£	£
Trade creditors	14,420	13,991
Social Security	18,240	16,199
Accruals	489,868	436,909
Loan	44,000	75,000
	<u>566,528</u>	<u>542,099</u>

9: OPERATING LEASE RENTALS

	<u>2020</u>	<u>2019</u>
	£	£
Annual operating lease rentals on equipment	<u>4,166</u>	<u>4,096</u>

10: ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Totals
	£	£	£
Tangible fixed assets	-	1,509,279	1,509,279
Current assets	125,184	493,880	619,064
Current liabilities	(157,921)	(408,607)	(566,528)
Transfer between funds	-	-	-
Net assets 31st December 2020	<u>(32,737)</u>	<u>1,594,552</u>	<u>1,561,815</u>

11: APB ETHICAL STANDARDS

In common with many other charities of our size and nature we use our auditors to prepare accounts and submit returns to the tax authorities. Payment for non-audit services totalled £825 (2019: £825).

MERCY MINISTRIES UK

Trading and Profit and Loss Account

For the year ended 31st December 2020

	2020		2019	
	£	£	£	£
Turnover				
Regular giving		197,173		220,419
Donations		780,200		813,082
Merchandise sales		26,018		65,749
Other income		12,786		5,408
Gift Aid		40,038		46,610
Fundraising		30,230		87,998
		<u>1,086,445</u>		<u>1,239,266</u>
Cost of sales				
Fundraising events and merchandise costs		27,296		83,008
		<u>1,059,149</u>		<u>1,156,258</u>
Gross Profit				
Other Income				
JRS Government Grants		163,290		
		<u>163,290</u>		
Expenditure				
Rates and water		4,951		6,379
Insurance		7,102		6,335
Light and heat		10,639		13,736
Property maintenance		32,370		17,015
Wages and National Insurance		844,945		845,143
Telephone		4,444		5,358
Printing and stationery		4,648		5,672
Postage		8,462		7,416
Travel and accommodation		4,612		18,350
Training		5,378		4,446
Corporate Service team costs		25,081		9,874
Project motor costs		7,466		9,674
Leasing costs		4,166		4,096

MERCY MINISTRIES UK

Trading and Profit and Loss Account

For the year ended 31st December 2020

International affiliation fees	17,192	24,016
Professional, consultancy and audit fees	8,553	39,551
Resident recreation and resource costs	1,036	2,526
Charity shop expenses	10,942	26,606
Carried forward	1,001,987	1,222,439
	1,046,193	1,156,258

This page does not form part of the statutory financial statements

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MERCY MINISTRIES UK

Trading and Profit and Loss Account

For the year ended 31st December 2020

	2020		2019	
	£	£	£	£
Brought forward	1,001,987	1,222,439	1,046,193	1,156,258
Project food costs	7,691		25,134	
Website costs	505		550	
Programme non food costs	7,166		5,489	
Subscriptions	5,673		3,703	
IT costs	15,697		11,882	
Tithes	39,060		53,367	
Sundry expenses	2,788		1,382	
		1,080,567		1,147,700
		141,872		8,558
Finance costs				
Bank charges	441		308	
		441		308
		141,431		8,250
Depreciation				
Freehold property	75,056		75,055	
Furniture and equipment	6,713		2,108	
Computer equipment	12,098		4,754	
		93,867		81,917
Net (Expenses)		47,564		(73,667)

This page does not form part of the statutory financial statements