

Charity registration number: 1167670

Victory Outreach Manchester

(Charitable Incorporated Organisation)

Annual Report and Financial Statements

for the Year Ended 31 May 2023

McKellens Limited
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

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Last update: 23 Apr 2024, by Guest

Victory Outreach Manchester

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Victory Outreach Manchester

Reference and Administrative Details

Trustees	M W Moyo
	C Mason
	S Kowalczyk
	N Tetteh
Charity Registration Number	1167670
Principal Office	19 Liverpool Street Salford M5 4LY
Independent Examiner	McKellens Limited 11 Riverview The Embankment Business Park Vale Road Heaton Mersey Stockport SK4 3GN
Bankers	NatWest Bank Plc 182 Deansgate Manchester M3 3LY

Victory Outreach Manchester

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 May 2023.

Objectives and activities

Objects and aims

1. The advancement of the Christian Faith in accordance with the statements of belief set out in the schedule appearing at the end of the Constitution and the worship of God in the said country and elsewhere and by any means whatsoever including (but not by way of limitation) the preaching and proclamation of the Christian Gospel and the teaching of Christian doctrine and principles and the pastoral care of Christian people and the printing and distribution of the Bible and Christian literature including video and audio recordings or CDs and by any other media which is or may become available.
2. The relief of persons who are in conditions of need or hardship and consequently are in distress or who are sick.
3. The advancement of education on the basis of the above Christian principles and without prejudice to the generality of the foregoing provisions of such education in any educational establishment and if the trustees so decide the provision of one or more charitable education establishments for the general education of children or adults on the basis of such Christian principles.
4. Meetings and events for enquirers into the Christian faith.

Victory Outreach is an International Christian Ministry orientated church called to the task of evangelising and discipling the hurting people of the world with the message of hope and the plan of Jesus Christ. This call involves a commitment to plant and develop churches, rehabilitation homes and training centres in strategic cities of the world. Victory Outreach inspires and instils within people the desire to fulfil their potentials in life with a sense of dignity, belonging and destiny.

Victory Outreach Manchester

Trustees' Report

Objectives, strategies and activities

Victory Outreach Manchester is thrilled to present our annual trustee report for the year 2023, a year that witnessed remarkable advancements in our mission to serve and uplift the community. Throughout the year, our commitment to understanding and addressing the evolving needs of our members remained unwavering. Through proactive outreach programmes, community engagement initiatives, and active participation in local events, we solidified our presence and deepened our connections within the community. Furthermore, our church services and prayer meetings have served as vital pillars of support and spiritual nourishment for our members.

The year 2023 also marked a significant phase of organisational restructuring for Victory Outreach Manchester. Recognising the importance of a cohesive and robust structure, we initiated strategic measures to address existing gaps within our leadership and departments. This proactive approach aimed at realigning our resources and talents ensures that we are better equipped to fulfil our mission and serve our community effectively. The restructuring efforts undertaken lay a strong foundation for sustained growth and impact in the years ahead.

In addition to our organisational restructuring and financial evaluations, Victory Outreach Manchester forged partnerships with experienced bid writers in 2023. These professionals provided invaluable support in navigating the diverse funding opportunities available to us. Through their expertise, we successfully secured funding to meet the evolving needs of the community, ensuring that our initiatives are well-supported and sustainable in the long term. This collaborative effort further strengthens our capacity to serve and uplift those we are privileged to reach.

The charity continues doing fruitful work in assisting men and women whose lives have been endangered by substance and alcohol misuse to become sober and clean with the added benefit of reducing re-offending. Further, our community's growing interest in family life and parenting saw young people encouraged to engage with positive role models, including Bible study groups, prayer meetings, music and drama. The charity remains the beacon of hope within the community it serves due to the uniqueness of what we do. This year, the charity owed its continued existence throughout the year to the unflinching dedication and support of our people and volunteers to the mission. We are improving faith and wellbeing among our members and the community through teaching and outreach activities in the first half of the year, including weekly teachings and events reaching out to prostitutes, drug addicts, alcoholics, the homeless and the hurting people all over the city of Salford, Manchester and its environs.

Victory Outreach Manchester

Trustees' Report

Key achievements in 2022-23

- Organised the UK and Germany Region, online Run4Hope fundraiser in September 2022. The amount raised was £20,830.
- Code Red - Saw many women in hostels suffering from domestic violence and street workers receiving personal encouragement and personal gifts. This was all achieved within Government restrictions and was a tremendous success.
- Christmas Nativity Play for the Kids G.A.N.G. (God Anointed Now Generation) ministry and Christmas Hamper giveaways in the Salford area.
- Our flagship New Year's Eve celebration and thanksgiving service and provided Christmas Day meal for all those within the church and local community who did not have family or anywhere else to go on Christmas Day.
- VO Glasgow and VO Birmingham continued to grow and sustain its operational model courtesy of our United We Can fund (UWC).
- Participated in the annual Senior Pastors Strategic and vision casting meeting in Mexico.
- Well represented at the Mighty Men of Valor and the United Women in Ministry Conference, which all happened in America.
- Successfully supported two young adults to attend the Urban Training Centre in America.
- Continued the Weekly church-wide online/in-person prayer meetings and monthly men and women prayer meetings as we see growth in many of our members' prayer and spiritual lives.
- Organised and hosted a church-wide series of marriage seminars with seasoned couples sharing their wealth of knowledge and experience in marriage to help our members.
- Began legally investigating the possibility of starting a new charity in Dublin, Ireland with a long term view to open a new church
- Continued with theological teachings through VETI and encouraged up-and-coming leaders to continue their growth track towards pastoral licencing.
- Conducted several in-person member gatherings to strengthen the community, connection and relationships within the church and attract new members.
- Established a new women's home in Salford, which has reached a number of women throughout the UK.
- Baptised several new congregation members and dedicated many new babies to God.
- Pastoral staff conducted several weddings over the course of the year.
- UK and Germany regional conference, which took place in Manchester. We saw many members from the region come together, which allowed them to build new relationships and receive direction on where God is leading the region.

Victory Outreach Manchester

Trustees' Report

Public benefit

The Charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees' report. The Trustees confirm that they have paid due regard to the Charity Commission's guidance on public benefit before deciding what activities the charity should undertake.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

During the year, income increased to £424,140 (2022: £400,262).

The costs went up to £391,361 (2022: £358,773), mainly due to an increase in fundraising costs and the cost of charitable activities.

Principal funding sources

The charity relies on voluntary income as its principal source of funding. Total donations amounted to £310,076 (2022: £288,751).

Income from charitable activities amounted to £108,843 (2022: £109,389). Income from activities for generating funds amounted to £3,317 (2022: £1,825).

Policy on reserves

The Trustees have considered the level of reserves they wish to retain appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The Trustees aim to ensure the charity can continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The Trustees will endeavour not to set aside funds unnecessarily.

Victory Outreach Manchester

Trustees' Report

Plans for the year ahead 2023-24

Plans for 2023-24 are to continue the core delivery of services in-house and online while establishing an enhanced leadership structure for the church's continued growth. As we have received a high level of new membership, we feel it is essential to provide a variety of training and life groups to establish their Christian journey.

We will also continue to explore opportunities to expand the ministry across the region, including Ireland, Wales and potentially Europe.

Essential items on the agenda for next year are as follow:

- The upgrade of our technological capacity, with new equipment needing to be purchased to facilitate the growing environment.
- We are actively seeking innovative strategies to boost our revenue and bridge the gap. It's evident across all churches that the rising cost of living has impacted overall giving within the community. Therefore, we are committed to exploring new avenues for income generation to mitigate these challenges and ensure the financial stability of our church.
- Code Red - we will strengthen our efforts to continue reaching out to many women in hostels suffering from domestic violence, to receive personal encouragement and gifts.
- We are intensifying our efforts in meticulously evaluating our financial progress. Through thorough analysis of our financial data and pinpointing areas for enhancement, we are actively paving the path for sustainable growth and expansion. This strategic approach not only guarantees our ability to meet the evolving needs of our community but also facilitates investments in future initiatives that resonate with our mission and values.

Next year, we will organise Run for Hope (R4H) with a different approach, which will allow us to connect with the community once again through this event and to support people willing to take part - as an ongoing fundraising initiative for ministry development which has mobilised hundreds of people to raise money for reaching vulnerable people across the UK.

We will continue the in-person and online teachings as part of our regular activities, including

- Marriage teachings
- Relationship teachings
- Parenting training
- Bible teachings
- Life Groups
- VETI - theological training
- Prayer Times (Wednesday/Friday/Saturday)
- Regional Conferences for men, women and children
- Dance and performing arts classes for Kidz G.A.N.G.

Victory Outreach Manchester

Trustees' Report

Continue to maintain contact with congregation members via in-person services/meetings, WhatsApp/Zoom/telephone/email, and visits when necessary.

New Trustees are being recruited to join the board. New structures are being developed in terms of growth planning and policies and procedures are continually being updated.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	M W Moyo
	C Mason
	S Kowalczyk
	N Tetteh (appointed 6 February 2024)

Structure, governance and management

Nature of governing document

The governing document is a CIO Foundation Registered 16th June 2016.

Organisational structure

There is a Board of Trustees who meets regularly to make strategic decisions as well as a Business Executive Management Team, made up of Senior Pastoral Team and key Senior Staff of the church charity which holds regular weekly business meetings for the day to day operations of the church charity. As the church grows, capacity is being built with experts in finance and administration alongside identifying young talents for the future direction of the charity.

Major risks and management of those risks

Risk Assessment

The Trustees actively review the significant risks the charity faces regularly and believe that maintaining the free reserves stated, combined with the review of controls over critical financial systems carried out on an annual basis, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks that they face and confirm that they have established systems to mitigate the significant risks.

Statement of trustees' responsibilities

The trustees (who are also the directors of Victory Outreach Manchester for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;

Victory Outreach Manchester

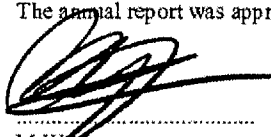
Trustees' Report

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 28 March 2024 and signed on its behalf by:



M W Moyo
Trustee

Victory Outreach Manchester

Independent Examiner's Report to the trustees of Victory Outreach Manchester ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 May 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

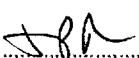
Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Victory Outreach Manchester as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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


.....
Paul Roper
ICAEW
McKellens Limited
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

Date: 26/6/24

Victory Outreach Manchester

Statement of Financial Activities for the Year Ended 31 May 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	286,239	23,837	310,076
Charitable activities	4	3,330	105,513	108,843
Other trading activities	5	2,580	737	3,317
Investment income	6	3	899	902
Other income	7	997	5	1,002
Total income		<u>293,149</u>	<u>130,991</u>	<u>424,140</u>
Expenditure on:				
Raising funds	8	(4,224)	(5,571)	(9,795)
Charitable activities	9	(171,972)	(51,643)	(223,615)
Other expenditure	11	<u>(119,478)</u>	<u>(38,473)</u>	<u>(157,951)</u>
Total expenditure		<u>(295,674)</u>	<u>(95,687)</u>	<u>(391,361)</u>
Net (expenditure)/income		(2,525)	35,304	32,779
Transfers between funds		<u>5,500</u>	<u>(5,500)</u>	<u>-</u>
Net movement in funds		2,975	29,804	32,779
Reconciliation of funds				
Total funds brought forward		<u>94,885</u>	<u>185,603</u>	<u>280,488</u>
Total funds carried forward	23	<u>97,860</u>	<u>215,407</u>	<u>313,267</u>

The notes on pages 13 to 27 form an integral part of these financial statements.

Victory Outreach Manchester

Statement of Financial Activities for the Year Ended 31 May 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Year ended 31 May 2022		
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	276,525	12,226	288,751
Charitable activities	4	11,299	98,090	109,389
Other trading activities	5	965	860	1,825
Investment income	6	-	31	31
Other income	7	43	223	266
Total income		<u>288,832</u>	<u>111,430</u>	<u>400,262</u>
Expenditure on:				
Raising funds	8	(1,144)	(1,003)	(2,147)
Charitable activities	9	(132,523)	(71,731)	(204,254)
Other expenditure	11	<u>(139,839)</u>	<u>(12,533)</u>	<u>(152,372)</u>
Total expenditure		<u>(273,506)</u>	<u>(85,267)</u>	<u>(358,773)</u>
Net income		15,326	26,163	41,489
Transfers between funds		<u>(17,201)</u>	<u>17,201</u>	<u>-</u>
Net movement in funds		(1,875)	43,364	41,489
Reconciliation of funds				
Total funds brought forward		<u>96,760</u>	<u>142,239</u>	<u>238,999</u>
Total funds carried forward	23	<u>94,885</u>	<u>185,603</u>	<u>280,488</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 23.

The notes on pages 13 to 27 form an integral part of these financial statements.

Victory Outreach Manchester

(Registration number: 1167670)
Balance Sheet as at 31 May 2023

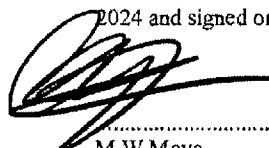
	Note	2023 £	2022 £ As restated
Fixed assets			
Tangible assets	17	161,844	155,725
Current assets			
Debtors	18	7,837	10,634
Cash at bank and in hand	19	188,598	169,995
		196,435	180,629
Creditors: Amounts falling due within one year	20	(21,285)	(21,287)
Net current assets		175,150	159,342
Total assets less current liabilities		336,994	315,067
Creditors: Amounts falling due after more than one year	21	(23,727)	(34,579)
Net assets		313,267	280,488
Funds of the charity:			
Restricted income funds			
Restricted funds		215,407	185,603
Unrestricted income funds			
Unrestricted funds		97,860	94,885
Total funds	23	313,267	280,488

For the financial year ending 31 May 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 10 to 27 were approved by the trustees, and authorised for issue on 28 March 2024 and signed on their behalf by:


M W Moyo
Trustee

The notes on pages 13 to 27 form an integral part of these financial statements.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

1 Charity status

The principal place of business is:
19 Liverpool Street
Salford
M5 4LY

These financial statements were authorised for issue by the trustees on 28 March 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Victory Outreach Manchester meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

Prior period errors

Cost of Land and Buildings

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to prior periods before the prior period disclosed in these financial statements £
Land and Buildings	29,000	29,000	29,000
Retained reserves	<u>(29,000)</u>	<u>(29,000)</u>	<u>(29,000)</u>

In 2007 a property was purchased as a sober living home for men. This was included in the financial statements at the value of the loan taken out to purchase the building of £100,000. The building has now been restated to the original cost of £129,000.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gifts in kind

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

Investment income

This is included in the accounts when receivable.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

Other income

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated services and facilities are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified.

Grants payable without performance conditions are recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including the preparation and independent examination of the statutory accounts, strategic management and trustees meetings and cost of any legal advice to trustees on governance or constitutional matters.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
General equipment	25% straight line
Fixtures and fittings	10% straight line
Motor vehicles	25% straight line
Freehold property	No amortisation is charged to freehold property as the property is maintained to such a standard that the estimated residual value is not less than cost

Fixed asset investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

Unrestricted funds can be used for the general objectives of the charity as set out in the trustees' report. The movements of the unrestricted funds are given in the Statement of Financial Activities.

Designated funds are funds set aside by the trustees out of unrestricted general funds ring fenced for particular purposes or projects.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. These restrictions often arise as a result of the regular appeals for special offerings and specific donations.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies;				
Donations from individuals	256,379	130	256,509	244,475
Gift aid reclaimed	29,360	6,007	35,367	39,026
Grants, including capital grants;				
Grants from other charities	-	17,700	17,700	5,250
Gifts in kind	500	-	500	-
	<u>286,239</u>	<u>23,837</u>	<u>310,076</u>	<u>288,751</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Run4Hope	-	18,055	18,055	24,653
Rent receivable	3,330	-	3,330	11,299
United We Can	-	87,458	87,458	73,437
	<u>3,330</u>	<u>105,513</u>	<u>108,843</u>	<u>109,389</u>

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

5 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £	Total 2022 £
Trading income;				
Other trading income	2,385	462	2,847	102
Events income;				
Other events income	150	-	150	763
Local fundraising and street collection income	45	275	320	100
	<u>2,580</u>	<u>737</u>	<u>3,317</u>	<u>965</u>

6 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Interest receivable and similar income;				
Interest receivable on bank deposits	3	899	902	31

7 Other income

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Fees and supplies	997	5	1,002	266

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

8 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations		3,471	5,320	8,791	2,147

b) Costs of trading activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £
Costs of goods sold		753	251	1,004
		753	251	1,004

9 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Services, teaching, hospitality and pastoral		8,931	5,471	14,402	16,998
Events		529	1,755	2,284	2,707
Grant funding of activities		32,248	35,810	68,058	54,196
Staff costs		123,849	4,492	128,341	129,428
Governance costs	10	6,415	4,115	10,530	925
		171,972	51,643	223,615	204,254

In addition to the expenditure analysed above, there are also governance costs of £10,530 (2022 - £925) which relate directly to charitable activities. See note 10 for further details.

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

10 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Independent examiner fees				
Examination of the financial statements	635	265	900	900
Other fees paid to examiners	5,780	3,850	9,630	-
Other governance costs	-	-	-	25
	<u>6,415</u>	<u>4,115</u>	<u>10,530</u>	<u>925</u>

11 Other expenditure

Note	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Legal & professional fees	5,801	14,770	20,571	40,733
Rent & rates	42,114	-	42,114	36,996
Depreciation, amortisation and other similar costs	7,476	45	7,521	5,646
Utilities	20,480	1,199	21,679	19,100
Travel & subsistence	10,155	19,596	29,751	12,800
IT costs	3,556	-	3,556	3,791
Equipment & maintenance	12,731	1,850	14,581	15,675
General expenses	7,996	237	8,233	6,335
Insurance	3,618	142	3,760	4,033
Bank charges & interest	5,551	634	6,185	7,263
	<u>119,478</u>	<u>38,473</u>	<u>157,951</u>	<u>152,372</u>

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

12 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Depreciation of fixed assets	<u>7,521</u>	<u>5,646</u>

13 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

S Kowalczyk

During the year, S Kowalczyk paid expenses on behalf of the charity totalling £1,409 (2022: £1,314) and was reimbursed for this expenditure. S Kowalczyk was also given £50 for serving at an event at the church. Separately, S Kowalczyk purchased goods to be resold in the charity's café valued at approximately £500 and gifted these to the charity.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

14 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	117,475	118,346
Social security costs	3,581	3,360
Pension costs	3,025	2,739
Other staff costs	<u>4,260</u>	<u>4,983</u>
	<u>128,341</u>	<u>129,428</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Raising funds and charitable activities	6	7
Others - support	<u>2</u>	<u>3</u>
	<u>8</u>	<u>10</u>

5 (2022 - 4) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £3,025 (2022 - £2,739).

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

No employee received emoluments of more than £60,000 during the year.

15 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	900	900
Other fees to examiners		
All other services	9,630	-

16 Taxation

The charity is a registered charity and is therefore exempt from taxation.

17 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	General Equipment £	Total £
Cost					
At 1 June 2022	129,000	15,359	-	65,501	209,860
Additions	-	1,340	12,300	-	13,640
At 31 May 2023	129,000	16,699	12,300	65,501	223,500
Depreciation					
At 1 June 2022	-	5,955	-	48,180	54,135
Charge for the year	-	1,581	1,025	4,915	7,521
At 31 May 2023	-	7,536	1,025	53,095	61,656
Net book value					
At 31 May 2023	129,000	9,163	11,275	12,406	161,844
At 31 May 2022	129,000	9,404	-	17,321	155,725

18 Debtors

	2023 £	2022 £
Trade debtors	1,323	1,022
Prepayments	5,062	8,919
Other debtors	1,452	693
	7,837	10,634

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

19 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	430	75
Cash at bank	188,168	169,920
	<u>188,598</u>	<u>169,995</u>

20 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	8,886	5,201
Trade creditors	3,455	11,259
Other creditors	3,431	(1,319)
Pension scheme creditor	606	691
Accruals	4,907	5,455
	<u>21,285</u>	<u>21,287</u>

Bank borrowings

The Kingdom Bank Mortgage is denominated in sterling with a nominal interest rate of 5.65% (2022 - 7.5%), and the final instalment is due on 9 August 2027. The carrying amount at year end is £32,613 (2022 - £39,780).

The mortgage with Kingdom Bank was used to purchase a sober living home for men. The original amount of the loan was £100,000 repayable over 20 years. The home is used by related charity Project 67 with rent payable as disclosed in the related parties note.

21 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loans	<u>23,727</u>	<u>34,579</u>

22 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Land and buildings		
Within one year	<u>12,249</u>	<u>9,252</u>
Other		
Within one year	<u>1,584</u>	<u>1,584</u>

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

23 Funds

	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2023 £
Unrestricted funds					
General	94,885	293,149	(295,674)	5,500	97,860
Restricted Funds					
United We Can	139,630	112,837	(81,120)	(5,500)	165,847
Building Fund	45,973	49	(5,418)	-	40,604
Other Restricted Donations	-	395	-	-	395
Community Wraparound Services	-	17,710	(9,149)	-	8,561
Total Restricted funds	185,603	130,991	(95,687)	(5,500)	215,407
Total funds	280,488	424,140	(391,361)	-	313,267
	Balance at 1 June 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 May 2023 £
Unrestricted funds					
General	96,760	288,832	(273,506)	(17,201)	94,885
Restricted Funds					
United We Can	80,971	106,348	(64,890)	17,201	139,630
Building Fund	49,940	82	(4,049)	-	45,973
Community Wraparound Services	10,300	5,000	(15,300)	-	-
Covid-19 Hardship Fund	1,028	-	(1,028)	-	-
Total Restricted funds	142,239	111,430	(85,267)	17,201	185,603
Total funds	238,999	400,262	(358,773)	-	280,488

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

The specific purposes for which the funds are to be applied are as follows:

The United We Can fund is to be used for planting new churches in the UK and Europe and supporting them in their early years. It is also used for paying the travel costs of Victory Outreach Manchester's pastors serving the worldwide Victory Outreach Church and funding a small proportion of certain charity overheads.

The Building Fund is for the purchase of a new building to be used as a sober living facility.

The Community Wraparound Services fund is used to provide help and support for the local community.

The Covid-19 Hardship Fund is used to alleviate hardship arising as a result of the Covid-19 pandemic.

Other Restricted Donations includes donations given through the Three Peaks challenge to raise money funding attendance at an international conference and Code Red donations funding gifts and encouragement for women living in hostels escaping domestic violence.

During the year, United We Can provided support to Victory Outreach Manchester of £5,500.

24 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2023 £
Tangible fixed assets	160,548	1,296	161,844
Current assets	(17,676)	214,111	196,435
Current liabilities	(21,285)	-	(21,285)
Creditors over 1 year	(23,727)	-	(23,727)
Total net assets	<u>97,860</u>	<u>215,407</u>	<u>313,267</u>

	Unrestricted funds General £	Restricted funds £	Total funds at 31 May 2022 £
Tangible fixed assets	155,725	-	155,725
Current assets	(2,634)	185,603	182,969
Current liabilities	(23,627)	-	(23,627)
Creditors over 1 year	(34,579)	-	(34,579)
Total net assets	<u>94,885</u>	<u>185,603</u>	<u>280,488</u>

Victory Outreach Manchester

Notes to the Financial Statements for the Year Ended 31 May 2023

25 Related party transactions

During the year the charity made the following related party transactions:

Project 67

(In November 2020 a new Charitable Incorporated Organisation (CIO) was registered as Project 67 (Charity number 1192263) which took on the responsibilities of the Homes (sober living facilities) that had been part of Victory Outreach Manchester.)

The charity provides a house to be used by Project 67 as a sober living facility for men. Rent paid by Project 67 to the charity during the year was £3,330 (2022: £11,299).

Victory Outreach Manchester gave a donation of £3,530 (2022: £9,000) to Project 67.

E Curtis is employed by the Victory Outreach Manchester and is a trustee of Project 67. At the balance sheet date the amount due to/from Project 67 was £Nil (2022 - £2,341).

Community Change Programme

(P Lloyd, an employee of the charity, is a trustee of the Community Change Programme, a Charitable Incorporated Organisation supporting people affected by alcohol and substance addiction.)

During the year, the charity made donations of £851 to Community Change Programme. At the balance sheet date the amount due to/from Community Change Programme was £Nil (2022 - £233).

Churches planted by the charity

(Victory Outreach Manchester has planted a number of other Victory Outreach churches.)

The charity gave £35,810 (2022: £27,995) to churches planted by the charity. At the balance sheet date the amount due to/from Churches planted by the charity was £Nil (2022 - £Nil).