

CHARITY REGISTRATION NUMBER: 1171638

Reach Out Ministries
Unaudited Financial Statements
1 January 2022

WM FORTUNE AND SON

Chartered accountants
Collingwood House
Church Square
Hartlepool
TS24 7EN

Reach Out Ministries
Trustees' Annual Report
Year ended 1 January 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 1 January 2022.

Reference and administrative details

Registered charity name Reach Out Ministries
Charity registration number 1171638
Principal office 14-16 Whitby Street
 Hartlepool
 TS24 7AD

The trustees

Phineas Murwira
Albert Barwick
Nomusa Malinga

Independent examiner Wm Fortune and Son
 Collingwood House
 Church Square
 Hartlepool
 TS24 7EN

The trustees' annual report was approved on13/12/22..... and signed on behalf of the board of trustees by:

Charity Secretary

Reach Out Ministries

Independent Examiner's Report to the Trustees of Reach Out Ministries

Year ended 1 January 2022

I report to the trustees on my examination of the financial statements of Reach Out Ministries ('the charity') for the year ended 1 January 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

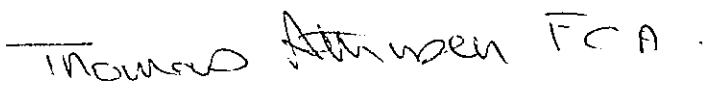
I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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


18/12/22
Independent Examiner

Collingwood House
Church Square
Hartlepool
TS24 7EN

Reach Out Ministries
Statement of Financial Activities
Year ended 1 January 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	73,617	73,617	44,703
Charitable activities	5	81,544	81,544	119,613
Total income		<u>155,161</u>	<u>155,161</u>	<u>164,316</u>
Expenditure				
Expenditure on charitable activities	6,7	146,961	146,961	164,685
Total expenditure		<u>146,961</u>	<u>146,961</u>	<u>164,685</u>
Net income/(expenditure) and net movement in funds		<u>8,200</u>	<u>8,200</u>	<u>(369)</u>
Reconciliation of funds				
Total funds brought forward		9,133	9,133	9,502
Total funds carried forward		<u>17,333</u>	<u>17,333</u>	<u>9,133</u>

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

The notes on pages 5 to 10 form part of these financial statements.

Reach Out Ministries
Statement of Financial Position
1 January 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible fixed assets	12		13,094	—
Current assets				
Cash at bank and in hand		10,597		5,771
Creditors: amounts falling due within one year	13	<u>6,358</u>		<u>—</u>
Net current assets			<u>4,239</u>	<u>5,771</u>
Total assets less current liabilities			<u>17,333</u>	<u>5,771</u>
Creditors: amounts falling due after more than one year	14		<u>—</u>	<u>(3,362)</u>
Net assets			<u><u>17,333</u></u>	<u><u>9,133</u></u>
Funds of the charity				
Unrestricted funds			<u>17,333</u>	<u>9,133</u>
Total charity funds	16		<u><u>17,333</u></u>	<u><u>9,133</u></u>

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

Charity Secretary



13.12.2022

The notes on pages 5 to 10 form part of these financial statements.

Reach Out Ministries
Notes to the Financial Statements
Year ended 1 January 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 14-16 Whitby Street, Hartlepool, TS24 7AD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

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

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

Going concern

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

Fund accounting

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

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

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

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2022

3. Accounting policies *(continued)*

Incoming resources

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

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

Resources expended

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

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

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

Tangible assets

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

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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

Depreciation

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

Impairment of fixed assets

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

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

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

Financial instruments

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

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

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

Debt instruments are subsequently measured at amortised cost.

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

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

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

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

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

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

Defined contribution plans

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

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

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations and cash deposits	34,515	34,515	34,703	34,703
HMRC and other grants	39,102	39,102	10,000	10,000
	<u>73,617</u>	<u>73,617</u>	<u>44,703</u>	<u>44,703</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
HBC Funding	<u>81,544</u>	<u>81,544</u>	<u>119,613</u>	<u>119,613</u>

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2022

6. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Activity type 1	2,234	2,234	–	–
Support costs	144,727	144,727	164,685	164,685
	<u>146,961</u>	<u>146,961</u>	<u>164,685</u>	<u>164,685</u>

7. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Activity type 1	2,234	144,727	146,961	164,685
	<u>2,234</u>	<u>144,727</u>	<u>146,961</u>	<u>164,685</u>

8. Analysis of support costs

	Total 2022	Total 2021
	£	£
Staff costs	–	91,585
	<u>–</u>	<u>91,585</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	2,310	–
	<u>2,310</u>	<u>–</u>

10. Staff costs

The average head count of employees during the year was 6 (2021: 6).

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

11. Trustee remuneration and expenses

Trustees received remuneration of £40,153 during the year, a further £39,654 was paid out to trustees for expenses incurred.

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2022

12. Tangible fixed assets

	Equipment £	Total £
Cost		
At 2 January 2021	—	—
Additions	15,404	15,404
At 1 January 2022	<u>15,404</u>	<u>15,404</u>
Depreciation		
At 2 January 2021	—	—
Charge for the year	2,310	2,310
At 1 January 2022	<u>2,310</u>	<u>2,310</u>
Carrying amount		
At 1 January 2022	<u>13,094</u>	<u>13,094</u>
At 1 January 2021	—	—

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	<u>6,358</u>	—

14. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	—	<u>(3,362)</u>

15. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,717 (2021: £4,383).

16. Analysis of charitable funds

Unrestricted funds

	At 2 January 2021	Income	Expenditure	At 1 January 2022
	£	£	£	£
General funds	<u>9,133</u>	<u>155,161</u>	<u>(146,961)</u>	<u>17,333</u>

	At 2 January 2020	Income	Expenditure	At 1 January 2021
	£	£	£	£
General funds	<u>9,502</u>	<u>164,316</u>	<u>(164,685)</u>	<u>9,133</u>