

CHARITY REGISTRATION NUMBER: 1171638

Reach Out Ministries
Unaudited Financial Statements
1 January 2024

WM FORTUNE AND SON

Chartered accountants
Collingwood House
Church Square
Hartlepool
TS24 7EN

Reach Out Ministries
Financial Statements
Year ended 1 January 2024

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	3
Statement of financial activities	4
Statement of financial position	5
Notes to the financial statements	6

Reach Out Ministries

Trustees' Annual Report

Year ended 1 January 2024

The trustees present their report and the unaudited financial statements of the charity for the year ended 1 January 2024.

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	(Resigned 30 September 2023)
Albert Barwick	(Resigned 30 September 2023)
Nomusa Malinga	(Resigned 30 September 2023)
M Doherty	(Appointed 26 April 2024)
G Kelly	(Appointed 10 April 2024)
A Grosvenor	(Appointed 5 October 2023)

Independent examiner Thomas Atkinson
Collingwood House
Church Square
Hartlepool
TS24 7EN

Structure, governance and management

Reach Out Ministries is an unincorporated charity registered with the Charities Commission.

Objectives and activities

The Advancement of the Christian faith in accordance with the basis of faith and the relief of those in need because of lack of accommodation, ill-health, addiction, disability, financial hardship or other disadvantages. The objectives shall be pursued in accordance with christian principles and practices and in such a way that demonstrates and recommends faith in Jesus Christ as saviour and lord and particularly the values of care and concern for the needy and vulnerable.

Achievements and performance

The organisation is a residential rehabilitation centre linked to the Living Waters Church. The pastor of Living Waters Church oversees the work of the rehabilitation centre. Its main aims are to introduce to the love of God shown through Jesus Christ, to encourage those who already know God's Love to keep trusting in that and to demonstrate God's love in practical acts of kindness, reaching out to those who have lost hope. The organisation provides support living accommodation for adults struggling with addiction. The trustees have advised that the key activities of the organisation are:

1. To work alongside individuals with addictions to help them into a place of non-dependency;
2. To work alongside the families of the individuals with addictions seeking to bring about reconciliation;
3. To work alongside doctors, social services and the mental health experts to be part of a wider network of support;
4. To support individuals in life skills and further education.

Reach Out Ministries
Trustees' Annual Report *(continued)*
Year ended 1 January 2024

Financial review

The charity incurred a deficit of £10,505 (2023 Surplus £1,153)

The trustees' annual report was approved on 5 September 2024 and signed on behalf of the board of trustees by:

A Grosvenor
Trustee

A handwritten signature in black ink, reading "Anthony David Grosvenor". The signature is written in a cursive, flowing style.

Reach Out Ministries

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

Year ended 1 January 2024

I report to the trustees on my examination of the financial statements of Reach Out Ministries ('the charity') for the year ended 1 January 2024.

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.

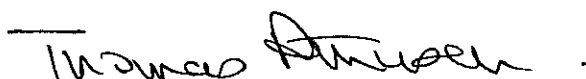
Independent examiner's statement

Since the charity'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 the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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.



Thomas Atkinson
Independent Examiner

Collingwood House
Church Square
Hartlepool
TS24 7EN

Reach Out Ministries
Statement of Financial Activities
Year ended 1 January 2024

		2024		2023
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	80,873	80,873	66,694
Charitable activities	5	179,630	179,630	116,986
Investment income	6	28	28	27
Total income		<u>260,531</u>	<u>260,531</u>	<u>183,707</u>
Expenditure				
Expenditure on charitable activities	7,8	271,036	271,036	182,554
Total expenditure		<u>271,036</u>	<u>271,036</u>	<u>182,554</u>
Net (expenditure)/income and net movement in funds		<u>(10,505)</u>	<u>(10,505)</u>	<u>1,153</u>
Reconciliation of funds				
Total funds brought forward		18,486	18,486	17,333
Total funds carried forward		<u>7,981</u>	<u>7,981</u>	<u>18,486</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 6 to 12 form part of these financial statements.

Reach Out Ministries
Statement of Financial Position
1 January 2024

	Note	2024 £	£	2023 £
Fixed assets				
Tangible fixed assets	14		9,462	11,131
Current assets				
Cash at bank and in hand		1,142		11,365
Creditors: amounts falling due within one year	15	<u>2,623</u>		<u>4,010</u>
Net current liabilities			<u>(1,481)</u>	<u>7,355</u>
Total assets less current liabilities			<u>7,981</u>	<u>18,486</u>
Funds of the charity				
Unrestricted funds			<u>7,981</u>	<u>18,486</u>
Total charity funds	17		<u>7,981</u>	<u>18,486</u>

These financial statements were approved by the board of trustees and authorised for issue on 5 September 2024, and are signed on behalf of the board by:

A Grosvenor
Trustee



The notes on pages 6 to 12 form part of these financial statements.

Reach Out Ministries
Notes to the Financial Statements
Year ended 1 January 2024

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.

Disclosure exemptions

The charity satisfies the criteria for qualifying as small as defined in FRS102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been prepared.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

None

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 2024

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 2024

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:

Equipment	- 15% reducing balance
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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 2024

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 2024 £	Unrestricted Funds £	Total Funds 2023 £
Donations				
Donations and cash deposits	44,313	44,313	29,472	29,472
Other grants	36,560	36,560	15,000	15,000
Donations	—	—	22,222	22,222
	<u>80,873</u>	<u>80,873</u>	<u>66,694</u>	<u>66,694</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
HBC Funding	<u>179,630</u>	<u>179,630</u>	<u>116,986</u>	<u>116,986</u>

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2024

6. Investment income

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023
	£	£	£	£
Bank interest receivable	<u>28</u>	<u>28</u>	<u>27</u>	<u>27</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2024	Unrestricted Funds	Total Funds 2023
	£	£	£	£
Support costs	<u>271,036</u>	<u>271,036</u>	<u>182,554</u>	<u>182,554</u>

8. Expenditure on charitable activities by activity type

	Support costs	Total funds 2024	Total fund 2023
	£	£	£
Activity type 1	<u>271,036</u>	<u>271,036</u>	<u>182,554</u>

9. Analysis of support costs

	Analysis of support costs activity 1	Total 2024	Total 2023
	£	£	£
General office	<u>3,745</u>	<u>3,745</u>	<u>1,879</u>

10. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):	2024	2023
	£	£
Depreciation of tangible fixed assets	<u>1,669</u>	<u>1,963</u>

11. Independent examination fees

	2024	2023
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,622</u>	<u>2,520</u>

12. Staff costs

The average head count of employees during the year was 5 (2023: 6). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of staff - type 1	<u>5</u>	<u>6</u>

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2024

12. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

13. Trustee remuneration and expenses

Trustees did not receive any remuneration or expenses during the financial year (2022 Nil)

14. Tangible fixed assets

	Equipment £	Total £
Cost		
At 2 January 2023 and 1 January 2024	15,404	15,404
Depreciation		
At 2 January 2023	4,273	4,273
Charge for the year	1,669	1,669
At 1 January 2024	5,942	5,942
Carrying amount		
At 1 January 2024	9,462	9,462
At 1 January 2023	11,131	11,131

15. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,623	4,010

16. 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 £1,690 (2023: £3,142).

17. Analysis of charitable funds

Unrestricted funds

	At 2 January 2023	Income	Expenditure	At 1 January 2024
	£	£	£	£
General funds	18,486	260,531	(271,036)	7,981

	At 2 January 2022	Income	Expenditure	At 1 January 2022
	£	£	£	£
General funds	17,333	183,707	(182,554)	18,486

Reach Out Ministries

Notes to the Financial Statements *(continued)*

Year ended 1 January 2024

18. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2024
	£	£
Tangible fixed assets	9,462	9,462
Current assets	1,142	1,142
Creditors less than 1 year	(2,623)	(2,623)
Net assets	<u>7,981</u>	<u>7,981</u>

	Unrestricted Funds	Total Funds 2023
	£	£
Tangible fixed assets	11,131	11,131
Current assets	11,365	11,365
Creditors less than 1 year	(4,010)	(4,010)
Net assets	<u>18,486</u>	<u>18,486</u>