

SIGNIFICANCE

Financial Statements

31 May 2022

STEPHENSON COATES AUDIT LIMITED

Chartered Accountants & Statutory Auditor

West 2, Asama Court

Newcastle Business Park

Newcastle upon Tyne

NE4 7YD

SIGNIFICANCE

Financial Statements

Period ended 31 May 2022

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Trustees' Annual Report

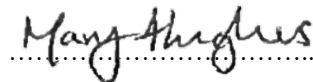
Period ended 31 May 2022

Chair's statement

The Trustees of SIGNIFICANCE are greatly aware that we have been entrusted with a very special legacy. While SIGNIFICANCE was established as a CIO on 18 May 2021, Fr Dermott Donnelly initially founded the charity in spirit five years before its establishment as a CIO. During his many years of priesthood and youth ministry, he always wanted to provide opportunities for young people to realise their own worth and unique value and, once they did this, to enable other young people to know the same. The name 'Significance' was chosen by Fr Dermott to capture and support this objective and he worked passionately to promote the charity during its first year.

In September 2021, we were immensely grateful to receive a generous donation from the Sisters of Mercy to enable grant funding to be provided for the Youth Ministry Trust. The Sisters have been inspired by this particular project and are eager to witness its development. We wish to record our thanks to them for their great support. In June 2022, we were able to celebrate the first year of the charity at a special fundraising event hosted by Fr Dermott on the occasion of his 30th Anniversary of Priesthood. It was a joyful occasion at which he spoke passionately about SIGNIFICANCE, commenting that "each young person is unique and valued and can reach out into a broken world and piece by piece put it back together again".

It was only two weeks later that we were shocked and deeply saddened by Fr Dermott's sudden death. As Trustees, we are now dedicated and determined to continue this wonderful legacy in providing grants for projects which help young people "to reach high and achieve their best".

A handwritten signature in black ink, reading "Mary Hughes", written over a dotted line.

Mary Hughes
Chair

Date 21st March 2023

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Trustees' Annual Report *(continued)*

Period ended 31 May 2022

The trustees present their report and the unaudited financial statements of the charity for the period ended 31 May 2022.

Reference and administrative details

Registered charity name SIGNIFICANCE

Charity registration number 1194520

Principal Office

Emmaus Village
Pemberton Road
Allensford
Consett
DH8 9BA

The Trustees

Fr Dermott Donnelly (appointed 18 May 2021, deceased 8 July 2022)
M Hughes (Chair) (appointed 18 May 2021)
Fr S Weymes (appointed 18 May 2021)
Dr R Stanley (appointed 7 July 2021)
D Robinson (appointed 7 July 2021)

Independent examiner

Rachael Oswald BA ACA
Stephenson Coates Audit Limited
West 2
Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Bankers

NatWest
12 Market Place
Durham
DH1 3NG

SIGNIFICANCE

Trustees' Annual Report *(continued)*

Period ended 31 May 2022

Structure, governance and management

Governing document

The charity is a Charitable Incorporated Organisation (CIO) established on 18 May 2021, governed by its constitution. The Charity Registration number is 1194520.

Recruitment and appointment of Trustees

Recruitment of trustees is undertaken by the trustees as the need arises in order to ensure that charity trustees collectively have the necessary skills, knowledge and experience for the effective administration of the CIO.

There were 5 appointments of trustees during the period, with 1 resignation since the period end:

- Fr Dermott Donnelly (appointed 18 May 2021 / deceased 8 July 2022)
- Mary Hughes (appointed 18 May 2021)
- Fr Simon Weymes (appointed 18 May 2021)
- Roy Stanley (appointed 7 July 2021)
- Daryn Robinson (appointed 7 July 2021)

Induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees and are provided with a copy of the charity's current constitution. They are also briefed on the grant making process and the recent financial performance of the charity, as well as being provided with a copy of the latest Trustees' Annual Report and statement of accounts.

Organisation

The charity is managed by the trustees, who meet at least quarterly, or more frequently if the need arises. The number of trustees may not be less than 3 and is subject to a maximum of 12. The quorum for the transaction of business is one third of the trustees or 2 trustees, whichever is greater.

Risk management

The trustees have carried out a risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Objectives and activities

SIGNIFICANCE was formally established as a CIO on 18 May 2021. Prior to this, in 2017, Fr Dermott Donnelly, on the occasion of his Silver Jubilee, marking 25 years of priestly ministry working with young people in the region, began the work of SIGNIFICANCE on a personal level. "Young people have so much to give to our society and our world and I want to give them every opportunity to develop their potential. Through the projects SIGNIFICANCE will support, young people will be inspired to reach high and achieve their best" (Fr Dermott Donnelly). At the heart of SIGNIFICANCE is the belief that young people are not called to live lives of survival or even lives of success, but to live lives of happiness and significance. Once they come to know their 'significance', they can go on to enable others and inspire the world to be a better place.

The objective of the CIO is to advance, for the public benefit, the education (including social, physical, spiritual and mental development) of young people in the North East of England.

The main activities of the CIO is that of fundraising, so that the funds raised can be used to provide grants to other charities, ministries and organisations who are seeking to achieve materially similar objectives.

The CIO has a grant-making policy which sets out the principles, criteria and processes that govern how it awards grants. The trustees have ultimate collective responsibility for all grant-making decisions in accordance with the objectives of the charity. Eligible applicants will be from the North East of England, with a focus on the Diocese of Hexham and Newcastle areas.

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Trustees' Annual Report *(continued)*

Period ended 31 May 2022

Achievements and performance

During the period to 31 May 2022, the charity was active in its principal activity of fundraising. An initial donation of £750,000 was received by The Sisters of Mercy Sunderland so that the CIO is able to assist the Youth Ministry Trust ("YMT") by providing grant funding to YMT for the primary purpose of contributing to the modernisation and development of YMT's facilities, thereby enabling it to be self-sufficient.

Going Concern

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

Financial review

During the financial period since incorporation to 31 May 2022, in addition to the restricted grant income of £750,000 from The Sisters of Mercy Sunderland, SIGNIFICANCE received unrestricted donations of £43,630.

During the period, there was one grant of £93,064 paid to YMT.

Free reserves are considered to be the unrestricted reserves of the charity, being £41,463. Owing to the voluntary nature of time expended on the charity's activities, the day to day running costs of the charity is minimal, meaning that most of the unrestricted reserves are expected to be utilised for future potential activities that advance the objectives of the CIO. As such at the period end, the trustees believe that SIGNIFICANCE is in a strong financial position.

Reserves policy

As the day to day running costs of the CIO are minimal, the trustees do not feel that a formal reserves policy is currently necessary. At regular intervals, such as a meeting of the trustees, the cash reserves are noted at the same time as reviewing any grant applications received. When making a decision whether to approve any grant applications, the trustees take into consideration the level of reserves, both restricted and unrestricted depending on the application received, to ensure that the CIO will retain sufficient reserves if the grant is approved. Should the activities and/or costs of the CIO change in the future, it might become appropriate for the trustees to formalise an appropriate reserves policy.

Plans for future periods

Our priorities for the future are to continue to support YMT by providing grant funding, utilising the restricted funds generously provided by the Sisters of Mercy Sunderland, for the primary purpose of contributing to the modernisation and development of YMT's facilities, thereby enabling it to be self-sufficient. Further fundraising activities will also be undertaken with the aim of generating further unrestricted donations, in addition to the £41,463 at the period end, so that the charity can also seek to advance the education of young people in the North East by providing grants to help fund appropriate projects.

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Trustees' Annual Report *(continued)*

Period ended 31 May 2022

Statement of Trustees' Responsibilities

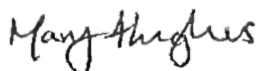
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply consistently;
- Observe the methods and principles in the Charities SORP;
- 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 financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charities governing document. 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.

The trustees' annual report was approved on 21st March 2023 and signed on behalf of the board of trustees by:



Mary Hughes
Trustee (Chair)



Daryn Robinson
Trustee (Treasurer)

SIGNIFICANCE

Independent Examiner's Report to the Trustees of SIGNIFICANCE

Period ended 31 May 2022

I report to the trustees on my examination of the financial statements of SIGNIFICANCE ('the charity') for the period ended 31 May 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

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 131 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.



Rachael Oswald ACA
STEPHENSON COATES AUDIT LIMITED
Chartered accountants

West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

21st March 2023

SIGNIFICANCE

Statement of Financial Activities

31 May 2022

| | | 2022 | | |
|---|------|----------------------------|--------------------------|---------------------|
| | Note | Unrestricted funds £ | Restricted funds £ | Total funds £ |
| Income and endowments | | | | |
| Donations, legacies and grants | 4 | 43,630 | 750,000 | 793,630 |
| Total income | | 43,630 | 750,000 | 793,630 |
| Expenditure | | | | |
| Expenditure on charitable activities | 5 | 2,167 | 93,064 | 95,231 |
| Total expenditure | | 2,167 | 93,064 | 95,231 |
| Net income and net movement in funds | | 41,463 | 656,936 | 698,399 |
| Transfer between funds | | — | — | — |
| Net movement in funds | | 41,463 | 656,936 | 698,399 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | — | — | — |
| Total funds carried forward | | 41,463 | 656,936 | 698,399 |

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

The notes on pages 10 - 14 form part of these financial statements.

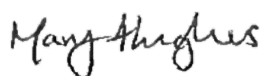
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Balance Sheet

31 May 2022

| | | 2022 | |
|---|-----------|-----------------|----------------|
| | | £ | £ |
| Current assets | | | |
| Cash at bank and in hand | | 699,399 | |
| | | <u>699,399</u> | |
| | | | |
| Creditors: amounts falling due within one year | 9 | (1,000) | |
| | | <u></u> | |
| Net current assets | | | 698,399 |
| | | | <u></u> |
| Total assets less current liabilities | | | 698,399 |
| | | | <u></u> |
| Net assets | 11 | | 698,399 |
| | | | <u><u></u></u> |
| Funds of the charity | | | |
| Unrestricted funds | | | 41,463 |
| Restricted funds | | | <u>656,936</u> |
| Total charity funds | 10 | | 698,399 |
| | | | <u><u></u></u> |

These financial statements were approved by the board of trustees and authorised for issue on 21st March 2023, and are signed on behalf of the board by:



Mary Hughes
Trustee (Chair)

The notes on pages 10 - 14 form part of these financial statements.

SIGNIFICANCE

Statement of Cash Flows

Period ended 31 May 2022

| | 2022 |
|---|---------|
| | £ |
| Cash flows from operating activities | |
| Net income | 698,399 |
| <i>Adjustments for:</i> | |
| Other interest receivable and similar income | — |
| <i>Changes in:</i> | |
| Trade and other debtors | — |
| Trade and other creditors | 1,000 |
| Cash generated from operations | 699,399 |
| Interest received | — |
| Net cash from operating activities | 699,399 |
| Net increase in cash and cash equivalents | 699,399 |
| Cash and cash equivalents at beginning of period | — |
| Cash and cash equivalents at end of period | 699,399 |

The notes on pages 10 – 14 form part of these financial statements.

SIGNIFICANCE

Notes to the Financial Statements

Period ended 31 May 2022

1. General information

The charity is registered charity in England and Wales and is a charitable incorporated organisation. The address of the principal office is Emmaus Village, Pemberton Road, Allensford, Consett, DH8 9BA.

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.

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

SIGNIFICANCE meets the definition of a public benefit entity under FRS 102.

Going concern

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 projects or commitments.

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.

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 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.

SIGNIFICANCE

Notes to the Financial Statements *(continued)*

Period ended 31 May 2022

3. Accounting policies (continued)

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 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.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Voluntary assistance

Time is expended on the charity's activities and governance which is donated free of charge. It is impractical to quantify the value of the time given, and accordingly it is neither recorded as donated income nor as an expense in the financial statements.

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Notes to the Financial Statements *(continued)*

Period ended 31 May 2022

4. Donations, Legacies and Grants

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ |
|---------------------------------|----------------------------|--------------------------|--------------------------|
| Donations & Legacies | | | |
| Donations | 43,630 | — | 43,630 |
| Grants | | | |
| The Sisters of Mercy Sunderland | — | 750,000 | 750,000 |
| | <u>43,630</u> | <u>750,000</u> | <u>793,630</u> |

5. Expenditure on charitable activities

| | Activities undertaken directly £ | Total funds 2022 £ |
|---------------------------|---|--------------------------|
| Grants payable | 93,064 | 93,064 |
| Other activities | 207 | 207 |
| Governance costs: | | |
| Legal & professional fees | 1,960 | 1,960 |
| | <u>95,231</u> | <u>95,231</u> |

Grants payable

Youth Ministry Trust £93,064

6. Independent examiner's fees

| | 2022 £ |
|--|--------------|
| Fees payable to the independent examiner for: Independent examination of the financial statements | <u>1,000</u> |

7. Staff costs

There were no staff costs in the period.
The average head count of employees during the period was Nil.

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Notes to the Financial Statements *(continued)*

Period ended 31 May 2022

8. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the period and were not paid or reimbursed for any expenses.

The charity considers its key management personnel to be the trustees.

There are no other related party transactions during the period ended 31 May 2022.

9. Creditors: amounts falling due within one year

| | 2022 |
|-----------------|---------------------|
| | £ |
| Other creditors | 1,000 |
| | <u>1,000</u> |

10. Analysis of charitable funds

Unrestricted funds

| | At 18 May 2021 | Income | Expenditure | At 31 May 2022 |
|---------------|-------------------|--------|-------------|-------------------|
| | £ | £ | £ | £ |
| General funds | — | 43,630 | (2,167) | 41,463 |

Restricted funds

| | At 18 May 2021 | Income | Expenditure | At 31 May 2022 |
|---------------------------------|-------------------|---------|-------------|-------------------|
| | £ | £ | £ | £ |
| The Sisters of Mercy Sunderland | — | 750,000 | (93,064) | 656,936 |
| | — | 750,000 | (93,064) | 656,936 |

The Sisters of Mercy Sunderland – funding received to assist the Youth Ministry Trust (YMT) and provide grant funding to YMT for the purposes of meeting YMT's ongoing operating costs and to contribute to modernising and developing YMT's facilities, thereby enabling it to be self-sufficient and no longer reliant on grant funding from the Diocese of Hexham & Newcastle.

SIGNIFICANCE

Notes to the Financial Statements *(continued)*

Period ended 31 May 2022

11. Analysis of net assets between funds

| | Unrestricted Funds | Restricted Funds | Total Funds 2022 |
|----------------------------|-----------------------|---------------------|-----------------------|
| | £ | £ | £ |
| Current assets | 42,463 | 656,936 | 699,399 |
| Creditors less than 1 year | (1,000) | — | (1,000) |
| Net assets | <u>41,463</u> | <u>656,936</u> | <u>698,399</u> |

12. Post Balance Sheet events

Following the period end, the charity received a second material grant from The Sisters of Mercy Sunderland. The total amount received was £570,000 on 28th September 2022.