

Morning Star House

Northern Ireland · Charity number 101035

Details

Status Received

Registered 2017-02-20

Register [View on the Charity Commission for Northern Ireland register](#)

Contact

Address Morning Star House
2 Divis Street
Belfast
Bt12 4ad
BT12 4AD

Phone 028 9033 3500

Email mshmanager@morningstarhouse.org

Website www.morningstarhouse.org

Activities

Purposes: The objects of the Hostel shall be;- (a) to carry on for the benefit of the community the provision of accommodation for men 18 years and over who are homeless upon terms appropriate to their means. In particular the Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that render them unable to secure other accommodation. (b) to promote the welfare and well-being of all its guests irrespective of race, creed, sexual inclination, religious or political opinion. (c) to foster the conditions within the Hostel that will empower the guests to help themselves through the establishment of a homely, caring and supportive environment in which to live. (d) to promote the welfare and well-being of all guests and in particular to work to improve their health, education, training and to foster their spiritual and personal development. (e) to encourage a spirit of self-help and self-development through the maintenance of a patient, caring and supportive environment. (f) to establish within the Hostel a Catholic ethos which respects the dignity of every person and which is based on the practical aspects of Christian ethics and Catholic social doctrine on poverty, homelessness and the person. (g) to encourage and promote the embracing and deepening of a faith in Christ as an object and means of improving the welfare and well-being of all guests. (h) to encourage and promote education and training as a means of improving the welfare and well-being of all guests. (i) to work to relieve poverty, its causes and consequences among all guests. The hostel aims to encourage co-operation with other persons, groups, agencies, bodies and associations to achieve the objects of the Hostel.

What the charity does: The prevention or relief of poverty, The advancement of religion, The advancement of health or the saving of lives, The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

How the charity works:

Accommodation/housing,Advice/advocacy/information,Counselling/support,Religious activities

Who the charity helps: Addictions (drug/solvent/alcohol abuse),Homelessness,Men

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£991,432	£714,456	£-53,738	22

Trustees

Name	Role	Appointed
Céire Lennon		
Mr Felipe Cunha		
Mr Richard Harrington		

Morning Star House

Northern Ireland - Charity number 101035

Accounts

MORNING STAR HOUSE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	3	94,504	(17,920)	76,584	5,806	-	5,806
Charitable activities	4	304,214	599,056	903,270	261,963	557,918	819,881
Investments	5	11,578	-	11,578	28,229	-	28,229
Other income	6	-	-	-	426	-	426
Total income		<u>410,296</u>	<u>581,136</u>	<u>991,432</u>	<u>296,424</u>	<u>557,918</u>	<u>854,342</u>
Expenditure on:							
Charitable activities	7	107,522	606,934	714,456	341,423	1,194,717	1,536,140
Total expenditure		<u>107,522</u>	<u>606,934</u>	<u>714,456</u>	<u>341,423</u>	<u>1,194,717</u>	<u>1,536,140</u>
Net income/(expenditure)		<u>302,774</u>	<u>(25,798)</u>	<u>276,976</u>	<u>(44,999)</u>	<u>(636,799)</u>	<u>(681,798)</u>
Transfers between funds		(4,266)	4,266	-	(310,962)	310,962	-
Net movement in funds	9	<u>298,508</u>	<u>(21,532)</u>	<u>276,976</u>	<u>(355,961)</u>	<u>(325,837)</u>	<u>(681,798)</u>
Reconciliation of funds:							
Fund balances at 1 April 2024		(176,820)	172,631	(4,189)	179,141	498,468	677,609
Fund balances at 31 March 2025		<u>121,688</u>	<u>151,099</u>	<u>272,787</u>	<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>

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

MORNING STAR HOUSE

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	13		15,836		23,641
Current assets					
Debtors	14	50,404		37,077	
Cash at bank and in hand		260,285		950,314	
		<u>310,689</u>		<u>987,391</u>	
Creditors: amounts falling due within one year	15	<u>(53,738)</u>		<u>(1,015,221)</u>	
Net current assets/(liabilities)			256,951		(27,830)
Total assets less current liabilities			<u>272,787</u>		<u>(4,189)</u>
Income funds					
Restricted funds	17		151,099		172,631
Unrestricted funds			121,688		(176,820)
			<u>272,787</u>		<u>(4,189)</u>

The financial statements were approved by the Management Committee on 05/02/2026.



.....
Robert Dowey
Trustee

The notes on pages 13 to 23 form part of these financial statements.

MORNING STAR HOUSE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(701,532)		(46,794)
Investing activities					
Purchase of tangible fixed assets		(75)		(23,641)	
Investment income received		11,578		28,229	
Net cash generated from investing activities			11,503		4,588
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(690,029)		(42,206)
Cash and cash equivalents at beginning of year			950,314		992,520
Cash and cash equivalents at end of year			260,285		950,314

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Morning Star House is a registered Charity in Northern Ireland. The registered office is Morning Star House, 2-12 Divis Street, Belfast, BT12 4AL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act (Northern Ireland) 2008 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Management Committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of their charitable objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Management Committee's Annual Report.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives funds from the Northern Ireland Housing Executive in respect of the service agreement with Supporting People. This income and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets,

Due to the nature of donated income, such income is not capable of control by the Charity before receipt by the Charity. However, financial controls are in place to ensure accurate recording and safeguarding of all income received by the Charity

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all those costs related to the provision of the services of the charity to the residents, including staff costs, the costs of running the premises and the costs of providing food to residents and the welfare and medical needs of the residents; and
- Other expenditure represents those items not falling into the categories above,

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a basis consistent with the use of the premises for charitable activities and other overheads have been allocated on a similar basis..

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Straight line over 4 years
Fixtures and fittings	Straight line over 4 years
Computers	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Management Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	94,504	(17,920)	76,584	5,806	-	5,806
Donations and gifts						
Other	94,504	(17,920)	76,584	5,806	-	5,806
	94,504	(17,920)	76,584	5,806	-	5,806

4 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Charitable activities						
Performance grants - Supporting People	-	599,056	599,056	-	557,918	557,918
Rental income from residents	244,938	-	244,938	193,270	-	193,270
Service charge income from residents	59,276	-	59,276	68,693	-	68,693
	304,214	599,056	903,270	261,963	557,918	819,881

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

5 Investments

	Unrestricted funds	Total
	2025	2024
	£	£
Interest receivable	11,578	28,229
	<u> </u>	<u> </u>

6 Other income

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Canteen takings	-	426
	<u> </u>	<u> </u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
Direct costs		
Staff costs	735,163	619,585
Depreciation and impairment	7,880	-
Rent	(411,499)	-
Heat, lights and power	92,797	98,466
Repairs and maintenance	86,016	90,922
Insurance	61,963	58,858
Food expenses	40,362	32,174
Guest welfare & medical expenses	9,587	9,902
Travel and accommodation	-	294
Office and general expenses	22,500	27,085
Return of funds	-	543,303
	<u>644,769</u>	<u>1,480,589</u>
Share of support and governance costs (see note 8)		
Support	33,366	26,361
Governance	36,321	29,190
	<u>714,456</u>	<u>1,536,140</u>
Analysis by fund		
Unrestricted funds	107,522	341,423
Restricted funds	606,934	1,194,717
	<u>714,456</u>	<u>1,536,140</u>

8 Support costs allocated to activities

	2025 £	2024 £
Recruitment costs	4,080	3,090
Telephone	1,557	1,291
Bank charges	1,197	1,153
Accountancy	10,454	10,656
Training costs	2,345	2,768
Printing and stationary	13,733	7,403
Governance costs	36,321	29,190
	<u>69,687</u>	<u>55,551</u>
Analysed between:		
Charitable activities	<u>69,687</u>	<u>55,551</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9	Net movement in funds	2025	2024
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	3,840	3,840
	Depreciation of owned tangible fixed assets	7,880	-
		<u> </u>	<u> </u>

10 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
	22	23
	<u> </u>	<u> </u>

Employment costs

	2025	2024
	£	£
Wages and salaries	679,635	570,268
Social security costs	45,812	40,428
Other pension costs	9,716	8,889
	<u> </u>	<u> </u>
	735,163	619,585
	<u> </u>	<u> </u>

Management Committee and key management personnel remuneration and expenses

The Management Committee neither received nor waived any remuneration during the year (2024: £Nil).

The total amount of employee benefits received by key management personnel is £Nil (2024: £Nil). The charity considers its key management personnel to compromise the Management Committee.

None of the Management Committee (2024: None) are accruing pension arrangements.

Expenses amounting to £Nil (2024: £Nil) were reimbursed to the Management Committee during the year.

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2024	73,340	23,599	51,926	148,865
Additions	-	75	-	75
At 31 March 2025	73,340	23,674	51,926	148,940
Depreciation and impairment				
At 1 April 2024	73,340	23,599	28,285	125,224
Depreciation charged in the year	-	-	7,880	7,880
At 31 March 2025	73,340	23,599	36,165	133,104
Carrying amount				
At 31 March 2025	-	75	15,761	15,836
At 31 March 2024	-	-	23,641	23,641

14 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	41,404	28,077
Prepayments and accrued income	9,000	9,000
	50,404	37,077

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	17,488	16,345
Trade creditors	29,032	35,592
Other creditors	3,359	414,114
Accruals and deferred income	3,859	549,170
	53,738	1,015,221

16 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,716	8,889

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Retirement benefit schemes

(Continued)

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2025 £
	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	
Supporting People	135,428	599,056	(599,056)	-	135,428
Supporting People Uplift IT	23,549	-	(7,878)	-	15,671
NIHE Equipment grant	13,654	(17,920)	-	4,266	-
	<u>172,631</u>	<u>581,136</u>	<u>(606,934)</u>	<u>4,266</u>	<u>151,099</u>

Restricted funds

The Supporting People funding is to provide housing related support to vulnerable people to improve their quality of life and attain independence. There are provisions for the repayment to Supporting People of excess funding provided by them.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
General funds	<u>(176,820)</u>	<u>410,296</u>	<u>(107,522)</u>	<u>(4,266)</u>	<u>121,688</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	<u>179,141</u>	<u>296,424</u>	<u>(341,423)</u>	<u>(310,962)</u>	<u>(176,820)</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	167	15,669	15,836
Current assets/(liabilities)	121,521	135,430	256,951
	<u>121,688</u>	<u>151,099</u>	<u>272,787</u>
	<u>121,688</u>	<u>151,099</u>	<u>272,787</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	-	23,641	23,641
Current assets/(liabilities)	(176,820)	148,990	(27,830)
	<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>
	<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>

20 Related party transactions

The following related party transactions occurred in the year:

The charity occupies premises owned by the Legion of Mary and has been charged £Nil rent for the year (2024: £Nil). At the balance sheet date, an amount of £Nil (2024: £411,499) was due to the Legion of Mary for rent. The Legion of Mary formally agreed to waive historical rent arrears.

21 Cash absorbed by operations	2025 £	2024 £
Surplus/(deficit) for the year	276,976	(681,798)
Adjustments for:		
Investment income recognised in statement of financial activities	(11,578)	(28,229)
Depreciation and impairment of tangible fixed assets	7,880	-
Movements in working capital:		
(Increase)/decrease in debtors	(13,327)	156,894
(Decrease)/increase in creditors	(961,483)	506,339
Cash absorbed by operations	<u>(701,532)</u>	<u>(46,794)</u>

Morning Star House

Northern Ireland - Charity number 101035

Accounts

MORNING STAR HOUSE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	Notes	£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	5,806	-	5,806	18,316	-	18,316
Charitable activities	4	261,963	557,918	819,881	268,528	560,167	828,695
Investments	5	28,229	-	28,229	-	-	-
Other income	6	426	-	426	1,379	-	1,379
Total income		<u>296,424</u>	<u>557,918</u>	<u>854,342</u>	<u>288,223</u>	<u>560,167</u>	<u>848,390</u>
Expenditure on:							
Charitable activities	7	341,423	1,194,717	1,536,140	267,072	424,739	691,811
Total expenditure		<u>341,423</u>	<u>1,194,717</u>	<u>1,536,140</u>	<u>267,072</u>	<u>424,739</u>	<u>691,811</u>
Net income/(expenditure)		<u>(44,999)</u>	<u>(636,799)</u>	<u>(681,798)</u>	<u>21,151</u>	<u>135,428</u>	<u>156,579</u>
Transfers between funds		(310,962)	310,962	-	-	-	-
Net movement in funds	9	<u>(355,961)</u>	<u>(325,837)</u>	<u>(681,798)</u>	<u>21,151</u>	<u>135,428</u>	<u>156,579</u>
Reconciliation of funds:							
Fund balances at 1 April 2023		<u>179,141</u>	<u>498,468</u>	<u>677,609</u>	<u>157,990</u>	<u>363,040</u>	<u>521,030</u>
Fund balances at 31 March 2024		<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>	<u>179,141</u>	<u>498,468</u>	<u>677,609</u>

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

MORNING STAR HOUSE

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		23,641		-
Current assets					
Debtors	14	37,077		193,971	
Cash at bank and in hand		950,314		992,520	
		<u>987,391</u>		<u>1,186,491</u>	
Creditors: amounts falling due within one year	15	<u>(1,015,221)</u>		<u>(508,882)</u>	
Net current (liabilities)/assets			<u>(27,830)</u>		<u>677,609</u>
Total assets less current liabilities			<u>(4,189)</u>		<u>677,609</u>
Income funds					
Restricted funds	17		172,631		498,468
Unrestricted funds			<u>(176,820)</u>		<u>179,141</u>
			<u>(4,189)</u>		<u>677,609</u>

The financial statements were approved by the Management Committee on 30/01/2025

R Culbert

.....
Rory Culbert (Chairperson)

Trustee

The notes on pages 13 to 23 form part of these financial statements.

MORNING STAR HOUSE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(46,794)		177,259
Investing activities					
Purchase of tangible fixed assets		(23,641)		-	
Investment income received		28,229		-	
Net cash generated from/(used in) investing activities			4,588		-
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(42,206)		177,259
Cash and cash equivalents at beginning of year			992,520		815,247
Cash and cash equivalents at end of year			<u>950,314</u>		<u>815,247</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Morning Star House is a registered Charity in Northern Ireland. The registered office is Morning Star House, 2-12 Divis Street, Belfast, BT12 4AL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act (Northern Ireland) 2008 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 March 2024 the charity has made a deficit of £681,798 and has net liabilities of £4,189 at the year end. The deficit is the result of rising costs and a payment made to the NI Housing Executive in relation to recovery of historic restricted reserves. The charity are in the stages of negotiation with the NI Housing Executive and Supporting People regarding the possibility of a significant uplift in rates.

The charity owes £411,499 (2023: £411,499) to a related organisation, the Legion of Mary. They have confirmed will not seek repayment until the company is in a position to do so. A repayment plan is to be agreed within the next year.

The Directors understand that the circumstances represent a risk to the going concern however they have concluded that they are satisfied that the charity can continue in operational existence for at least 12 months from the date of signing the accounts and have therefore prepared the accounts on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of their charitable objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Management Committee's Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives funds from the Northern Ireland Housing Executive in respect of the service agreement with Supporting People. This income and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

Due to the nature of donated income, such income is not capable of control by the Charity before receipt by the Charity. However, financial controls are in place to ensure accurate recording and safeguarding of all income received by the Charity

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all those costs related to the provision of the services of the charity to the residents, including staff costs, the costs of running the premises and the costs of providing food to residents and the welfare and medical needs of the residents; and
- Other expenditure represents those items not falling into the categories above,

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a basis consistent with the use of the premises for charitable activities and other overheads have been allocated on a similar basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Straight line over 4 years
Fixtures and fittings	Straight line over 4 years
Computers	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Management Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	5,806	18,316
Donations and gifts Other	5,806	18,316
	<u>5,806</u>	<u>18,316</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Charitable activities						
Performance grants - Supporting People	-	557,918	557,918	-	560,167	560,167
Rental income from residents	193,270	-	193,270	216,513	-	216,513
Service charge income from residents	68,693	-	68,693	52,015	-	52,015
	<u>261,963</u>	<u>557,918</u>	<u>819,881</u>	<u>268,528</u>	<u>560,167</u>	<u>828,695</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Investments

	Unrestricted funds	Total
	2024 £	2023 £
Interest receivable	<u>28,229</u>	<u>-</u>

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Canteen takings	<u>426</u>	<u>1,379</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	619,585	375,732
Depreciation and impairment	-	1,193
Heat, lights and power	98,466	75,650
Repairs and maintenance	90,922	111,872
Insurance	58,858	43,824
Food expenses	32,174	20,242
Guest welfare & medical expenses	9,902	10,000
Travel and accommodation	294	266
Office and general expenses	27,085	6,172
Return of funds	543,303	-
	<u>1,480,589</u>	<u>644,951</u>
Share of support and governance costs (see note 8)		
Support	26,361	26,916
Governance	29,190	19,944
	<u>1,536,140</u>	<u>691,811</u>
Analysis by fund		
Unrestricted funds	341,423	267,072
Restricted funds	1,194,717	424,739
	<u>1,536,140</u>	<u>691,811</u>

8 Support costs allocated to activities

	2024 £	2023 £
Recruitment costs	3,090	11,745
Telephone	1,291	1,027
Bank charges	1,153	834
Accountancy	10,656	9,288
Training costs	2,768	-
Printing and stationary	7,403	4,022
Governance costs	29,190	19,944
	<u>55,551</u>	<u>46,860</u>
Analysed between:		
Charitable activities	<u>55,551</u>	<u>46,860</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	3,840	3,840
Depreciation of owned tangible fixed assets	-	1,207
	<u>3,840</u>	<u>1,207</u>

10 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	23	19
	<u>23</u>	<u>19</u>

Employment costs

	2024	2023
	£	£
Wages and salaries	570,268	344,755
Social security costs	40,428	25,388
Other pension costs	8,889	5,589
	<u>619,585</u>	<u>375,732</u>

Management Committee and key management personnel remuneration and expenses

The Management Committee neither received nor waived any remuneration during the year (2023: £Nil).

The total amount of employee benefits received by key management personnel is £Nil (2023: £Nil). The charity considers its key management personnel to compromise the Management Committee.

None of the Management Committee (2023: None) are accruing pension arrangements.

Expenses amounting to £Nil (2023: £Nil) were reimbursed to the Management Committee during the year.

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2023	73,340	23,599	28,285	125,224
Additions	-	-	23,641	23,641
At 31 March 2024	73,340	23,599	51,926	148,865
Depreciation and impairment				
At 1 April 2023	73,340	23,599	28,285	125,224
At 31 March 2024	73,340	23,599	28,285	125,224
Carrying amount				
At 31 March 2024	-	-	23,641	23,641

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	-	37,040
Other debtors	28,077	147,851
Prepayments and accrued income	9,000	9,080
	37,077	193,971

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	16,345	11,444
Trade creditors	35,592	72,392
Other creditors	414,114	419,286
Accruals and deferred income	549,170	5,760
	1,015,221	508,882

16 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	8,889	5,589

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Retirement benefit schemes

(Continued)

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	
Supporting People	484,814	533,949	(1,194,297)	310,962	135,428
Supporting People Uplift IT	-	23,969	(420)	-	23,549
NIHE Equipment grant	13,654	-	-	-	13,654
	<u>498,468</u>	<u>557,918</u>	<u>(1,194,717)</u>	<u>310,962</u>	<u>172,631</u>

Restricted funds

The Supporting People funding is to provide housing related support to vulnerable people to improve their quality of life and attain independence. There are provisions for the repayment to Supporting People of excess funding provided by them.

The NIHE Equipment grant was to purchase technology to deliver efficient and service improvements.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	<u>179,141</u>	<u>296,424</u>	<u>(341,423)</u>	<u>(310,962)</u>	<u>(176,820)</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
General funds	<u>157,990</u>	<u>288,223</u>	<u>(267,072)</u>	<u>-</u>	<u>179,141</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	-	23,641	23,641
Current assets/(liabilities)	(176,820)	148,990	(27,830)
	<u>(176,820)</u>	<u>172,631</u>	<u>(4,189)</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Current assets/(liabilities)	179,141	498,468	677,609
	<u>179,141</u>	<u>498,468</u>	<u>677,609</u>

20 Related party transactions

The following related party transactions occurred in the year:

The charity occupies premises owned by the Legion of Mary and has been charged £Nil rent for the year (2023: £Nil). At the balance sheet date, an amount of £411,499 (2023: £411,499) was due to the Legion of Mary for rent; and

The Legion of Mary advanced £Nil (2023: £Nil) to the charity in the year and is owed £Nil (2023: £Nil) by the Morning Star House. The amount due is interest free, unsecured and repayable upon demand.

Over the total amount due to The Legion of Mary is £411,499 (2023: £411,499).

21 Cash generated from operations	2024 £	2023 £
(Deficit)/surplus for the year	(681,798)	156,579
Adjustments for:		
Investment income recognised in statement of financial activities	(28,229)	-
Depreciation and impairment of tangible fixed assets	-	1,193
Movements in working capital:		
Decrease/(increase) in debtors	156,894	(59,353)
Increase in creditors	506,339	78,840
Cash (absorbed by)/generated from operations	<u>(46,794)</u>	<u>177,259</u>

Morning Star House

Northern Ireland - Charity number 101035

Annual report

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Management Committee present their report and the audited financial statements of the charity for the year ended 31 March 2024. The Management Committee have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

Management Committee of the Charity

In accordance with the Constitution approved in August 2018, responsibility for the Management of the Morning Star House rests with the Morning Star Management Committee. The Management committee discharges those responsibilities in accordance with its Constitution.

The Management Committee comprises members nominated by the Morning Star Praesidium of the Legion of Mary along with general appointments for the purposes of addressing periodic skills shortages, etc. It has 4 office bearers: a Chairperson, Vice Chairperson, Treasurer and Secretary supported by several other members.

Changes to membership of the Management Committee during the year ended 31 March 2024

Committee membership is as follows:

R Culbert - Chair (appointed 16 May 2023)
HA Fitzsimons- Chair (resigned 3 October 2023)
J Cassidy -- Secretary
R Dowey -- Treasurer
T Flanagan - Committee member (resigned August 2024)
C Faulkner - Committee member (appointed 16 May 2023)
M Lewis - Committee member (resigned August 2024)
P McIlvenny - Committee member (appointed 16 May 2023)
M McCurley -- Committee Member (resigned 6 December 2022)
G McGuigan -- Committee Member (resigned 1 April 2022)
SR R Curran -- Committee Member (appointed 6 June 2023)
L McCann - Committee Member (appointed May 2024/Resigned September 2024)

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and objects

Morning Star House is a not-for-profit hostel with charitable status that provides for and works with homeless men in Belfast. It is managed by the Management Committee in accordance with its constitution. The Hostel has as its objectives: to support the homeless through Provision of Temporary Accommodation, Assistance and Capacity Building towards the Betterment of the individual.

We are constantly working to improve our Governance and have strengthened our Management Committee with New members who have considerable experience in areas of Governance and the needs of homeless in Northern Ireland. This has been welcomed by both the CCNI and NIHE.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Recruiting and Appointing of New Management Committee Members

The constitution requires that the Committee has a minimum of 4 Management Committee members. New members must be approved by the Management Committee from time to time provided that the prescribed maximum 12 is not exceeded.

Decision-making

The responsibility for the management of the hostel is discharged, on behalf of the Morning Star Praesidium of the Legion of Mary by the Management Committee. A minimum of four members must be present for any decisions to be deemed valid. Members are responsible for the legal and financial- management of Morning Star House.

Relationship with other charity or organisation

The charity supports the ethos of the Legion of Mary. It aims to work in conjunction with partner charities, other homeless hostels and bodies offering all those in need the best support available. The charity also works in conjunction with Council for the Homeless, Tar Anal, Extern etc. The Charity has been working closely with the Charity Commission NI to improve governance and administration systems and to enhance the standing of the charity.

Statement of Risks

The Management Committee is committed to ongoing assessment of risks to the achievement of Morning Star House objectives while complying with any impacting regulation and legislation. It also considers external factors e.g., funding reductions while recognising these are outside its immediate control.

The new formalised, structure means of risk assessment and assurance was developed the previous year. The outworking's of this was captured in a risk register which also identifies mitigations. Main risks ongoing are:

- Loss of funding through non-compliance with conditions of funding and/or being considered incapable of handling public funds effectively
- Recruitment and turnover of staff

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Lack of capacity to engage

Staffing levels have increased throughout the year and with improved standards of quality assurances we have been able to increase the capacity of the staffing team moving forward. We remain impacted by the sector wide staffing crisis within Health & Social Care.

OBJECTIVES AND ACTIVITIES

The principal activity of the charity is to carry on for the benefit of the community the provision of accommodation for men of 18 years and over who are homeless upon terms appropriate to their means. In particular, the Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that render them unable to secure other accommodation. The ethos of Legion of Mary, as encapsulated in the Constitution, is pivotal to that support service we provide.

History of the Hostel

The legion of Mary has provided temporary accommodation to homeless men since 1938 at the Morning Star Hostel 125 Divis Street Belfast. On 11 February 2002 a fire at the building led to the death of 2 of the hostel residents. The fire also rendered the hostel premises unusable. The Morning Star Hostel was without premises until 28 July 2004 when the current hostel opened.

The hostel is a refuge for homeless men, many of whom have a history of rough sleeping and alcohol or substance misuse and frequently present challenging behaviour. The premises can accommodate up to 39 guests in 24 bedrooms on the wet side, 7 bedrooms on the dry side, 4 self-contained apartments and 4 emergency beds. Other support and recreational facilities are available.

ACHIEVEMENTS AND PERFORMANCE

Explanation of the Main Objectives for the Year

The primary objective for the year was service provision and resettlement support to the homeless. This necessitates securing adequate and additional income to continue to provide a safe, secure, and compliant support service to our guests. Our secondary objective was to Pass the Supporting People Quality Monitoring Tool Inspection. We passed this for the first time in the history of the Morning Star Hostel.

The hostel's range of services is extensive and includes signposting frontline outreach, hostel and supported temporary and longer-term accommodation, but also includes life-skills coaching, education, counselling, and training. We are ideally placed in the community to further develop these services for those in need.

Morning Star House acknowledges that its services should be directed towards assisting those homeless men, who are unlikely to be able to resolve their homelessness problem without intervention of skilled support staff. It aims to encourage and foster a spirit of self-help and self-reliance.

The Hostel still has several volunteers who give their time and effort to help out in the hostel, particularly in the evenings and the weekends. This was built back up after the pandemic caused the use of the volunteers to be suspended. All volunteers have been subject to Access NI checks.

Bed occupancy has been at capacity for most of the year.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Principal Policies to Achieve Objectives

Morning Star Management Committee still recognises that to achieve our objectives, we must work in partnership with a range of organisations and individuals and must develop innovative and effective policies and procedures to assist those who end up on the street and to prevent homelessness to those that are vulnerable to homelessness. Work continued this year on creating Policies and procedures and formalising these within the Morning Star Hostel. These are shared with staff once introduced and work is ongoing.

FINANCIAL REVIEW

Morning Star House receives funds from the Northern Ireland Housing Executive for support of its guests and for maintenance and support of the building. Funds also are received from a charge to guests and from Charitable donations from time to time.

Income received during the year from Supporting people, Housing benefit, charges, charitable Donations and investment income amounted to £854,342. Expenditure during the year was £1,536,140 resulting in a net deficit of £4,189 in the year, reflecting net expenditure in restricted funds of £355,961 and net expenditure in unrestricted funds of £325,837.

GOING CONCERN

The Charity is dependent on funding from the NIHE which is also the primary source of client referrals. Without this funding the charity would not continue to function.

Thankfully the Trustees are in regular contact with the NIHE to ensure the organisation meets the funding conditions set by the NIHE and a good relationship has been established.

ISSUES THOROUGHOUT THE YEAR

- New manager took up post 7th April 2023
- Disciplinary processes with Senior staff led to a tumultuous period within the service but this is now in process of being resolved.
- High levels of sickness absence throughout the staff team have led to heavy use of agency staffing for support roles which, as this cannot be offset against other cost centres and has led to a detrimental impact on service budgets.

Meeting the Public Benefit Requirement

The principal activity of the charity is to carry on for the benefit of the community the provision of accommodation for men 18 years and over who are homeless upon terms appropriate to their needs. The Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that renders them unable to secure other accommodation.

The problem with homelessness continues to grow along with it, there is growth in areas such as addiction and mental health difficulties. The provision of this service helps address this issue and benefits our guests and society as a whole.

The CCNI has issued comprehensive guidelines on Annual Reporting requirements and the Management Committee confirms that they are aware of these and have had due regard of the guidance in all our deliberations.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Statement of Management Committee responsibilities

The Management Committee are responsible for preparing the Management Committee Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Management Committee to prepare financial statements for each financial year. Under that law the management committee have prepared the financial statements in accordance with United Kingdom accounting standards, comprising FRS 102 "The Financial reporting standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Management Committee are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the statement of recommended practice: Accounting and Reporting Charities (2015)
- Make the judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that they will continue in business

The Management Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the Hostel 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 hostel and hence forth taking reasonable steps for the prevention and detections of fraud and other irregularities.

Disclosure of Information to Auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information and to establish that the company's auditors are aware of the information.

This report has been prepared in accordance with the Statement of Recommended Practice ('Accounting and Reporting Charities') and the special provisions applicable to companies subject to the small company's regime within Part 15 of the Companies Act 2006.

The Management Committee report was approved by the Board of the Management Committee.

R Culbert

.....
Rory Culbert (Chairperson)

Trustee

Dated: 30/01/2025

Morning Star House

Northern Ireland - Charity number 101035

Annual return

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Opinion

We have audited the financial statements of Morning Star House (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (NI) 2008.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Management Committee

As explained more fully in the statement of Management Committee responsibilities, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and/or senior management, and from our commercial knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice Issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

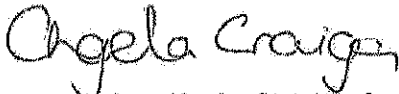
This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Angela Craigan (Senior Statutory Auditor)
for and on behalf of Harbinson Mulholland
Chartered Accountants
Statutory Auditor

30/11/25
6th Floor East Tower
Lanyon Plaza
Belfast

BT1 3LP

Harbinson Mulholland is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Morning Star House

Northern Ireland - Charity number 101035

Accounts

MORNING STAR HOUSE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

MORNING STAR HOUSE

LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee

R Dowey (Treasurer)
J Cassidy (Secretary)
R Culbert (Chairperson) (Appointed 16 May 2023)
C Faulkner (Vice Chairperson) (Appointed 16 May 2023)
M Lewis (Committee member) (Appointed 16 May 2023)
P McIlvenney (Committee member) (Appointed 16 May 2023)
T Flanagan (Committee member) (Appointed 4 April 2023)

Charity number

NIC101035

Auditor

Harbinson Mulholland
Centrepont
24 Ormeau Avenue
Belfast
Co. Antrim
Northern Ireland
BT2 8HS

Bankers

AIB Group (UK)
35 University Road
Belfast
BT7 1ND

MORNING STAR HOUSE

CONTENTS

	Page
Management Committee report	1 - 5
Independent auditor's report	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee present their report and the audited financial statements of the charity for the year ended 31 March 2023. The Management Committee have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 101) in preparing the annual report and financial statements of the Charity.

Management Committee of the Charity

In accordance with the Constitution approved in August 2018, responsibility for the Management of the Morning Star House rests with the Morning Star Management Committee. The Management committee discharges those responsibilities in accordance with its Constitution.

The Management Committee comprises members nominated by the Morning Star Praesidium of the Legion of Mary along with general appointments for the purposes of addressing periodic skills shortages, etc. It has 4 office bearers: a Chairperson, Vice Chairperson, Treasurer and Secretary supported by several other members.

Changes to membership of the Management Committee during the year ended 31 March 2023

Committee membership is as follows:

R Culbert - Chair (appointed 16 May 2023)
HA Fitzsimons- Chair (resigned 3 October 2023)
J Cassidy – Secretary
R Dowey – Treasurer
T Flanagan - Committee member (appointed 4 April 2023)
C Faulkner - Committee member (appointed 16 May 2023)
M Lewis - Committee member (appointed 16 May 2023)
P McIlvenny - Committee member (appointed 16 May 2023)
M Doyle – Committee member (resigned 7 February 2023)
M McCurley – Committee Member (resigned 6 December 2022)
G McGuigan – Committee Member (resigned 1 April 2022)
SR R Curran – Committee Member (appointed 6 June 2023)
M McGlade – Committee member (resigned 1 April 2022)

In October 2018, the Charity Commission for Northern Ireland (CCNI) opened a statutory enquiry. CCNI's report on its statutory enquiry was expected to be issued in Q4, 2019, but remains outstanding.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and objects

Morning Star House is a not-for-profit hostel with charitable status that provides for and works with homeless men in Belfast. It is managed by the Management Committee in accordance with its constitution. The Hostel has as its objectives: to support the homeless through Provision of Temporary Accommodation, Assistance and Capacity Building towards the Betterment of the individual.

We are constantly working to improve our Governance and have strengthened our Management Committee with New members who have considerable experience in areas of Governance and the needs of homeless in Northern Ireland. This has been welcomed by both the CCNI and NIHE.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Recruiting and Appointing of New Management Committee Members

The constitution requires that the Committee has a minimum of 4 Management Committee members. New members must be approved by the Management Committee from time to time provided that the prescribed maximum 12 is not exceeded.

Decision-making

The responsibility for the management of the hostel is discharged, on behalf of the Morning Star Praesidium of the Legion of Mary by the Management Committee. A minimum of four members must be present for any decisions to be deemed valid. Members are responsible for the legal and financial- management of Morning Star House.

Relationship with other charity or organisation

The charity supports the ethos of the Legion of Mary. It aims to work in conjunction with partner charities, other homeless hostels and bodies offering all those in need the best support available. The charity also works in conjunction with Council for the Homeless, Tar Anal, Extern etc. The Charity has been working closely with the Charity Commission NI to improve governance and administration systems and to enhance the standing of the charity.

Statement of Risks

The Management Committee is committed to ongoing assessment of risks to the achievement of Morning Star House objectives while complying with any impacting regulation and legislation. It also considers external factors e.g., funding reductions while recognising these are outside its immediate control.

The new formalised, structure means of risk assessment and assurance was developed the previous year. The outworking's of this was captured in a risk register which also identifies mitigations. Main risks ongoing are:

- Loss of funding through non-compliance with conditions of funding and/or being considered incapable of handling public funds effectively
- Recruitment and turnover of staff

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Lack of capacity to engage

Staffing levels are still a concern and difficult to maintain desired levels due to absences and turnover. Steps were taken to address this and access to employee assistance telephone helpline and the use of Occupational Health Services have been running for over a year now.

OBJECTIVES AND ACTIVITIES

The principal activity of the charity is to carry on for the benefit of the community the provision of accommodation for men of 18 years and over who are homeless upon terms appropriate to their means. In particular, the Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that render them unable to secure other accommodation. The ethos of Legion of Mary, as encapsulated in the Constitution, is pivotal to that support service we provide.

History of the Hostel

The legion of Mary has provided temporary accommodation to homeless men since 1938 at the Morning Star Hostel 125 Divis Street Belfast. On 11 February 2002 a fire at the building led to the death of 2 of the hostel residents. The fire also rendered the hostel premises unusable. The Morning Star Hostel was without premises until 28 July 2004 when the current hostel opened.

The hostel is a refuge for homeless men, many of whom have a history of rough sleeping and alcohol or substance misuse and frequently present challenging behaviour. The premises can accommodate up to 39 guests in 24 bedrooms on the wet side, 7 bedrooms on the dry side, 4 self-contained apartments and 4 emergency beds. Other support and recreational facilities are available.

ACHIEVEMENTS AND PERFORMANCE

Explanation of the Main Objectives for the Year

The primary objective for the year was service provision and resettlement support to the homeless. This necessitates securing adequate and additional income to continue to provide a safe, secure, and compliant support service to our guests.

The hostel's range of services is extensive and includes signposting frontline outreach, hostel and supported temporary and longer-term accommodation, but also includes life-skills coaching, education, counselling, and training. We are ideally placed in the community to further develop these services for those in need.

Morning Star House acknowledges that its services should be directed towards assisting those homeless men, who are unlikely to be able to resolve their homelessness problem without intervention of skilled support staff. It aims to encourage and foster a spirit of self-help and self-reliance.

The Hostel still has several volunteers who give their time and effort to help out in the hostel, particularly in the evenings and the weekends. This was built back up after the pandemic caused the use of the volunteers to be suspended. All volunteers have been subject to Access NI checks.

Bed occupancy has been at capacity for most of the year.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal Policies to Achieve Objectives

Morning Star Management Committee still recognises that to achieve our objectives, we must work in partnership with a range of organisations and individuals and must develop innovative and effective policies and procedures to assist those who end up on the street and to prevent homelessness to those that are vulnerable to homelessness. Work continued this year on creating Policies and procedures and formalising these within the Morning Star Hostel. These are shared with staff once introduced and work is ongoing.

FINANCIAL REVIEW

Morning Star House receives funds from the Northern Ireland Housing Executive for support of its guests and for maintenance and support of the building. Funds also are received from a charge to guests and from Charitable donations from time to time.

Income received during the year from Supporting people, Housing benefit, charges, charitable Donations and investment income amounted to £848,390. Expenditure during the year was £691,811 resulting in a Net surplus of £156,579 in the year, reflecting net income in restricted funds of £135,428 and net income in unrestricted funds of £21,151.

GOING CONCERN

The Charity is dependent on funding from the NIHE which is also the primary source of client referrals. Without this funding the charity would not continue to function.

Thankfully the Trustees are in regular contact with the NIHE to ensure the organisation meets the funding conditions set by the NIHE and a good relationship has been established.

ISSUES THOROUGHOUT THE YEAR

- Manager left mid-January 2023
- Interim Manager appointed from 1st February until 10th April.
- New manager took up post 7th April 2023
- Chairman took ill at end of January 2023 and Interim Chairman appointed on month-to-month basis.
- An additional Senior Support working was introduced into Hostel to allow for a Senior to be available for each shift.

Meeting the Public Benefit Requirement

The principal activity of the charity is to carry on for the benefit of the community the provision of accommodation for men 18 years and over who are homeless upon terms appropriate to their needs. The Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that renders them unable to secure other accommodation.

The problem with homelessness continues to grow along with it, there is growth in areas such as addiction and mental health difficulties. The provision of this service helps address this issue and benefits our guests and society as a whole.

The CCNI has issued comprehensive guidelines on Annual Reporting requirements and the Management Committee confirms that they are aware of these and have had due regard of the guidance in all our deliberations.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of Management Committee responsibilities

The Management Committee are responsible for preparing the Management Committee Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Management Committee to prepare financial statements for each financial year. Under that law the management committee have prepared the financial statements in accordance with United Kingdom accounting standards, comprising FRS 102 "The Financial reporting standard applicable In the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Management Committee are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the statement of recommended practice: Accounting and Reporting Charities (2015)
- Make the judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that they will continue in business

The Management Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the Hostel 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 hostel and hence forth taking reasonable steps for the prevention and detections of fraud and other irregularities.

Disclosure of Information to Auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information and to establish that the company's auditors are aware of the information.

This report has been prepared in accordance with the Statement of Recommended Practice ('Accounting and Reporting Charities') and the special provisions applicable to companies subject to the small company's regime within Part 15 of the Companies Act 2006.

The Management Committee report was approved by the Board of the Management Committee.

R Culbert

.....
Rory Culbert (Chairperson)

Trustee

Dated: 30/01/24
.....

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Opinion

We have audited the financial statements of Morning Star House (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (NI) 2008.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Management Committee

As explained more fully in the statement of Management Committee responsibilities, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and/or senior management, and from our commercial knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

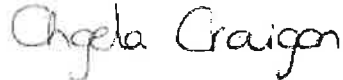
This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Angela Craigan (Senior Statutory Auditor)
for and on behalf of Harbinson Mulholland
Chartered Accountants
Statutory Auditor

30/01/2024
Centrepoint
24 Ormeau Avenue
Belfast
Co. Antrim
Northern Ireland
BT2 8HS

Harbinson Mulholland is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MORNING STAR HOUSE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>							
Donations and legacies	3	18,316	-	18,316	17,804	-	17,804
Charitable activities	4	268,528	560,167	828,695	174,246	563,966	738,212
Other income	5	1,379	-	1,379	1,414	-	1,414
Total income		288,223	560,167	848,390	193,464	563,966	757,430
<u>Expenditure on:</u>							
Charitable activities	6	267,072	424,739	691,811	167,413	420,607	588,020
Net incoming resources before transfers		21,151	135,428	156,579	26,051	143,359	169,410
Net movement in funds		21,151	135,428	156,579	26,051	143,359	169,410
Fund balances at 1 April 2022		157,990	363,040	521,030	131,939	219,681	351,620
Fund balances at 31 March 2023		179,141	498,468	677,609	157,990	363,040	521,030

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

MORNING STAR HOUSE

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		-		1,207
Current assets					
Debtors	12	193,971		134,618	
Cash at bank and in hand		992,520		815,247	
		<u>1,186,491</u>		<u>949,865</u>	
Creditors: amounts falling due within one year	13	<u>(508,882)</u>		<u>(430,042)</u>	
Net current assets			677,609		519,823
Total assets less current liabilities			<u>677,609</u>		<u>521,030</u>
Income funds					
Restricted funds	14	498,468		363,040	
Unrestricted funds		179,141		157,990	
		<u>677,609</u>		<u>521,030</u>	

The financial statements were approved by the Management Committee on 30/01/2024

R Culbert

Rory Culbert (Chairperson)
Trustee

The notes on pages 13 to 22 form part of these financial statements.

MORNING STAR HOUSE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	17	177,259		74,065	
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents		177,259		74,065	
Cash and cash equivalents at beginning of year		815,247		741,182	
Cash and cash equivalents at end of year		992,520		815,247	

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Morning Star House is a registered Charity in Northern Ireland. The registered office is Morning Star House, 2-12 Divis Street, Belfast, BT12 4AL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act (Northern Ireland) 2008 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Charity Commission for Northern Ireland opened a Statutory Inquiry into Morning Star House on 21 June 2018, relating to concerns regarding the governance and administration of the charity, with a focus on safeguarding. The management committee engaged legal advisors to assist them with the inquiry. The management committee have implemented the recommendations from the statutory enquiry to date and continue to have open and constructive engagement with CCNI in the hope of bringing the enquiry to a close. The Management Committee are aware of the non-financial consequences of the inquiry by the Charity Commission for Northern Ireland and the impact on funding that this may cause.

The Directors understand that the circumstances represent a risk to the going concern however they have concluded that they are satisfied that the charity can continue in operational existence for at least 12 months from the date of signing the accounts and have therefore prepared the accounts on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of their charitable objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Management Committee's Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives funds from the Northern Ireland Housing Executive in respect of the service agreement with Supporting People. This income and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets,

Due to the nature of donated income, such income is not capable of control by the Charity before receipt by the Charity. However, financial controls are in place to ensure accurate recording and safeguarding of all income received by the Charity

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all those costs related to the provision of the services of the charity to the residents, including staff costs, the costs of running the premises and the costs of providing food to residents and the welfare and medical needs of the residents; and
- Other expenditure represents those items not falling into the categories above,

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on a basis consistent with the use of the premises for charitable activities and other overheads have been allocated on a similar basis..

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Straight line over 4 years
Fixtures and fittings	Straight line over 4 years
Computers	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Management Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	18,316	17,804
	<u>18,316</u>	<u>17,804</u>
Donations and gifts		
Other	18,316	17,804
	<u>18,316</u>	<u>17,804</u>

4 Charitable activities

	Charitable Income Heading 1 2023	Charitable Income Heading 1 2022
	£	£
Performance grants - Supporting People	560,167	563,966
Rental income from residents	216,513	134,538
Service charge income from residents	52,015	39,708
	<u>828,695</u>	<u>738,212</u>
Analysis by fund		
Unrestricted funds	268,528	174,246
Restricted funds	560,167	563,966
	<u>828,695</u>	<u>738,212</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Other income

Unrestricted funds	Unrestricted funds
2023	2022
£	£

Canteen takings	1,379	1,414
-----------------	-------	-------

6 Charitable activities

Charitable activities	Charitable activities
2023	2022
£	£

Staff costs	375,732	397,006
Depreciation and impairment	1,193	1,392
Heat, light and power	75,650	48,049
Security costs	-	947
Repairs and maintenance	111,872	39,738
Insurance	43,824	35,359
Food expenses	20,242	16,601
Guest welfare & medical expenses	10,000	6,482
Travel and Accommodation	266	-
Office and General Expenses	6,172	-
	<u>644,951</u>	<u>545,574</u>

Share of support costs (see note 7)	26,916	14,176
Share of governance costs (see note 7)	19,944	28,270

	<u>691,811</u>	<u>588,020</u>
--	----------------	----------------

Analysis by fund

Unrestricted funds	267,072	167,413
Restricted funds	424,739	420,607

	<u>691,811</u>	<u>588,020</u>
--	----------------	----------------

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Recruitment costs	11,745	-	11,745	-	-	-
Telephone	1,027	-	1,027	1,016	-	1,016
Bank charges	834	-	834	693	-	693
Accountancy	9,288	-	9,288	8,640	-	8,640
Printing and stationary	4,022	-	4,022	3,827	-	3,827
Legal and professional	-	19,944	19,944	-	28,270	28,270
	<u>26,916</u>	<u>19,944</u>	<u>46,860</u>	<u>14,176</u>	<u>28,270</u>	<u>42,446</u>
Analysed between Charitable activities	<u>26,916</u>	<u>19,944</u>	<u>46,860</u>	<u>14,176</u>	<u>28,270</u>	<u>42,446</u>

Governance costs includes payments to the auditors of £4,800 (2022- £4,800) for audit fees.

8 Management Committee

None of the Management Committee (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	<u>19</u>	<u>22</u>
Employment costs	2023	2022
	£	£
Wages and salaries	344,755	366,744
Social security costs	25,388	24,538
Other pension costs	5,589	5,724
	<u>375,732</u>	<u>397,006</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

(Continued)

Management Committee and key management personnel remuneration and expenses

The Management Committee neither received nor waived any remuneration during the year (2022: £Nil).

The total amount of employee benefits received by key management personnel is £Nil (2022 - £Nil). The charity considers its key management personnel to compromise the Management Committee and the manager.

None of the Management Committee (2022 - None) are accruing pension arrangements.

Expenses amounting to £Nil (2022: £Nil) were reimbursed to the Management Committee during the year.

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2022	73,340	23,599	28,286	125,224
At 31 March 2023	73,340	23,599	28,286	125,224
Depreciation and impairment				
At 1 April 2022	73,302	23,599	27,116	124,017
Depreciation charged in the year	38	-	1,169	1,207
At 31 March 2023	73,340	23,599	28,285	125,224
Carrying amount				
At 31 March 2023	-	-	-	-
At 31 March 2022	38	-	1,169	1,207

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	37,040	81,914
Other debtors	147,851	52,704
Prepayments and accrued income	9,080	-
	193,971	134,618

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	11,444	9,475
Trade creditors	72,392	3,197
Other creditors	419,286	411,610
Accruals and deferred income	5,760	5,760
	<u>508,882</u>	<u>430,042</u>

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Supporting People	349,386	560,167	(424,739)	-	484,814
NIHE Equipment grant	13,665	-	-	-	13,665
	<u>363,040</u>	<u>560,167</u>	<u>(424,739)</u>	<u>-</u>	<u>498,468</u>

Restricted funds

The Supporting People funding is to provide housing related support to vulnerable people to improve their quality of life and attain independence. There are provisions for the repayment to Supporting People of excess funding provided by them.

The NIHE Equipment grant was to purchase technology to deliver efficient and service improvements.

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds		Restricted funds 2022 £	Total 2022 £
			2023 £	2022 £		
Fund balances at 31 March 2023 are represented by:						
Tangible assets	-	-	-	1,207	-	1,207
Current assets/(liabilities)	179,141	498,468	677,609	156,783	363,040	519,823
	<u>179,141</u>	<u>498,468</u>	<u>677,609</u>	<u>157,990</u>	<u>363,040</u>	<u>521,030</u>

MORNING STAR HOUSE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Related party transactions

The following related party transactions occurred in the year:

The charity occupies premises owned by the Legion of Mary and has been charged £Nil rent for the year (2022 - £Nil). At the balance sheet date, an amount of £411,499 (2022 - £411,499) was due to the Legion of Mary for rent; and

The Legion of Mary advanced £Nil (2022 - £Nil) to the charity in the year and is owed £Nil (2022 - £Nil) by the Morning Star House. The amount due is interest free, unsecured and repayable upon demand.

Over the total amount due to The Legion of Mary is £411,499 (2022 - £411,499).

17 Cash generated from operations	2023 £	2022 £
Surplus for the year	156,579	169,410
Adjustments for:		
Depreciation and impairment of tangible fixed assets	1,207	1,392
Movements in working capital:		
(Increase) in debtors	(59,367)	(20,384)
Increase/(decrease) in creditors	78,840	(41,936)
Cash generated from operations	<u>177,259</u>	<u>108,482</u>

Morning Star House

Northern Ireland - Charity number 101035

Annual report

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee present their report and the audited financial statements of the charity for the year ended 31 March 2023. The Management Committee have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 101) in preparing the annual report and financial statements of the Charity.

Management Committee of the Charity

In accordance with the Constitution approved in August 2018, responsibility for the Management of the Morning Star House rests with the Morning Star Management Committee. The Management committee discharges those responsibilities in accordance with its Constitution.

The Management Committee comprises members nominated by the Morning Star Praesidium of the Legion of Mary along with general appointments for the purposes of addressing periodic skills shortages, etc. It has 4 office bearers: a Chairperson, Vice Chairperson, Treasurer and Secretary supported by several other members.

Changes to membership of the Management Committee during the year ended 31 March 2023

Committee membership is as follows:

R Culbert - Chair (appointed 16 May 2023)
HA Fitzsimons- Chair (resigned 3 October 2023)
J Cassidy – Secretary
R Dowey – Treasurer
T Flanagan - Committee member (appointed 4 April 2023)
C Faulkner - Committee member (appointed 16 May 2023)
M Lewis - Committee member (appointed 16 May 2023)
P McIlvenny - Committee member (appointed 16 May 2023)
M Doyle – Committee member (resigned 7 February 2023)
M McCurley – Committee Member (resigned 6 December 2022)
G McGuigan – Committee Member (resigned 1 April 2022)
SR R Curran – Committee Member (appointed 6 June 2023)
M McGlade – Committee member (resigned 1 April 2022)

In October 2018, the Charity Commission for Northern Ireland (CCNI) opened a statutory enquiry. CCNI's report on its statutory enquiry was expected to be issued in Q4, 2019, but remains outstanding.

STRUCTURE GOVERNANCE AND MANAGEMENT

Constitution and objects

Morning Star House is a not-for-profit hostel with charitable status that provides for and works with homeless men in Belfast. It is managed by the Management Committee in accordance with its constitution. The Hostel has as its objectives: to support the homeless through Provision of Temporary Accommodation, Assistance and Capacity Building towards the Betterment of the individual.

We are constantly working to improve our Governance and have strengthened our Management Committee with New members who have considerable experience in areas of Governance and the needs of homeless in Northern Ireland. This has been welcomed by both the CCNI and NIHE.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Recruiting and Appointing of New Management Committee Members

The constitution requires that the Committee has a minimum of 4 Management Committee members. New members must be approved by the Management Committee from time to time provided that the prescribed maximum 12 is not exceeded.

Decision-making

The responsibility for the management of the hostel is discharged, on behalf of the Morning Star Praesidium of the Legion of Mary by the Management Committee. A minimum of four members must be present for any decisions to be deemed valid. Members are responsible for the legal and financial- management of Morning Star House.

Relationship with other charity or organisation

The charity supports the ethos of the Legion of Mary. It aims to work in conjunction with partner charities, other homeless hostels and bodies offering all those in need the best support available. The charity also works in conjunction with Council for the Homeless, Tar Anal, Extern etc. The Charity has been working closely with the Charity Commission NI to improve governance and administration systems and to enhance the standing of the charity.

Statement of Risks

The Management Committee is committed to ongoing assessment of risks to the achievement of Morning Star House objectives while complying with any impacting regulation and legislation. It also considers external factors e.g., funding reductions while recognising these are outside its immediate control.

The new formalised, structure means of risk assessment and assurance was developed the previous year. The outworking's of this was captured in a risk register which also identifies mitigations. Main risks ongoing are:

- Loss of funding through non-compliance with conditions of funding and/or being considered incapable of handling public funds effectively
- Recruitment and turnover of staff

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Lack of capacity to engage

Staffing levels are still a concern and difficult to maintain desired levels due to absences and turnover. Steps were taken to address this and access to employee assistance telephone helpline and the use of Occupational Health Services have been running for over a year now.

OBJECTIVES AND ACTIVITIES

The principal activity of the charity is to carry on for the benefit of the community the provision of accommodation for men of 18 years and over who are homeless upon terms appropriate to their means. In particular, the Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that render them unable to secure other accommodation. The ethos of Legion of Mary, as encapsulated in the Constitution, is pivotal to that support service we provide.

History of the Hostel

The legion of Mary has provided temporary accommodation to homeless men since 1938 at the Morning Star Hostel 125 Divis Street Belfast. On 11 February 2002 a fire at the building led to the death of 2 of the hostel residents. The fire also rendered the hostel premises unusable. The Morning Star Hostel was without premises until 28 July 2004 when the current hostel opened.

The hostel is a refuge for homeless men, many of whom have a history of rough sleeping and alcohol or substance misuse and frequently present challenging behaviour. The premises can accommodate up to 39 guests in 24 bedrooms on the wet side, 7 bedrooms on the dry side, 4 self-contained apartments and 4 emergency beds. Other support and recreational facilities are available.

ACHIEVEMENTS AND PERFORMANCE

Explanation of the Main Objectives for the Year

The primary objective for the year was service provision and resettlement support to the homeless. This necessitates securing adequate and additional income to continue to provide a safe, secure, and compliant support service to our guests.

The hostel's range of services is extensive and includes signposting frontline outreach, hostel and supported temporary and longer-term accommodation, but also includes life-skills coaching, education, counselling, and training. We are ideally placed in the community to further develop these services for those in need.

Morning Star House acknowledges that its services should be directed towards assisting those homeless men, who are unlikely to be able to resolve their homelessness problem without intervention of skilled support staff. It aims to encourage and foster a spirit of self-help and self-reliance.

The Hostel still has several volunteers who give their time and effort to help out in the hostel, particularly in the evenings and the weekends. This was built back up after the pandemic caused the use of the volunteers to be suspended. All volunteers have been subject to Access NI checks.

Bed occupancy has been at capacity for most of the year.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal Policies to Achieve Objectives

Morning Star Management Committee still recognises that to achieve our objectives, we must work in partnership with a range of organisations and individuals and must develop innovative and effective policies and procedures to assist those who end up on the street and to prevent homelessness to those that are vulnerable to homelessness. Work continued this year on creating Policies and procedures and formalising these within the Morning Star Hostel. These are shared with staff once introduced and work is ongoing.

FINANCIAL REVIEW

Morning Star House receives funds from the Northern Ireland Housing Executive for support of its guests and for maintenance and support of the building. Funds also are received from a charge to guests and from Charitable donations from time to time.

Income received during the year from Supporting people, Housing benefit, charges, charitable Donations and investment income amounted to £848,390. Expenditure during the year was £691,811 resulting in a Net surplus of £156,579 in the year, reflecting net income in restricted funds of £135,428 and net income in unrestricted funds of £21,151.

GOING CONCERN

The Charity is dependent on funding from the NIHE which is also the primary source of client referrals. Without this funding the charity would not continue to function.

Thankfully the Trustees are in regular contact with the NIHE to ensure the organisation meets the funding conditions set by the NIHE and a good relationship has been established.

ISSUES THOROUGHOUT THE YEAR

- Manager left mid-January 2023
- Interim Manager appointed from 1st February until 10th April.
- New manager took up post 7th April 2023
- Chairman took ill at end of January 2023 and Interim Chairman appointed on month-to-month basis.
- An additional Senior Support working was introduced into Hostel to allow for a Senior to be available for each shift.

Meeting the Public Benefit Requirement

The principal activity of the charity is to carry on for the benefit of the community the provision of accommodation for men 18 years and over who are homeless upon terms appropriate to their needs. The Hostel shall provide accommodation for homeless men who suffer other disadvantages, inter alia, addiction to alcohol, drugs, gambling that renders them unable to secure other accommodation.

The problem with homelessness continues to grow along with it, there is growth in areas such as addiction and mental health difficulties. The provision of this service helps address this issue and benefits our guests and society as a whole.

The CCNI has issued comprehensive guidelines on Annual Reporting requirements and the Management Committee confirms that they are aware of these and have had due regard of the guidance in all our deliberations.

MORNING STAR HOUSE

MANAGEMENT COMMITTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of Management Committee responsibilities

The Management Committee are responsible for preparing the Management Committee Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Management Committee to prepare financial statements for each financial year. Under that law the management committee have prepared the financial statements in accordance with United Kingdom accounting standards, comprising FRS 102 "The Financial reporting standard applicable In the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Management Committee are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the statement of recommended practice: Accounting and Reporting Charities (2015)
- Make the judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that they will continue in business

The Management Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the Hostel 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 hostel and hence forth taking reasonable steps for the prevention and detections of fraud and other irregularities.

Disclosure of Information to Auditors

To the knowledge and belief of the Directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information and to establish that the company's auditors are aware of the information.

This report has been prepared in accordance with the Statement of Recommended Practice ('Accounting and Reporting Charities') and the special provisions applicable to companies subject to the small company's regime within Part 15 of the Companies Act 2006.

The Management Committee report was approved by the Board of the Management Committee.

R Culbert

.....
Rory Culbert (Chairperson)

Trustee

Dated: 30/01/24
.....

Morning Star House

Northern Ireland - Charity number 101035

Annual return

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Opinion

We have audited the financial statements of Morning Star House (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (NI) 2008.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Management Committee

As explained more fully in the statement of Management Committee responsibilities, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and/or senior management, and from our commercial knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

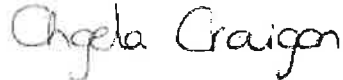
This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

MORNING STAR HOUSE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MORNING STAR HOUSE

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Angela Craigan (Senior Statutory Auditor)
for and on behalf of Harbinson Mulholland
Chartered Accountants
Statutory Auditor

30/01/2024
Centrepoint
24 Ormeau Avenue
Belfast
Co. Antrim
Northern Ireland
BT2 8HS

Harbinson Mulholland is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.