

# Harmoni 2019

Northern Ireland · Charity number 101731

## Details

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**Status** Received

**Registered** 2015-05-14

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

## Contact

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**Address** Harmoni 2019 T/A  
Harmoni  
39 Downshire Road  
Bangor  
County Down  
BT20 3rd  
BT20 3RD

**Phone** 02891465211

**Email** [info@harmoni.org.uk](mailto:info@harmoni.org.uk)

**Website** [www.harmoni.org.uk](http://www.harmoni.org.uk)

## Activities

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**Purposes:** 6. OBJECTS 6.1. The Objects of the Charity which are for the benefit of the public are: 6.1.1. to relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ("the beneficiaries"); 6.1.2. to advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society; 6.1.3. in the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries; 6.1.4. to advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities; 6.1.5. to relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care; 6.1.6. such other exclusively charitable purposes according to the law of Northern Ireland, for the beneficiaries as the Trustees may from time to time decide; Provided always that the Charity shall, without prejudice to those objects and having regard to its evangelical Christian history and inspiration, pay special regard to the following values: i) respecting the unique worth of every person ii) encouraging people to fulfil their potential. Nothing in the Articles shall authorise the application of the property of the Charity for purposes which are not charitable in accordance with s.2 of the Charities Act (Northern Ireland) 2008.

**What the charity does:** The prevention or relief of poverty, 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,Disability,Medical/health/sickness

**Who the charity helps:** Addictions (drug/solvent/alcohol abuse),Carers,Homelessness,Learning disabilities,Mental health,Physical disabilities,Sensory disabilities,Tenants

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,209,935	£3,630,123	£-755,636	87

## Trustees

Name	Role	Appointed
David Mcilhagger		
Dr Joanne Drew		
Elizabeth Kerr		
Mr Andrew Tough		
Mr Brian Lavery		
Mr Paul Archer		
Mr Paul Collins		
Mr Robert Lyle		
Mrs Hannah Irwin		
Peter Regan		

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Accounts

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**HARMONI 2019**

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**REGISTERED NUMBER: R0000316 (Northern Ireland)**

**CHARITY COMMISSION for NORTHERN IRELAND REGISTRATION NUMBER: 101731**

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**HARMONI 2019**

**COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024**

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**DIRECTORS:**

Mr Paul Archer (Appointed Chairman from 28<sup>th</sup> March 2023)  
Mr D McIlhagger BSc, FIAE (Deputy Chair)  
Mr Brian Lavery  
Mr P Regan  
Mr Paul Collins  
Mrs Hannah Irwin  
Dr Joanne Drew (appointed 12<sup>th</sup> February 2024)  
Mr Robert Lyle (appointed 12<sup>th</sup> February 2024)  
Mrs Elizabeth Mary Kerr (appointed 1<sup>st</sup> March 2024)

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**SECRETARY:**

Mr S A Humphries

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**REGISTERED OFFICE:**

39 Downshire Road  
Bangor  
Co Down  
BT20 3RD

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**REGISTRAR OF COMPANIES NUMBER:**

R0000316 (Northern Ireland)

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**CHARITY COMMISSION NORTHERN IRELAND NUMBER:**

101731

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**AUDITORS:**

Baker Tilly Mooney Moore  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

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**BANKERS:**

Northern Bank Limited  
t/a Danske Bank  
Donegall Sq West  
Belfast  
BT1 6JS

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**INVESTMENT ADVISORS:**

Evelyn Partners  
The Ewart  
3 Bedford St  
Belfast  
BT2 7EP

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**SOLICITORS:**

Cleaver Fulton & Rankin  
50 Bedford Street  
Belfast  
BT2 7FW

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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024  
FORWARD**

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I am pleased to present on behalf of the Trustees of HarmonI 2019 the annual report and accounts for the year 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024.

I once again would acknowledge my indebtedness to my colleagues on the Board for their interest and commitment to guide the work of HarmonI. 2024 was a reflection of the inherent complexities in a service such as ours and I am thankful to the CEO and the executive team for their dedication and comprehensive information sharing which informs the work of the board.

I would once again acknowledge and thank both the South Eastern Health and Social Care Trust (SEHSCT) and the Northern Ireland Housing Executive (NIHE) and we acknowledge their continuing engagement and contracting of services with us. I would also like to express our appreciation for the work of the DOH/HSCNI Strategic Planning and Performance Group (SPPG). Over these past number of years, we have noted a greater access to the strategic policy and performance group who are showing a very refreshing realism in the setting of key policies and strategies, especially as they reflect the increased costs on us as the independent charity sector in the delivery of services under contract to the DOH and Trusts.

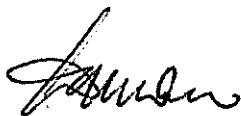
As with each passing year, our financial year commenced with limited understanding of any potential uplifts, but the now more recurrent process with the DOH/SPPG allowed us to be part of the discussion from early on. Particularly through the work of the Association for Real Change here in Northern Ireland who have fostered more and more opportunities for us as a small provider to be at the table when key discussions are working through. So, I would place on record our thanks to Leslie-Anne Newton for facilitating and encouraging that.

Our CEO stepped down from the board of Homeless Connect in 2024 after 3 years of service on that board in order to focus on our development planning here at HarmonI. We acknowledge the excellent work Homeless Connect do as they seek to represent the providers of Homeless services as a membership organisation.

The development discussion culminated in a significant strategy paper for the board to reflect upon which was delivered in November 2024. That set the scene for a strategy day being convened in 2025 at the end of January. It is safe to say that I and the board are excited at the prospects before us and most significantly the opportunity to do more for more. I am especially delighted that our development strategy has two major opportunities for us to pursue both for the Stricklands Care Village and our Homelessness intervention work in Belfast. It has been many years since we have been in such a strong position to consider both service elements at the same time. 2025 will be a pivotal year in the future strategy decision-making processes.

Finally, as the only reason we exist is because we have people who need our services, I would again place on record our appreciation to the clients who have trusted us to provide care and support to them. That work is only possible because of a dedicated team of individuals who operate on the front lines daily. To our colleagues in the front lines of management, supervision and service delivery we say thank you for your service.

I look forward to 2025 when our current strategic plan comes to an end and our new plan is developed. I have little doubt it will stretch us financially, operationally and strategically, but stretch us it must as we aspire to do more for more!



*Paul Archer - Chairman*

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024  
STRUCTURE, GOVERNANCE AND MANAGEMENT**

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**Governing Document**

The legal entity name was changed on 8<sup>th</sup> January 2019 from NIID to HARMONI 2019 Trading as HarmonI.

HARMONI 2019 has its origins in late 19<sup>th</sup> century Belfast. It was incorporated on 19<sup>th</sup> July 1906 as a charitable Company limited by guarantee and not having share capital. The objects and powers of HARMONI 2019 are set out in the Memorandum of Association, and the Company is governed under its Articles of Association, as updated in 2014 and registered on 28<sup>th</sup> March 2014. In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.00.

HARMONI 2019 is on the Northern Ireland Charity Register, registration number 101731. Since registration, the Director Trustees have embarked and maintained periodic specific training along with the Management team to understand fully the implications, responsibilities and expectations of HARMONI 2019, the Trustees and the Management who operate under delegated authority.

As identified in the 2023 report we concluded the review and update of our articles of association. None of the changes were regulated alterations.

**Directors:**

**Recruitment and appointment of directors**

Under the requirements of the Articles of Association as revised in March 2014, the directors are trustees of the charity and are known as Members of Council. From that revision date, Director Trustees serve for 4 years dated from the first AGM at which they are voted in, they are eligible to serve up to three terms of four years at which point they must retire. The date cycle is from their first AGM to their fourth AGM.

<b>Name of Director Trustee</b>	<b>Appointment Date</b>	<b>Expected term end AGM date</b>
Archer, Paul (Chair)	28 <sup>th</sup> March 2023	1 <sup>st</sup> term chair June 2026
McIlhagger, David (Deputy Chair)	30 <sup>th</sup> June 2010 (NED) Chair May 2014 – Dec 2020	Appointed Deputy Chair 1 <sup>st</sup> Jan 2020 June 2026
Reagan, Peter	29 <sup>th</sup> October 2014	June 2027
Lavery, Brian	18 <sup>th</sup> May 2020	June 2028
Irwin, Hannah	15 <sup>th</sup> June 2020	June 2028
Collins, Paul	15 <sup>th</sup> June 2020	June 2028
Drew, Joanne	12 <sup>th</sup> February 2024	June 2028
Lyle, Robert	12 <sup>th</sup> February 2024	June 2028
Kerr, Elizabeth Mary	1 <sup>st</sup> March 2024	June 2028

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024  
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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***Director Trustees during reporting period***

No Member of the Board of Director Trustees had a beneficial interest in any contract with HARMONI 2019 during the year.

**Succession Planning:**

Harmoni continues to manage the need for succession in the following manner:

- 1: Trustee appointments are phased in so far as possible so as not to risk a significant number of multiple Trustees ending their tenure simultaneously.
- 2: From 1<sup>st</sup> January 2020 the board of trustees have created a deputy chair role to ensure that in the event of the chair being unavailable there remains a line of consistency in the charity governance.
- 3: The Chair of the Finance and General Purposes Committee is generally not the chair of the full board to ensure a degree of separation and independence.

***Trustee induction and training***

Trustees are aware of the practical work of HARMONI 2019 at the hostel in Belfast and Strickland's Care Village in Bangor. New trustees are expected to attend an information session to familiarise themselves with how HARMONI 2019 operates. These are jointly led by the Chair of the Board and the Chief Executive of HARMONI 2019 and cover the following:

- The obligations of the Trustee Directors
- The Articles of Association
- The financial position as set out in the latest published accounts
- Future plans and objectives

New trustees receive copies of the Articles of Association, the latest financial statements, the current strategic plan and a copy of the Code of Good Governance produced by NICVA. They then meet the CEO and undertake a half-day induction process to provide information on the charity function.

To ensure that trustees have up to date knowledge regarding charity management issues and the impact of changes in the public sector it is expected that trustees will have the opportunity to attend suitable training and information events. The CEO will disseminate details of any such events as they become available. The CEO also disseminates all regulatory guidance to trustees as it is received by the charity.

**Risk management**

The Board of Director Trustees continues to review the major risks to which HARMONI 2019 is exposed. The risk management strategy for HARMONI 2019 is one which seeks to identify risks and mitigate or manage those risks. It is not designed to remove all risk as to do so is in itself a risk which could render the organisation impotent. The risk framework seeks to firstly identify the organisational risk appetite, over a range from low, medium or high appetite.

The Board of Trustees receive regular updates to the risk register. This process allows the board to see pertinent corporate risks, these risks are categorised with probability and impact scores as High, Medium or Low risk. This measurement is designed to identify risks that require immediate attention and mitigation, and those that need attention, but are less immediate.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024  
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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Each risk is then identified with a risk owner and a mitigation plan narrative provided. Each update of the register identifies new risks and changes in the previous risks due to the effects of the planned mitigation or other external circumstances.

The core risks for 2024 were identified as:

**Budget Delivery:** At the outset of the year armed with limited knowledge on any possible uplift potential from our core statutory partners for the services delivered, the budget presented as a worst-case scenario was a deficit. As ever the CEO and executive team produced a mitigation plan to identify key activity and tasks to minimise this risk. We are glad to report that due to an improvement in employed staff resources compared to the agency potential budgeted coupled with significantly better than expected uplifts from The Trust and NIHE we returned a positive surplus result for the underlying business of the charity.

**Funding Compression:** We are pleased to report that due to the realism at work through the SPPG over the last number of years we have noted an improvement in the uplift percentages as it is recognised that the true full recovery costs of care delivery which has been outsourced by trusts to charitable entities such as Harmoni needs addressing. In 2024 the NIHE also made an improved contribution, one which was very welcome but regrettably not one which has as yet received the same recurrent realism. To that end our risk profile for funding compression was for the first time in a number of years improved significantly.

**Staff resources:** We like all providers in the sector need to be exceptionally agile and imaginative in the recruitment of suitable staff to provide front-line care and support. This has been the situation for many years and while there is talk at Stormont of making Health and Social care and real living wage employment option with recurrent funding from the DOH/ SPPG/ Trusts that aspiration has yet to be realised. Notwithstanding the aforementioned we at Harmoni have been able to maintain our recruitment at levels significantly better than some of our peer organisations. For Stricklands Care village our percentage staff vacancy rate averaged 9.9% (22% in the wider sector) while for Utility Street it remained stubbornly high at 26.5%. Early indications for 2025 show the rate in Utility Street improving to 13.6% while Stricklands Care village is showing signs of a slight improvement to 9.3%.

**Cyber Risk:** We were encouraged by our insurance partners to add cyber risk as a key risk item. This had led us to reevaluate our internal network architecture, our use of cloud based storage and software and the provision of our Firewall and protective technologies. This led us in 2024 to appoint a new provider following a select list EOI exercise, who has updated all our aging internal and external-facing equipment and protocols.

The risk registered is augmented at each board meeting with a full CEO report showing key Strategic, Director and Operational detail alongside a stand-alone report on Health and Safety and any anonymised Safeguarding issues or Deprivation of Liberty issues which would be pertinent for the Trustees to be aware of.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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***Organisational structure***

The Board schedules four meetings a year and is responsible for the strategic direction and policy of HARMONI 2019. The Trustees come from a variety of professional backgrounds relevant to the work of HARMONI 2019.

The Finance and General Purposes Committee meets a week prior to the Board and recorded four meetings in 2023. This continues to include the Annual Report and Accounts presentation to the committee by the Auditors.

The development committee, which is a project-based committee, reconvened three times in 2024 as discussions in respect to the future development opportunities were restarted in earnest.

Responsibility for operations management is delegated to the Chief Executive.

**Governance:**

The Board will formally meet a minimum of 3 times in the year to take care of the ordinary business of the charity and its governance requirements. The board also receives a detailed sub report on Health and Safety, Safeguarding and Deprivation of Liberty issues if any have arisen.

They will meet at other times for special topics meetings as and when required. The Sub Committee of the Finance and General Purposes Committee will normally meet one week in advance of each formal board. The Development Committee will meet as required to meet the needs of the project timeline.

**Corporate Oversight:**

The Senior Management Team meets regularly to ensure the management of the main corporate needs are being met. A key element of this discussion will be the budgets, actuals, and variances we are experiencing and what controls or changes we need to effect in order to keep the organisation on track. We will also review progress in respect to recruitment and retention for our services.

**Corporate Management:**

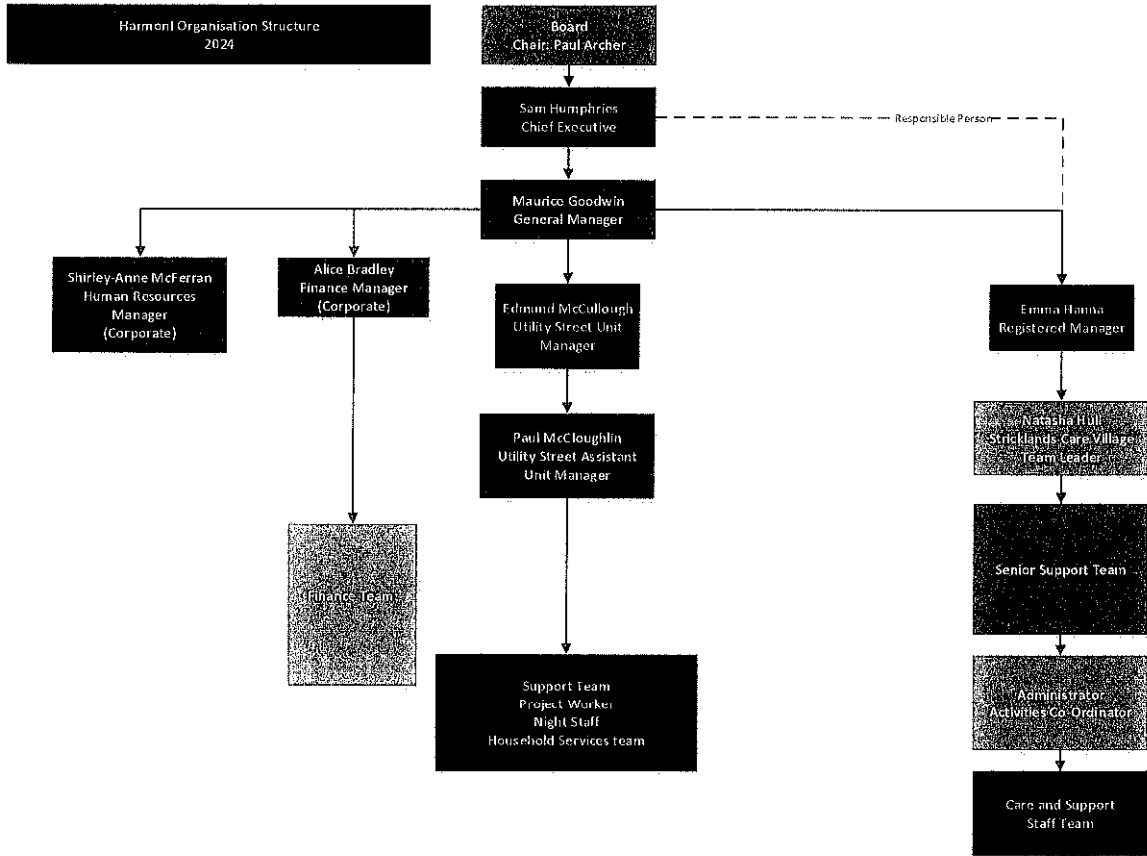
The Unit Managers will meet with members of the Senior Team as required to review the performance of the overall business with specific input from the unit heads. These discussions include the regulatory and compliance elements from the funders and commissioners of the services and also key safeguarding issues.

**Operations Management:**

A member of the Senior Team meets their direct line management team as needed to review and discuss operational issues and take any operational decisions arising.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

The operational organisation structure:



**Related parties**

HARMONI 2019 did not have any dealings during 2024 with any companies or other organisations in which any of the directors have an interest.

**OBJECTIVES AND ACTIVITIES**

The principal objects, as updated, of HARMONI 2019 are to: -

- To relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ('the beneficiaries).
- To advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society.
- In the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries.
- To advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities.
- To relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care.
- Such other exclusively charitable purposes according to the law of Northern Ireland for the beneficiaries as the Trustees may from time to time decide.

Strickland's Care Village located in Bangor provides accommodation in thirty-three separate units for those individuals living with a disability and needing support and care at various levels depending on assessed need.

The Belfast hostel provides emergency accommodation for fifty-nine men experiencing homelessness with one room specifically renovated for men with disabilities. The men are supported and encouraged to improve their situation by taking the necessary steps to move on to training opportunities and employment, and to permanent accommodation. There is close cooperation with the statutory authorities and the Northern Ireland Housing Executive.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE**

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**STRATEGIC REPORT**

**Achievements and Performance**

*• Organisational:*

A significant achievement organisationally for 2024 was the ability to reverse the potential deficit to a surplus. This was derived from a series of mitigation actions by the Executive coupled with better-than-expected increases from the Trust and NIHE.

Over the past 2 years we have received two very generous bequests, one from a previous tenant and one individual whose historical connection to the charity is unclear. Their generosity as a reflection of the good standing which the charity has held for them has enabled us to utilise some of the financial gift to carry out some much-needed improvements for the clients facilities in Bangor and Belfast.

*• Stricklands Care Village:*

2024 was a key challenge for the care village management as our Registered manager, Amanda Barr had decided to pursue other career options for the future. We express our gratitude to her for the work she did in the care village. The process of replacing Amanda was challenging with numerous false starts but mercifully we were able to recruit a new Registered Manager, Emma Hanna joined in in July 2024 and comes with a wealth of experience in our sector. It would also be remiss if we did not reflect our appreciation to the Team Leader Natasha Hull who alongside the CEO, HR Manager and Senior Support staff managed the service to an excellent standard in the vacancy. Something that was reflected in the RQIA unannounced inspection where no improvements were required.

The client losses in late 2023 remained unfilled during the most of 2024. Work is ongoing and we are expected to return to full occupancy levels by Q3 2025.

Our maintenance programme continues to ensure the clients homes are maintained to the high standards we aspire to for them. As mentioned above the bequests allowed us to carry out some key maintenance upgrades to clients properties to ensure their safe living standards remained as high as possible.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE (continued)**

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• ***Utility Street Hostel:***

With the ending of our Keys to Life programme in late 2023 we have been working across 2024 to identify a suitable engagement piece to meet the needs of our clients in the Hostel.

In 2024 we received 328 referrals, due to the silting of the system and fewer options for move on we were only able to take 81 of those referrals, so in total 132 men utilised the service. Times have changed and we have noted a significant slowdown in turnover where the number of clients with a successful outcome of move on into a tenancy has halved, in 2024 we recorded 46 successful outcomes.

This is largely due to the grinding to a halt of new affordable and suitable accommodation availability in the NI marketplace. Private tenancies have reduced as landlords pursue more financially beneficial tenancies not linked to housing benefit. Public housing through Housing Associations has reduced significantly from the expected 3000+ units in 2024 to 450. This is linked to a range of issues from service utilities being over capacity in some areas stalling new builds, to grants from NIHE for new Social Housing builds being limited due to overall budget constraints.

The silver lining to this scenario however has been a new drive by the Harmoni executive to become part of the solution to the housing need. We are therefore working up into 2025 a new approach which we hope will see Harmoni become a landlord in the future and provide housing directly to our clients who are ready to leave Utility Street. This audacious goal will be a multi-year project, but we are determined to assist our clients move on.

**Public Benefit**

The directors confirm that they have had due regard for the guidance produced on Public Benefit by the Charity Commission for Northern Ireland, and are pleased to report that during 2023 they have continued to meet the Public Benefit requirement as follows:

The core activity for HARMONI 2019 is the relief of poverty, illness, sickness and suffering to those living with sickness, disability, poverty or social circumstances. All our engagement activities have been with individuals from one or a range of these groups. The organisation has sought to revive these impacts firstly by providing suitable and appropriate accommodation, be that in Supported Independent living or Hostel provision. The organisation sees that provision as the start of our service intervention.

From that point forward, we seek to create a person-centred provision that is cognisant of the individual's need. Many of our residents and service users have those needs identified through professional assessment, either from the health care trusts or other social services. For others it is the skill and experience of the support staff which assists the individual to articulate those needs.

## **HARMONI 2019**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 STRATEGIC REPORT : ACHIEVEMENT & PERFORMANCE (continued)**

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Our core model remains accommodation-based care and support, subject to service engagement. We continue to believe that the most important element for all our clients remains ensuring a safe and secure place to live. This delivers consistency in what has for some of our clients been a chaotic life to date.

Those for whom the need is centred on personal care are provided with a bespoke care and support daily living plan which centres around their personal needs. This is achieved in conjunction with the South East Health Trust care management teams to ensure the assessed needs are met. Next of kin and family provide valuable input to those requirements in the care plan development stage. Further support is designed to enable the client to live as independently as they wish or are capable of. All these plans are subject to regular review and updating as circumstances change.

Those for whom support is the core focus of our engagement will receive a personal support plan which aims to assist them in achieving their short-term goals which are aimed at delivering a longer term goal, in the case of our clients in Utility Street this is independent living in a place of their choosing.

For many of our service users the reality is that their experience with HARMONI 2019 is about small steps and personal capacity / capability building. Many of our residents and families have seen a marked improvement in the individuals' engagement and socialisation skills and their ability to communicate their wants and needs personally.

HARMONI 2019 works closely with multiple statutory bodies to ensure we plan for and deliver suitable and successful outcomes for each and every one of our service users. This joined up approach ensures that the overall public benefit is delivered where service users have longevity and consistency and therefore tend not to move between other agencies or service provisions.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 FINANCIAL REVIEW

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HARMONI 2019 is a unique organisation, not least because of the diverse nature of the service users but also because of the blended funding sources for our service delivery. Harmoni is very grateful to the Northern Ireland Housing Executive and the South-Eastern Health and Social Care Trust, being the principal funders of these activities.

The directors note that there is a total Net Income for 2024 of £762,630, compared to Net Income of £199,159 in 2023.

The directors also note that the charity remains in positive position in terms of generation of a surplus from operating activities. 2024 saw Net Income from Operational Activities of £579,812, with a figure of £77,357 reflected in 2023.

The main points of note are –

- Incoming Resources have increased by £496,557 (13.4%)
  - Increase in legacies and donations income of £456,908 (No legacies received in 2023; two different legacies received in 2024).
  - Increase in investment income of £4,842 (Increase of 3.3 %).
  - Increase in income from charitable activities of £34,807 (Increase of 0.98%). Much of this increase relates to inflationary uplifts Harmoni received in respect of some funding streams.
- Expenditure has decreased by £5,898 (0.16%)
  - Increase in investment management costs of £17,759 (34%) in respect of refurbishment costs of one of the apartments in the investment property held at Derryvolgie Mews.
  - Decrease in expenditure on charitable activities of £23,657 (0.66%). Costs continued to increase across all departments and expense types, with significant increases in wages and salaries (NLW increase of 9.7%) and repairs. But also, in the year there was a significant reduction in agency costs as the overall support/care requirement reduced to the number of voids on site. In addition, 2024 had no costs related to the Keys to Life programme at Utility St Hostel.

In 2024 the organisation saw a gain on the revaluation of investment assets of £182,818. This relates to the value of current asset investments (gain on revaluation of £82,818) and the revaluation on fixed asset investments meant an uplift in the value of the properties held of £100,000.

The net effect of these movements is that the charity returned a Net Income figure of £762,630 in 2024.

This gives reserves carried forward on the balance sheet at the end of the year comprising Restricted Funds carried forward of £59,752 (2023: £65,414) and Unrestricted Funds of £7,638,917 (2023: £6,870,625). The Unrestricted funds carried forward comprise Investment Revaluation Reserves of £2,075,857 and General Funds of £5,563,060.

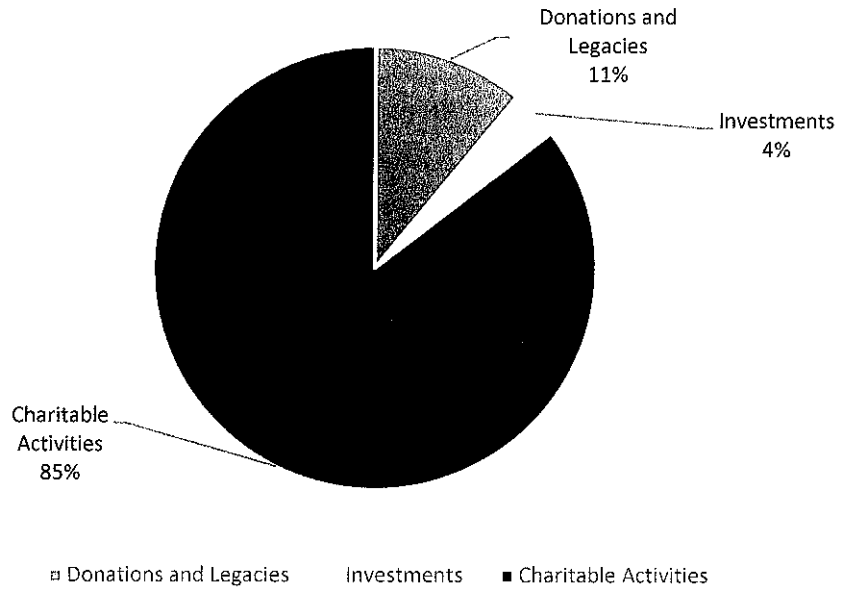
The balance sheet of the charity remains strong, with current assets, including current asset investments, comfortably exceeding current liabilities by £3,766,921.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024**  
**FINANCIAL REVIEW (continued)**

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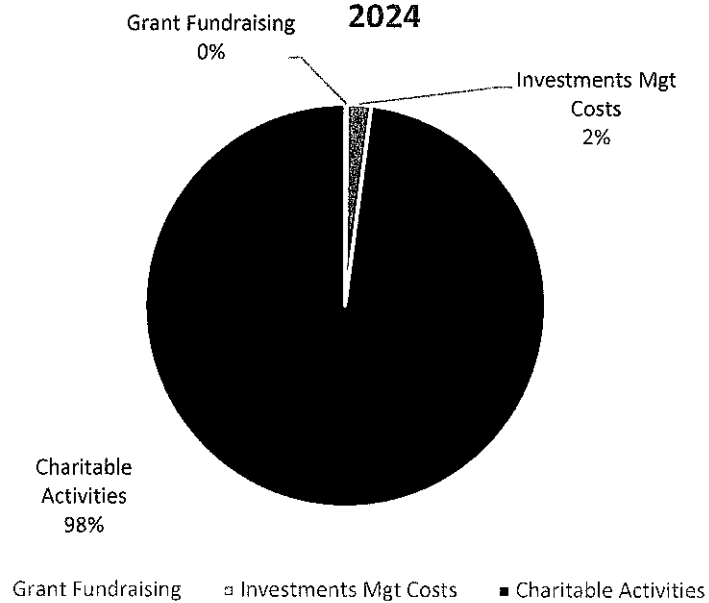
During the year, our income came from the following sources:

**Income for the year ended 31 December 2024**



This income then allowed us to achieve our aims and objectives for the organisation through making the following expenditure :

**Expenditure for the year ended 31 December 2024**



## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

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### Reserves Policy

HARMONI 2019 aims to maintain a level of resources that match the needs of the organisation, both now, and in the foreseeable future.

The two main objectives are that –

- a. the available reserves ensure that the activities of the organisation could continue in the face of any unexpected reduction in, or loss of, a particular income stream, while allowing the organisation time to seek alternative funds or restructure/cut costs.
- b. the available reserves allow the organisation to progress with the service development plan laid out in the strategic plan 2022-2025.

The Directors assess the risks that HARMONI 2019 could be exposed to, and the appropriate level of reserves that should be maintained.

The current assessment of the target range of free reserves – funds that are freely available to be used for general charitable purposes – held by the company should be 6 months of expenditure, with an additional amount to allow the Board the potential to carry out operations in line with the strategic plan.

In carrying out their assessment of reserves the Directors exclude the fixed asset fund of £2.4m because this represents functional, operational assets within the organisation that could not be realised quickly, restricted reserves of £0.059m which have restrictions placed over the use of funds by the individual funders, and the investment property value of £1.635m which is used as mortgage security for the original long-term loan. After excluding the fixed asset fund this leaves free reserves of £3.58m.

In the strategic plan 2022-2025 the Directors have identified several key projects to investigate. They have also identified the need to build and maintain appropriate reserves to carry out these plans.

This is to ensure that the organisation can grow and develop while maintaining the range of services/activities, and in time the reserves should return to a level equivalent to the equivalent of 6 months running costs.

### Investment Policy

The Directors have agreed an investment policy within the powers provided to them under the Articles of Association of the organisation. The organisation has a long-established balanced approach towards investment risk, with the need to both protect and grow the charities assets for all service users. Therefore, the Directors define the organisation's expected investment profile to be balanced, with a desire to grow, but also protect the capital invested, whilst providing a useful source of income from dividends.

The Directors wish the portfolio to represent a balanced spread of investments in equities and fixed interest securities and bonds.

The investment portfolio was managed during the year under review by Evelyn and Partners alongside Abrdn (formerly Aberdeen Standard Capital) (on behalf of the Northern Ireland Central Investment Fund for Charities). All are professional investment management companies in good standing and regulated by the Financial Conduct Authority.

As a charity with a strong Evangelical Christian heritage, the ethos of which casts a guiding shadow across the organisation's moral position, the Directors have advised the investment managers that the organisation do not wish to invest in the following:

- Alcohol or tobacco trades
- Arms and munitions trades

The performance of the investment portfolio is monitored regularly by the Directors. In the year under review the investments continued to perform well and in line with objectives, providing a good level of dividend income.

**PLANS FOR FUTURE DEVELOPMENT**

Throughout 2024 we prepared a study on potential diversification on the Bangor site. This diversification was to determine if it would be feasible for HarmonI to build and operate a day service for clients both on site and those who are housed externally to HarmonI.

We carried out background research into the requirements and the needs. Armed with a belief in the data that a real need existed in our locale, we engaged our architect to produce a scheme and a costing. We then reviewed that scheme using a simple gearing concept to determine the minimum and maximum build cost parameters we would use for our business case modelling. Regrettably when we reviewed a business case on the data it was clear that such a service while desirable would not be financially viable. In reality the costs to build the property could not be met from within the financial delivery model making the risk too high for the charity. Further the local trust were not of the belief that their funding parameters would expand to provide the per person funding required for clients with disabilities.

As a result, and in the absence of any major funding streams for capital build, the Trustees regrettably shelved the idea.

In Nov 2024 the CEO produced an options review paper which the board met to carry out a deep dive into in January 2025. As a result, the Trustees have agreed to take the first tentative steps towards the development of the 12 apartments from the original Care village scheme and secure planning permission for those.

**THANKS AND APPRECIATION**

HARMONI 2019 would like to place on record their thanks and appreciation for:

The continued funding provided by the Health Trusts and the Northern Ireland Housing Executive towards the cost of providing vital services in Strickland's Care Village and the Men's Hostel.

The Dormant Accounts Fund NI for the funding to facilitate the research project.

Those many organisations and individuals who made donations of money, goods and time to the clients at the Hostel.

The legacy provided by our two bequests received in 2024, it is now and always has been our desire to honour the generosity of individuals who have been touched by the work of the charity in the past, by ensuring that those legacies are used to maximise the services to the clients we serve.

**FIXED ASSETS**

Details of fixed asset movement in the year are given in note 7 to the financial statements.

Although the market value of the operational property is comfortably in excess of its amortised historic cost, the difference is not felt to be of significance to members.

**FAIR EMPLOYMENT**

The charity is committed to a policy of equal opportunities for all current and future employees. This policy also includes compliance with the Sex Discrimination (NI) Orders 1976 and 1988 and the Disability Discrimination Act 1995. These policies are incorporated into the Equal Opportunity of Employment Guidelines that are adhered to by the charity.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT AND FINANCIAL STATEMENTS**

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Companies Act 2006.

**AUDIT**

The directors have sought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. Insofar as the board is aware there is no relevant audit information of which the company's auditors are unaware.

**AUDITOR**

The external audit assignment for 2022 and the subsequent 5 years has been awarded to Baker Tilley Mooney Moore after an open competitive bid process.

**ON BEHALF OF THE BOARD:**

SA Humphries - Secretary

Date: 

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019**

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**Opinion**

We have audited the financial statements of HARMONI 2019 (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company 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 trustees' 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 charitable company'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 trustees 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 

**Responsibilities of trustees**

As explained more fully in the Directors' responsibilities statement set out on page 17, the Directors (who are also the Trustees of the charitable company for the purposes of company law) 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 trustees 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 Directors are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and The Charities Act (Northern Ireland) 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and compliance with local legislation for the overseas operating segments.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

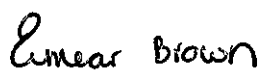
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Eimear Brown (Senior Statutory Auditor)  
For and on behalf of Baker Tilly Mooney Moore  
Registered Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

Date: 29 July 2025

Baker Tilly Mooney Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**HARMONI 2019****(REGISTERED COMPANY NUMBER: R000316)****(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)****STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating the Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Restricted Funds	Unrestricted Funds £	31.12.2024 Total £	31.12.2023 Total £
<b>INCOME &amp; ENDOWMENTS FROM:</b>					
Donations & Legacies		-	460,999	460,999	4,091
Investments		-	152,153	152,153	147,311
Charitable Activities		868,898	2,727,885	3,596,783	3,561,976
<b>Total Income</b>	<b>2</b>	<u>868,898</u>	<u>3,341,037</u>	<u>4,209,935</u>	<u>3,713,378</u>
<b>EXPENDITURE ON:</b>					
Raising Funds – Investment Management Costs		-	69,988	69,988	52,229
Raising Funds – Grant Fundraising		-	4,320	4,320	4,320
Charitable Activities		1,035,976	2,519,839	3,555,815	3,579,472
<b>Total expenditure</b>	<b>3</b>	<u>1,035,976</u>	<u>2,594,147</u>	<u>3,630,123</u>	<u>3,636,021</u>
<b>Net (Expenditure)/Income from operational activities</b>		(167,078)	746,890	579,812	77,357
Gain/(Loss) on revaluation of investment assets	<b>23</b>	-	182,818	182,818	121,802
<b>Net (Expenditure)/Income</b>		<u>(167,078)</u>	<u>929,708</u>	<u>762,630</u>	<u>199,159</u>
<b>Transfer between funds</b>	<b>21 &amp; 22</b>	161,416	(161,416)	-	-
<b>Net movement in Funds</b>		<u>(5,662)</u>	<u>768,292</u>	<u>762,630</u>	<u>199,159</u>
<b>Reconciliation of Funds:</b>					
<b>Total Funds Brought Forward</b>	<b>21 &amp; 22</b>	65,414	6,870,625	6,936,039	6,736,880
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>21 &amp; 22</b>	<u>59,752</u>	<u>7,638,917</u>	<u>7,698,669</u>	<u>6,936,039</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources expended derive from continuing activities.

The notes form part of these financial statements.

**HARMONI 2019**

**(REGISTERED COMPANY NUMBER: R000316)**

**(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)**

**BALANCE SHEET**

**31 DECEMBER 2024**

	Notes	31.12.2024		31.12.2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		2,420,674		2,484,991
Investments	8		1,854,504		1,754,504
			<u>4,275,178</u>		<u>4,239,495</u>
<b>CURRENT ASSETS</b>					
Stock	10	2,195		1,583	
Debtors	11	282,570		323,655	
Investments	12	2,903,343		2,574,446	
Cash at bank and in hand		991,019		658,984	
			<u>4,179,127</u>		<u>3,558,668</u>
<b>CREDITORS</b>					
Amounts falling due within one year	13		<u>412,206</u>		<u>408,982</u>
<b>NET CURRENT ASSETS</b>			<u>3,766,921</u>		<u>3,149,686</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,042,099		7,389,181
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<u>(343,430)</u>		<u>(453,142)</u>
<b>NET ASSETS</b>			<u>7,698,669</u>		<u>6,936,039</u>
<b>THE FUNDS OF THE CHARITY:</b>					
<b>Restricted Funds</b>			<u>59,752</u>		<u>65,414</u>
<b>Unrestricted Funds</b>					
Revaluation Reserve			2,075,857		1,893,039
General Fund			5,563,060		4,977,586
	22		<u>7,638,917</u>		<u>6,870,625</u>
			<u>7,698,669</u>		<u>6,936,039</u>

The financial statements were authorised for issue by the Board of Directors on 23/6/25 and were signed on its behalf by:

D. McIlhagger  
Director – D McIlhagger

The notes form part of these financial statements.

HARMONI 2019

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>£</b>	<b>£</b>
<b>Cash generated/ (used) in operating activities</b> – see Note 25	<b>134,081</b>	<b>8,979</b>
<b>Cashflows from investing activities</b>		
Purchase of tangible fixed assets	(44,435)	(4,318)
Purchase of current asset investments	(1,545,332)	(546,838)
Proceeds from sale of current asset investments	1,299,253	274,162
Investment income	72,784	72,151
Bank deposit interest	2,799	101
Proceeds from disposal of tangible fixed assets	500	-
Cash receipts from rentals of investment properties	76,570	75,060
<b>Cash (used)/provided by investing activities</b>	<b>(137,861)</b>	<b>(129,682)</b>
<b>Cashflows from financing activities</b>		
Repayment of bank loan	(106,715)	(103,917)
Bank property finance loan interest	(14,852)	(17,629)
Legacies and Subscriptions	457,382	1,856
<b>Net cash generated/(used) in financing activities</b>	<b>335,815</b>	<b>(119,690)</b>
<b>Increase in cash &amp; cash equivalents in the year</b>	<b>332,035</b>	<b>(240,393)</b>
Cash & cash equivalents at the beginning of the year	<b>658,984</b>	<b>899,377</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>991,019</b>	<b>658,984</b>
<b>Analysis of cash &amp; cash equivalents</b>		
Cash at bank and in hand	991,019	658,984
<b>Total cash &amp; cash equivalents</b>	<b>991,019</b>	<b>658,984</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of this public benefit entity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

**Fund Accounting**

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds include revaluation reserves representing the restatement of investment assets (both fixed and current) at market values.
- Whilst there are none to date, Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds receivable from the Northern Ireland Housing Executive for their Supporting People Programme operating in both Stricklands Bay and the Men's Hostel are subject to restrictions on their expenditure, imposed by the donor.

**Income**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Legacies are accounted for following entitlement. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance – split between Restricted and Unrestricted funds.

**Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Raising funds costs comprise the costs associated with the charity's investment property, current asset investments and the cost of grant applications.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them – split between Restricted and Unrestricted funds.
- Governance costs include those associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 3.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**1. ACCOUNTING POLICIES (continued)**

**Tangible fixed assets (excluding investment property)**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2% on cost
Improvements to property	- 15% on cost
Short leasehold	- 10% on cost
Long leasehold	- 2% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% on cost

The cost of assets comprises purchase price and any installation charges.

**Pensions**

Retirement benefits to certain current employees are provided by a defined contribution pension scheme, under “Auto-Enrolment”, whereby the assets are held separately from those of the charity in independently administered funds. The charity contributions are accounted for by charging costs against surpluses as payments accrue.

In addition, unfunded payments are made to certain former employees who were members of the old defined benefit scheme, which is now closed. These are charged as payments are made. The capital cost of continuing these payments, which has not been computed, is not reflected as a liability in the accounts.

The accounting for unfunded pension payments is considered to be an immaterial departure from Financial Reporting Standard 102.

**Operating Leases**

Harmoni classifies the lease of office equipment as operating leases. The title to the equipment remains with the lessor and the equipment is replaced periodically. Rental charges are charged to the SoFA on a straight-line basis over the term of the lease.

**Investment Properties**

Investment properties are initially measured at cost, including transaction costs. Subsequently those investment properties whose fair value can be measured reliably are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities.

**Stock**

Stock held relates to food stock held for the kitchen in Men’s Hostel. Stock is valued at the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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**1. ACCOUNTING POLICIES (continued)**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial Instruments**

Harmoni only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Current asset investments**

Current asset investments are recognised initially at fair value, which is normally the transaction price. Subsequently they are measured at fair value, with changes recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at fair value at the date of acquisition less impairment.

**Judgements and key sources of estimation uncertainty**

The following judgments including those involving estimates have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- (i) Depreciation method and asset useful lives
- (ii) Valuation of properties
- (iii) Impairment of assets

The estimates and assumptions are reviewed on an ongoing basis considering the current and future market conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2024

## 2. INCOME

	31.12.2024	31.12.2023
	£	£
<b>Unrestricted Funds:</b>		
<b>Donations and Legacies</b>		
Legacies and donations	460,199	3,891
Subscriptions – Boys Brigade	800	200
Gift Aid	-	-
Total voluntary income	<u>460,999</u>	<u>4,091</u>
<b>Investment Income</b>		
Investment property rents receivable	76,570	75,059
Bank deposit interest receivable	2,799	101
Current asset investment income	72,784	72,151
Total Investment Income	<u>152,153</u>	<u>147,311</u>

**Income from Activities to further the Charity's objectives:**

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.24	Total 31.12.23
	£	£	£	£	£
<b>Unrestricted Funds</b>					
Residential receipts	129,309	56,579	-	185,888	175,724
Payments from Health Trusts	-	1,612,218	-	1,612,218	1,532,686
Payments from NIHE re housing	670,255	246,094	-	916,349	886,342
Private Support Income	-	-	-	-	-
SP Covid-19 Funding	-	-	-	-	-
Other	-	11,731	1,699	13,430	18,612
	<u>799,564</u>	<u>1,926,622</u>	<u>1,699</u>	<u>2,727,885</u>	<u>2,613,364</u>
<b>Restricted Funds</b>					
Payments from NIHE re Supporting People	474,054	322,116	-	796,170	860,209
Private Support Income	-	55,912	-	55,912	46,268
Ulster Garden Villages Grant	-	-	-	-	-
Dormant Accounts NI Fund	-	-	16,276	16,276	32,551
National Lottery – Covid-19	-	-	-	-	-
SP Covid-19 Funding	-	-	-	-	-
National Lottery Community Fund	540	-	-	540	3,768
Other Restricted Grants	-	-	-	-	5,816
	<u>474,594</u>	<u>378,028</u>	<u>16,276</u>	<u>868,898</u>	<u>948,612</u>
<b>TOTAL INCOME</b>				<u>4,209,935</u>	<u>3,713,378</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2024

## 3. EXPENDITURE (incl. VAT where relevant)

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.24	Total 31.12.23
<u>Unrestricted Funds</u>	£	£	£	£	£
<b>Costs directly allocated to activities:</b>					
Staff costs	324,828	1,134,225	-	1,459,053	1,477,270
Depreciation	2,346	95,607	692	98,645	99,556
Other	369,858	221,748	7,546	599,152	514,946
Loan interest	-	13,367	-	13,367	15,866
<b>Support Costs allocated by time to activities:</b>					
Administration ( <i>incl. staff costs</i> )	74,028	258,511	-	332,539	323,614
	<u>771,060</u>	<u>1,723,458</u>	<u>8,238</u>	<u>2,502,756</u>	<u>2,431,252</u>
External audit and accountancy – current year				6,600	6,000
External audit and accountancy – prior year				-	600
Internal audit				3,240	3,000
Legal and professional				7,243	31,717
				<u>17,083</u>	<u>41,917</u>
<b>Total Unrestricted Expenditure on charitable activities</b>				<u>2,519,839</u>	<u>2,473,169</u>
<b>Investment Management Costs:</b>					
Re investment property				59,634	38,590
Re current asset investments				10,354	13,639
				<u>69,988</u>	<u>52,229</u>
<b>Grant fundraising costs:</b>				<u>4,320</u>	<u>4,320</u>
 <b><u>Restricted Funds</u></b>					
<b>Costs directly allocated to activities:</b>					
	Men's Hostel	Stricklands Bay	Other	Total 31.12.24	Total 31.12.23
Staff costs	365,120	396,894	13,534	775,548	808,107
Depreciation	4,685	405	-	5,090	6,229
Other	65,269	48,576	2,527	116,372	156,413
Loan interest	-	1,485	-	1,485	1,763
<b>Support Costs allocated by time to activities:</b>					
Administration ( <i>incl. staff costs</i> )	66,978	70,503	-	137,481	133,791
	<u>502,052</u>	<u>517,863</u>	<u>16,061</u>	<u>1,035,976</u>	<u>1,106,303</u>
<b>TOTAL EXPENDITURE</b>				<u>3,630,123</u>	<u>3,636,021</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**4. STAFF COSTS**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	£	£
Wages and salaries	2,356,292	2,409,586
Social security costs	190,049	172,298
Other pensions costs	62,602	58,844
	<u>2,608,943</u>	<u>2,640,728</u>

The average monthly number of employees during the year was as follows:

	<b>31.12.2024</b>	<b>31.12.2023</b>
Administrative staff	8	8
Other staff	79	84
	<u>87</u>	<u>92</u>

Included above is £278,670 (2023: £411,339), which was paid during the year in respect of agency staff.

During 2024, there was one employee with emoluments at the rate between £100,001 and £110,000 (2023: one between £90,001 and £100,000).

Remuneration of the 2 (2023:2) key management personnel in the period was £168,272 (2023: £160,553).

**5. INCOME & EXPENDITURE**

Income and expenditure (including VAT, where relevant) are stated after charging (crediting):

	<b>31.12.2024</b>	<b>31.12.2023</b>
	£	£
Depreciation - owned assets	107,987	109,187
Loss on disposal of fixed assets	266	-
Operating lease costs	3,659	4,393
External Aud & Accs current year	6,600	6,600
External Aud & Accs prior year	-	600
Internal Audit	3,240	3,000
Bank loan interest payable	14,852	17,629
Income from listed investments	72,784	72,151
Directors' remuneration	-	-

**6. TAXATION**

**Analysis of the tax charge**

Being registered with both HMRC and the Charity Commission for Northern Ireland as a charity, no liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2024, nor for the year ended 31 December 2023.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**7. TANGIBLE FIXED ASSETS**

	<b>Freehold Property £</b>	<b>Short Leasehold £</b>	<b>Long Leasehold £</b>
<b>COST</b>			
At January 2024	2,883,318	9,080	1,822,250
Additions	-	-	-
Disposals	-	-	-
At 31 December 2024	<u>2,883,318</u>	<u>9,080</u>	<u>1,822,250</u>
<b>DEPRECIATION</b>			
At 1 January 2024	1,030,856	9,080	1,224,238
Charge for year	57,544	-	36,180
Eliminated on disposal	-	-	-
At 31 December 2024	<u>1,088,400</u>	<u>9,080</u>	<u>1,260,418</u>
<b>NET BOOK VALUE</b>			
At 31 December 2024	<u>1,794,918</u>	<u>-</u>	<u>561,832</u>
At 31 December 2023	<u>1,852,462</u>	<u>-</u>	<u>598,012</u>

**7. TANGIBLE FIXED ASSETS (continued)**

	<b>Fixtures &amp; Fittings</b>	<b>Motor Vehicles £</b>	<b>Computer Equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At January 2024	241,613	9,775	25,203	4,991,239
Additions	17,598	24,540	2,297	44,435
Disposals	(9,230)	(2,800)	(2,231)	(14,261)
At 31 December 2024	<u>249,981</u>	<u>31,515</u>	<u>25,269</u>	<u>5,021,413</u>
<b>DEPRECIATION</b>				
At 1 January 2024	212,729	8,040	21,305	2,506,248
Charge for year	8,861	2,125	3,277	107,987
Eliminated on disposal	(8,952)	(2,313)	(2,231)	(13,496)
At 31 December 2024	<u>212,638</u>	<u>7,852</u>	<u>22,351</u>	<u>2,600,739</u>
<b>NET BOOK VALUE</b>				
At 31 December 2024	<u>37,343</u>	<u>23,663</u>	<u>2,918</u>	<u>2,420,674</u>
At 31 December 2023	<u>28,884</u>	<u>1,735</u>	<u>3,898</u>	<u>2,484,991</u>

## HARMONI 2019

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 8. FIXED ASSET INVESTMENT PROPERTIES

Harmoni has two fixed asset property investments and a small ground rental portfolio.

The investment properties at Donegall Pass were revalued at fair open market value as of 4 March 2025 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2024.

The investment properties at Derryvolgie Mews were revalued at fair open market value as of 4 March 2025 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2024.

The directors are of the view that no significant change to fair open market value has arisen with the ground rents in 2024 (or 2023). The movement is summarised as follows: -

	8 Apartments (Derryvolgie Mews) £	Other Investment Property £	Ground Rents £	2024 Total £	2023 Total £
Value at start of the year	1,550,000	200,000	4,504	1,754,504	1,699,504
Increase in value during the year	<u>85,000</u>	<u>15,000</u>	<u>-</u>	<u>100,000</u>	<u>55,000</u>
Value at the end of the year	<u>1,635,000</u>	<u>215,000</u>	<u>4,504</u>	<u>1,854,504</u>	<u>1,754,504</u>

As part of its title to Derryvolgie Mews Harmoni holds the only issued voting 'B' share in an apartment management company, Derryvolgie Mews Management Company Limited, incorporated in Northern Ireland to act as a property management company for Harmoni's investment property "Derryvolgie Mews".

4 non-voting 'A' shares in the company have been issued to the owners of the other 4 apartments which were previously sold by Harmoni.

#### 9. FINANCIAL INSTRUMENTS

The fair valued carrying amounts of the charity's financial instruments, being debtors, current asset investments, creditors and bank loans, are given in notes 11, 12, 13, 14 and 15.

The only income from the charity's financial instruments is the bank deposit interest receivable and current asset investment income, as disclosed under investment income in note 2.

The only expense associated with the charity's financial instruments is the Stricklands Bay property bank loan interest, as disclosed in note 3.

#### 10. STOCK

	31.12.2024 £	31.12.2023 £
Kitchen stock at Men's Hostel	<u>2,195</u>	<u>1,583</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	£	£
Trade Debtors	255,397	300,087
Prepayments and accrued income	27,173	23,568
	<u>282,570</u>	<u>323,655</u>

**12. CURRENT ASSET FINANCIAL INVESTMENTS**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	£	£
At start of year	2,574,446	2,234,968
Additions	1,545,332	546,838
Disposals	(1,299,253)	(274,162)
Surplus/(deficit) on disposals – realised	25,158	6,955
Unrealised (deficit)/surplus	57,660	59,847
At end of year fair market valuation	<u>2,903,343</u>	<u>2,574,446</u>
Current assets investments comprise:		
Listed investments	2,768,633	2,444,175
Other investments	134,710	130,271
	<u>2,903,343</u>	<u>2,574,446</u>
Historical cost of current asset investments	<u>2,799,210</u>	<u>2,527,974</u>

The fair value of listed investments is determined by reference to their market value as at the balance sheet date as provided by the Investment Managers Evelyn Partners.

The fair value of the other Investments is measured at a fair value on acquisition less impairment.

The investment management fees in respect of the financial investments for 2024 were £10,354 (2023: £13,639).

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.2024</b>	<b>31.12.2023</b>
	£	£
Bank loans (see note 15)	109,712	106,715
Trade creditors	103,010	95,207
Social security and other taxes	39,940	38,034
Accrued expenses	159,544	169,026
	<u>412,206</u>	<u>408,982</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.2024	31.12.2023
	£	£
Bank Loans (see note 15)	<u>343,430</u>	<u>453,142</u>

The bank loans are secured by a legal mortgage over Harmoni’s investment property known as "Derryvolgie Mews".

**15. LOANS**

An analysis of the maturity of loans is given below:

	31.12.2024	31.12.2023
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>109,712</u>	<u>106,715</u>
	<u>109,712</u>	<u>106,715</u>
Amounts falling due between one and two years:		
Bank loans: 1-2 years	<u>112,827</u>	<u>109,712</u>
Amounts falling due between two and five years:		
Bank loans: 2-5 years	<u>230,603</u>	<u>301,666</u>
Amounts falling due in more than five years:		
Bank loans repayable in more than 5 years by instalments	<u>-</u>	<u>41,764</u>

Interest is payable on the original bank loan at 2.15% for 10 years. Interest is payable on a second bank loan at 4% for 10 years.

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.2024	31.12.2023
	£	£
Bank Loans	<u>453,142</u>	<u>559,857</u>
	<u>453,142</u>	<u>559,857</u>

The bank borrowings are secured by a legal mortgage over Harmoni’s investment property known as “Derryvolgie Mews” and the development at Getgood House.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**17. PENSION COMMITMENTS**

The company used to operate a defined benefit pension scheme which has now been wound up. The pension obligations under the old scheme are met by purchased annuities. In addition, unfunded payments are made to certain former employees.

The company now operates a defined contribution scheme for certain current employees. The total pension costs for the year were £61,044 (2023: £58,844), comprising pension scheme costs of £59,486 (2023: £58,302) and unfunded pension payments of £1,558 (2023: £542).

**18. TRANSACTIONS WITH DIRECTORS**

No director emoluments were paid during the year (2023 - £Nil)

There were no transactions during the year in which any director or related party had an interest requiring disclosure.

**19. LEGAL STATUS OF HARMONI**

HARMONI 2019 is a company limited by guarantee, not having a share capital.

Harmoni has tax-exempt status with HMRC as a charity and has also been registered as a charity by the Charity Commission for Northern Ireland.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible Fixed Assets £</b>	<b>Fixed Asset Investments £</b>	<b>Net Current Assets £</b>	<b>Long Term Liabilities £</b>	<b>Total 2024 £</b>	<b>Total 2023 £</b>
<b>Unrestricted Funds:</b>						
General	2,391,811	1,854,504	3,736,032	(343,430)	7,638,917	6,870,625
<b>Restricted Funds:</b>						
NIHE Supporting People - Men's Hostel & Stricklands Care Village	-	-	-	-	-	-
Stricklands Bay – Bangor Benevolent Society	-	-	2,981	-	2,981	3,728
Men's Hostel – NIHE Refurb. Grant 2015	1,189	-	23,218	-	24,407	26,956
National Lottery Community Fund	3,391	-	(37)	-	3,354	3,768
Men's Hostel – Awards for All Grant	583	-	390	-	973	1,097
Men's Hostel – NIHE Refurb. Grant 2018	2,258	-	(965)	-	1,293	1,923
Ulster Garden Villages	17,875	-	-	-	17,875	18,280
Stricklands Bay - Awards for All Grant	-	-	5,594	-	5,594	5,595
Dormant Accounts Fund NI	-	-	30	-	30	(185)
R.U.T.H	735	-	-	-	735	1,323
Belfast City Council – Equipment	2,832	-	(340)	-	2,492	2,911
Ardbannon Trust	-	-	18	-	18	18
<b>At the end of year</b>	<b>2,420,674</b>	<b>1,854,504</b>	<b>3,766,921</b>	<b>(343,430)</b>	<b>7,698,669</b>	<b>6,936,039</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**21. MOVEMENTS IN RESTRICTED FUNDS**

	At 31 <sup>st</sup> December 2023	Net Movements in Funds	Transfer from Unrestricted Funds	At 31 <sup>st</sup> December 2024
	£	£	£	£
NIHE Supporting People – Men’s Hostel & Stricklands Care Village	-	(161,416)	161,416	-
Stricklands Bay – Bangor Benevolent Society	3,728	(747)	-	2,981
Men’s Hostel – NIHE Refurb. Grant 2015	26,956	(2,549)	-	24,407
Dormant Accounts NI Fund	(185)	215	-	30
Men’s Hostel – Awards for All Grant	1,097	(124)	-	973
Men’s Hostel – NIHE Refurb Grant 2018	1,923	(630)	-	1,293
National Lottery Community Fund	3,768	(414)	-	3,354
Ulster Garden Villages	18,280	(405)	-	17,875
Stricklands Bay – Awards for All Grant	5,594	-	-	5,594
R.U.T.H	1,323	(588)	-	735
B.C.C – Equipment	2,912	(420)	-	2,492
Ardbannon Trust	18	-	-	18
At the end of year	<u>65,414</u>	<u>(167,078)</u>	<u>161,416</u>	<u>59,752</u>

**22. MOVEMENTS IN UNRESTRICTED FUNDS**

	General Fund	Revaluation Reserves	Total Unrestricted Funds 2024	Total Unrestricted Funds 2023
	£	£	£	£
At 1 <sup>st</sup> January 2024	4,977,586	1,893,039	6,870,625	6,575,121
Net Income on Operational Activities	746,890	-	746,890	235,048
Transfer to restricted funds	(161,416)	-	(161,416)	(61,346)
Investment revaluation (Losses)/Gains	-	182,818	182,818	121,802
At 31 <sup>st</sup> December 2024	<u>5,563,060</u>	<u>2,075,857</u>	<u>7,638,917</u>	<u>6,870,625</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**23. ANALYSIS OF REVALUATION RESERVES**

	Fixed Asset Investments	Current Asset Investments	Total Investments	Total
	£	£	£	£
At 1 <sup>st</sup> January 2024	1,231,218	661,821	1,893,039	1,893,039
Net gain/(loss)	100,000	82,818	182,818	182,818
At 31 <sup>st</sup> December 2024	<u>1,331,218</u>	<u>744,639</u>	<u>2,075,857</u>	<u>1,975,857</u>

**24. OPERATING LEASE COMMITMENTS**

	2024	2023
	£	£
Total future minimum lease payments under non-cancellable operating leases for office equipment are as follows:		
Not later than one year	-	2,501
Later than one year and not later than five years	-	1,220
Greater than five years	-	-
	<u>-</u>	<u>3,721</u>

**25. RECONCILIATION OF MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	2024	2023
	£	£
Net movement in funds – Net income from operational activities, as per Statement of Financial Activities	579,812	77,357
Add back:		
Depreciation charge	107,987	109,187
Loss/(Profit) on sale of tangible fixed assets	266	185
Bank property finance loan interest payable	14,852	17,629
Deduct:		
Investment income shown in investing activities	(72,784)	(72,151)
Legacies and subscriptions shown in financing	(457,382)	(1,856)
Cash receipts from rentals from investment properties	(76,570)	(75,060)
Bank deposit interest	(2,799)	(101)
(Increase) in stock	(612)	(162)
(Increase) in debtors	41,085	(98,539)
Increase in creditors, excluding bank borrowings	<u>226</u>	<u>52,490</u>
Net cash generated in operating activities, as per Statement of Cashflows	<u>134,081</u>	<u>8,979</u>

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Accounts

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**HARMONI 2019**

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**REGISTERED NUMBER:** R0000316 (Northern Ireland)

**CHARITY COMMISSION for NORTHERN IRELAND REGISTRATION NUMBER:** 101731

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**HARMONI 2019**

**COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DIRECTORS:**

Mr Paul Archer (Appointed Chairman from 28<sup>th</sup> March 2023)  
Mr D McIlhagger BSc, FIAE (Deputy Chair)  
Mr Brian Lavery  
Mr P Regan  
Mr Paul Collins  
Mrs Hannah Irwin  
Mrs Elaine Colgan (resigned 28<sup>th</sup> November 2023)  
Ms Amira Graham (resigned 27<sup>th</sup> November 2023)  
Dr Joanne Drew (appointed 12<sup>th</sup> February 2024)  
Mr Robert Lyle (appointed 12<sup>th</sup> February 2024)  
Mrs Elizabeth Mary Kerr (appointed 1<sup>st</sup> March 2024)

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**SECRETARY:**

Mr S A Humphries

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**REGISTERED OFFICE:**

39 Downshire Road  
Bangor  
Co Down  
BT20 3RD

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**REGISTRAR OF COMPANIES NUMBER:**

R0000316 (Northern Ireland)

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**CHARITY COMMISSION NORTHERN IRELAND NUMBER:**

101731

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**AUDITORS:**

Baker Tilly Mooney Moore  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

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**BANKERS:**

Northern Bank Limited  
t/a Danske Bank  
Donegall Sq West  
Belfast  
BT1 6JS

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**INVESTMENT ADVISORS:**

Evelyn Partners  
The Ewart  
3 Bedford St  
Belfast  
BT2 7EP

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**SOLICITORS:**

Cleaver Fulton & Rankin  
50 Bedford Street  
Belfast  
BT2 7FW

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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023  
FORWARD**

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I am pleased to present on behalf of the Trustees of HarmonI 2019 the annual report and accounts for the year 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023. This marks my first full year in office as Chair for the organisation.

I am indebted to my colleagues on the Board for their interest and commitment to guide the work of HarmonI. I am equally indebted to the CEO and the executive team for their efforts in what continues to be very changeable circumstances, not least of all financially. We like most charitable organisations are at the mercy of single year budget allocations from our key statutory commissioners, this can make long term decision making and planning difficult.

Notwithstanding we have a long and we believe mutually positive relationship with both the South Eastern Health and Social Care Trust (SEHSCT) and the Northern Ireland Housing Executive (NIHE) and we acknowledge their continuing engagement and contracting of services with us.

When we commenced the financial year the budget expectations were extremely challenging. I am however delighted to note the in-year uplifts which were more realistic than we could budget for. We understand that both the Department of Health through the SEHSCT and the Department for Communities through the NIHE recognise that our sectors have for many years experienced significant compression with costs rising faster than incomes. We want to acknowledge that recognition and while we again note the budget issues The Stormont Assembly has to juggle, we do hope the momentum in this area can be maintained.

That in no way detracts from the efforts of the executive team in HarmonI who navigate those financially challenging waters routinely. The one key element throughout the 145 years of this charity's existence has been noted as one of tenacity in the face of uncertainty and we can certainly see that from the Board to the front-line staff.

Those front-line colleagues deliver services to our client groups in equally but very different challenges daily. So, on behalf of the Board, I want to thank our front-line colleagues who alongside their colleagues in the support elements such as administration, HR, and finance form part of what has become a very well-oiled and effective delivery system. A system which has at its heart the beneficiaries and their needs.

Our CEO regularly reminds us all that the only reason HarmonI exists is that we have clients who need us, clients who live with multiple disabilities or societal disadvantages, clients who place their trust in us. To those clients whether they come from Stricklands Care Village, or the Men's Hostel at Utility Street I say thank you once again for trusting us to support and care for your needs.

As I close this element of the report, I would pick out one particularly encouraging indicator which was initiated during 2023. The Board agreed to rekindle our development processes and start prospecting for a next stage of service delivery. Undoubtedly it will take some time from inception to delivery but every journey begins with the first step, all of which is a response to our core mantra, "To do more for More!"



*Paul Archer - Chairman*

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRUCTURE, GOVERNANCE AND MANAGEMENT

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#### Governing Document

The legal entity name was changed on 8<sup>th</sup> January 2019 from NIID to HARMONI 2019 Trading as HarmonI.

HARMONI 2019 has its origins in late 19<sup>th</sup> century Belfast. It was incorporated on 19<sup>th</sup> July 1906 as a charitable Company limited by guarantee and not having a share capital. The objects and powers of HARMONI 2019 are set out in the Memorandum of Association, and the Company is governed under its Articles of Association, as updated in 2014 and registered on 28<sup>th</sup> March 2014. In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.00.

HARMONI 2019 is on the Northern Ireland Charity Register, registration number 101731. Since registration, the Director Trustees have embarked and maintained periodic specific training along with the Management team to understand fully the implications, responsibilities and expectations of HARMONI 2019, the Trustees and the Management who operate under delegated authority.

In September 2023 we initiated a review of our current articles steered by a working group from the Board and supported by our legal advisors at Cleaver Fulton and Rankin we aim to complete this exercise in early 2024. The scope of that work is limited to an updating and refreshing exercise.

#### Directors:

#### Recruitment and appointment of directors

Under the requirements of the Articles of Association as revised in March 2014, the directors are trustees of the charity and are known as Members of Council. From that revision date, Director Trustees serve for 4 years dated from the first AGM at which they are voted in, they are eligible to serve up to three terms of four years at which point they must retire. The date cycle is from their first AGM to their fourth AGM.

Name of Director Trustee	Appointment Date	Expected term end AGM date
Archer, Paul (Chair)	28 <sup>th</sup> March 2023	1 <sup>st</sup> term chair June 2026
McIlhagger, David (Deputy Chair)	30 <sup>th</sup> June 2010 (NED) Chair May 2014 – Dec 2020	Appointed Deputy Chair 1 <sup>st</sup> Jan 2020 June 2026
Reagan, Peter	29 <sup>th</sup> October 2014	June 2027
Lavery, Brian	18 <sup>th</sup> May 2020	June 2024
Irwin, Hannah	15 <sup>th</sup> June 2020	June 2024
Collins, Paul	15 <sup>th</sup> June 2020	June 2024
Colgan, Elaine	28 <sup>th</sup> July 2021	Resigned 28 <sup>th</sup> November 2023
Graham, Amira	5 <sup>th</sup> November 2021	Resigned 27 <sup>th</sup> November 2023
Drew, Joanne	12 <sup>th</sup> February 2024	June 2028
Lyle, Robert	12 <sup>th</sup> February 2024	June 2028
Kerr, Elizabeth Mary	1 <sup>st</sup> March 2024	June 2028

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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#### *Director Trustees during reporting period*

No Member of the Board of Director Trustees had a beneficial interest in any contract with HARMONI 2019 during the year.

#### Succession Planning:

Harmoni continues to manage the need for succession in the following manner:

- 1: Trustee appointments are phased in so far as possible so as not to risk a significant number of multiple Trustees ending their tenure simultaneously.
- 2: From 1<sup>st</sup> January 2020 the board of trustees have created a deputy chair role to ensure that in the event of the chair being unavailable there remains a line of consistency in the charity governance.
- 3: The Chair of the Finance and General Purposes Committee is generally not the chair of the full board to ensure a degree of separation and independence.

#### *Trustee induction and training*

Trustees are aware of the practical work of HARMONI 2019 at the hostel in Belfast and Strickland's Care Village in Bangor. New trustees are expected to attend an information session to familiarise themselves with how HARMONI 2019 operates. These are jointly led by the Chair of the Board and the Chief Executive of HARMONI 2019 and cover the following:

- The obligations of the Trustee Directors
- The Articles of Association
- The financial position as set out in the latest published accounts
- Future plans and objectives

New trustees receive copies of the Articles of Association, the latest financial statements, the current strategic plan and a copy of the Code of Good Governance produced by NICVA. They then meet the CEO and undertake a half day induction process to provide information on the charity function.

To ensure that trustees have up to date knowledge regarding charity management issues and the impact of changes in the public sector it is expected that trustees will have the opportunity to attend suitable training and information events. The CEO disseminates all regulatory guidance to trustees as it is received by the charity.

#### **Risk management**

The Board of Director Trustees continues to review the major risks to which HARMONI 2019 is exposed. The risk management strategy for HARMONI 2019 is one which seeks to identify risks and mitigate or manage those risks. It is not designed to remove all risk as to do so is in itself a risk which could render the organisation impotent. The risk framework seeks to firstly identify the organisational risk appetite, over a range from low, medium or high appetite.

The Board of Trustees receive regular updates to the risk register. This process allows the board to see pertinent corporate risks, these risks are categorised with probability and impact scores as High, Medium or Low risk. This measurement is designed to identify risks that require immediate attention and mitigation, and those that need attention, but are less immediate.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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Each risk is then identified with a risk owner and a mitigation plan narrative provided. Each update of the register identifies new risks and changes in the previous risks due to the effects of the planned mitigation or other external circumstances.

The core risks for 2023 were identified as:

**Budget Delivery:** At the outset of the year armed with limited knowledge on any possible uplift potential from our core statutory partners for the services delivered, the budget presented as a worst-case scenario was a significant deficit. As ever the CEO and executive team produced a mitigation plan to identify key activity and tasks to minimise this risk. We are glad to report that due to an improvement in employed staff resources compared to the agency potential budgeted coupled with significantly better than expected uplifts from The Trust and NIHE we returned a positive surplus result for the underlying business of the charity.

**Funding Compression:** On the income side as a result of no uplift for many years from Supporting People coupled with historic low increments from the Trust for services delivered the income increments required to meet the spiralling costs had no degree of certainty. On the cost side between the greater than inflation rises for National Living Wage which impacts 90% of our workforce and continued increase in overall costs such as energy the year continued to be one in which the compression reality continued.

**Staff resources:** As we started the 2023 year we had noted a small increment in employment for staff particularly in our Stricklands care Village. That continued for the first quarter of 2023 which eased the need for agency. However, that plateaued into quarter 2 and 3 of the year leaving us with a need to still call on agency. One mitigation we have initiated in the year is to ensure we have a negotiated position with the funders particularly where a new client is involved as we now are asking for the Trust to fund staffing levels at agency plus a central contribution rate until we secure our own staff. We have also again attempted to re-engage with the Trust in respect to rebalancing some of our clients care hour baselines whose contracted hours required have outstripped the care hours contracted.

Procedures are in place to ensure compliance with health and safety of staff, suppliers, volunteers, clients and visitors to the Hostel and Strickland's Care Village.

## **HARMONI 2019**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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#### ***Organisational structure***

The Board schedules four meetings a year and is responsible for the strategic direction and policy of HARMONI 2019. The Trustees come from a variety of professional backgrounds relevant to the work of HARMONI 2019.

The Finance and General Purposes Committee meets a week prior to the Board and recorded four meetings in 2023. This continues to include the Annual Report and Accounts presentation to the committee by the Auditors.

The development committee, which is a project-based committee, did not meet in 2023 due to there being no relevant business before the committee.

Responsibility for operations management is delegated to the Chief Executive.

#### **Governance:**

The Board will formally meet a minimum of 3 times in the year to take care of the ordinary business of the charity and its governance requirements. The board also receives a detailed sub report on Health and Safety, Safeguarding and Deprivation of Liberty issues if any have arisen.

They will meet at other times for special topics meetings as and when required. The Sub Committee of the Finance and General Purposes Committee will normally meet one week in advance of each formal board. The Development Committee will meet as required to meet the needs of the project timeline.

#### **Corporate Oversight:**

The Senior Management Team meets regularly to ensure the management of the main corporate needs are being met. A key element of this discussion will be the budgets, actuals, and variances we are experiencing and what controls or changes we need to effect in order to keep the organisation on track. We will also review progress in respect to recruitment and retention for our services.

#### **Corporate Management:**

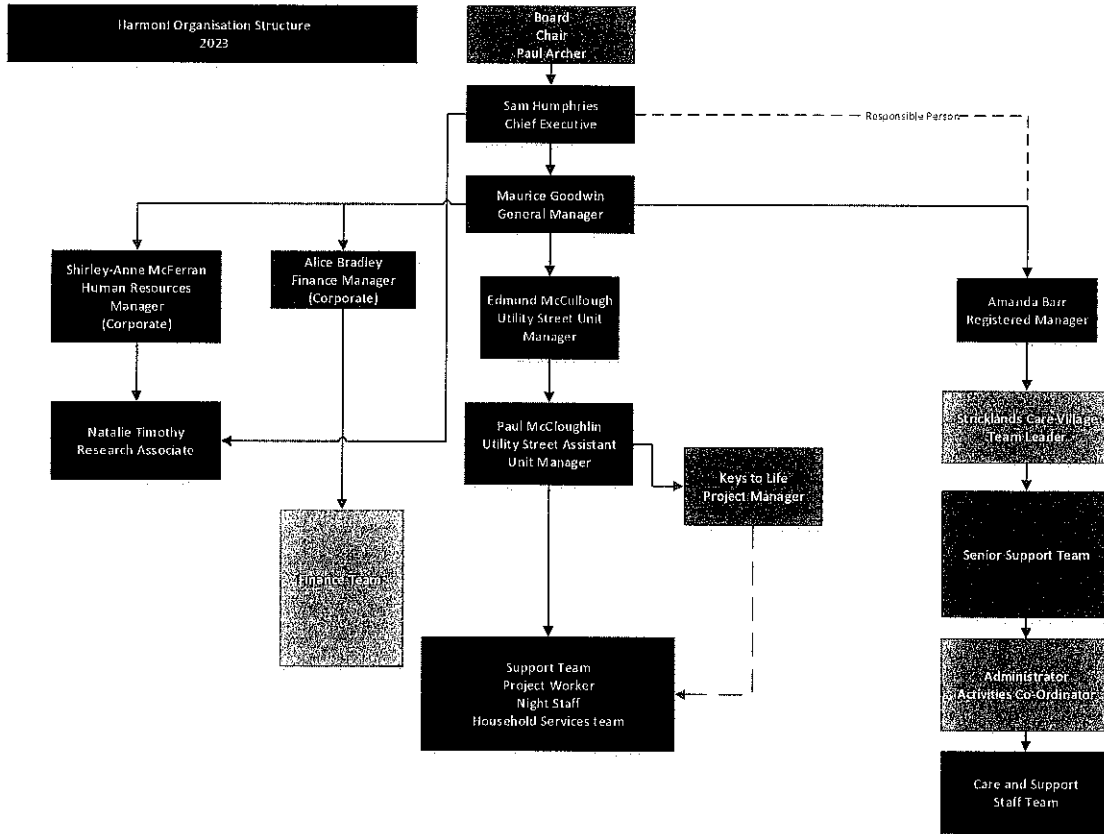
The Unit Managers will meet with members of the Senior Team as required to review the performance of the overall business with specific input from the unit heads. These discussions include the regulatory and compliance elements from the funders and commissioners of the services and also key safeguarding issues.

#### **Operations Management:**

A member of the Senior Team meets their direct line management team as needed to review and discuss operational issues and take any operational decisions arising.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)

The operational organisation structure:



**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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**Related parties**

HARMONI 2019 did not have any dealings during 2021 with any companies or other organisations in which any of the directors have an interest.

**OBJECTIVES AND ACTIVITIES**

The principal objects, as updated, of HARMONI 2019 are to: -

- To relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ('the beneficiaries).
- To advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society.
- In the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries.
- To advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities.
- To relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care.
- Such other exclusively charitable purposes according to the law of Northern Ireland for the beneficiaries as the Trustees may from time to time decide.

Strickland's Care Village located in Bangor provides accommodation in thirty-three separate units for those individuals living with a disability and needing support and care at various levels depending on assessed need.

The Belfast hostel provides emergency accommodation for fifty-nine men experiencing homelessness with one room specifically renovated for men with disabilities. The men are supported and encouraged to improve their situation by taking the necessary steps to move on to training opportunities and employment, and to permanent accommodation. There is close cooperation with the statutory authorities and the Northern Ireland Housing Executive.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE**

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**STRATEGIC REPORT**

**Achievements and Performance**

• *Organisational:*

A significant achievement organisationally for 2023 was the ability to reverse the potential deficit to a surplus. This was derived from some 15 mitigation actions by the Executive coupled with better-than-expected increases from the Trust. There was also a fully unexpected increment in Supporting People funding, the first in 16 years.

The second and for a mission driven organisation such as Harmoni 2019 equally as important was the Social Return on Investment outcome. Once again, we were provided access to the Social Value Engine Exercise operated by Work West through grant support of North Down and Ards Social Enterprise Support Fund. We are grateful to the council for this support.

That exercise showed that as an organisation for every £1 invested we returned £3.15 in social and economic value. We have always believed as a charitable organisation we added value to people living with a disability or societal disadvantage, this measure helps to provide a metric to confirm that.

• *Stricklands Care Village:*

2023 was a year in which we experienced the loss of a number of our long-term clients. One client required nursing care which is outside our service delivery capability. Then in the last quarter of the year we lost two of our oldest residents who passed away in November and December. It was through these challenging days for staff that the quality of the values based recruitment and retention strategies showed their worth, coupled with the professional training our staff receive annually we were able to see a stoicism in our front line staff as they dealt with the loss but set aside their personal feelings to continue to deliver to the remaining clients.

We have been able to refocus our attempts to provide greater one to one time with our clients as we attempted to be more focussed on their wants and aspirations this year without the hangover of Covid limitations. This showed in the contentment expressed by our clients. We were also pleasantly surprised when the Social Value Engine return showed us that our staff had delivered over 33,000 support sessions across the year.

Our maintenance programme continues to ensure the clients homes are maintained to the high standards we aspire to for them.

Stricklands Care Village again received a positive RQIA report in 2023 following an unannounced inspection with just one procedural improvement suggestion.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE (continued)**

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• *Utility Street Hostel:*

This year some 206 men were supported to exit homelessness through the work of the Hostel. It should be more but due to the wider system silting up as people experiencing homelessness having reduced move on options due to higher rents particularly in the private rented sector, our clients were staying longer.

In spite of this, 65 men were supported through a combination of the day-to-day support activity of our front-line support staff and the direct support activity of Keys to Life.

Our Keys to life programme which was funded for three years by the National Lottery Community Fund drew to a close. We want to acknowledge and thank the National Lottery for their enabling funding.

The outcomes for the programme are impressive especially when one considers the transient nature of our client group and the impact of Covid on what was a socialisation-based programme:

- Over 80 men took part (target was 96) with 60% achieving an award certificate or an accreditation.
- 30 men took part in activities outside the hostel.
- 45 men attended skills courses some achieving multiple certificates.
- 21 men completed employment preparation training.
- 20 men undertook a Wellness programme with 9 staying the course to the end.
- 12 men achieved a food hygiene programme and award.
- 30 men undertook TEFL courses. As their primary language was not English this Teaching English and Foreign Language course was very popular.
- 9 men achieved awards in OCN level 2 for Healthy living.
- 6 men built the sensory garden in Bangor.
- 12 men took part in the Toolbox programme to learn new skills for maintenance and repair of household-based items.

**Public Benefit**

The directors confirm that they have had due regard for the guidance produced on Public Benefit by the Charity Commission for Northern Ireland, and are pleased to report that during 2023 they have continued to meet the Public Benefit requirement as follows:

The core activity for HARMONI 2019 is the relief of poverty, illness, sickness and suffering to those living with sickness, disability, poverty or social circumstances. All our engagement activities have been with individuals from one or a range of these groups. The organisation has sought to revive these impacts firstly by providing suitable and appropriate accommodation, be that in Supported Independent living or Hostel provision. The organisation sees that provision as the start of our service intervention.

From that point forward, we seek to create a person-centred provision that is cognisant of the individual's need. Many of our residents and service users have those needs identified through professional assessment, either from the health care trusts or other social services. For others it is the skill and experience of the support staff which assists the individual to articulate those needs.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRATEGIC REPORT : ACHIEVEMENT & PERFORMANCE (continued)

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Our core model remains accommodation-based care and support, subject to the service engagement. We continue to believe that the most important element for all our clients remains ensuring a safe and secure place to live. This delivers consistency in what has for some of our clients been a chaotic life to date.

Those for whom the need is centred on personal care are provided a bespoke care and support daily living plan which centres around their personal needs. This is achieved in conjunction with the South East Health Trust care management teams to ensure the assessed needs are met. Next of kin and family provide valuable input to those requirements in the care plan development stage. Further supports are designed which enable the client to live as independently as they wish or are capable of. All these plans are subject to regular review and updating as circumstances change.

Those for whom support is the core focus of our engagement will receive a personal support plan which aims to assist them in achieving their short-term goals which are aimed at delivering a longer term goal, in the case of our clients in Utility street this is independent living in a place of their choosing.

For many of our service users the reality is that their experience with HARMONI 2019 is about small steps and personal capacity / capability building. Many of our residents and families have seen a marked improvement in the individuals' engagement and socialisation skills and their ability to communicate their wants and needs personally.

HARMONI 2019 works closely with multiple statutory bodies to ensure we plan for and deliver suitable and successful outcomes for each and every one of our service users. This joined up approach ensures that the overall public benefit is delivered where service users have longevity and consistency and therefore tend not to move between other agencies or service provisions.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 FINANCIAL REVIEW

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HARMONI 2019 is a unique organisation, not least because of the diverse nature of the service users but also because of the blended funding sources for our service delivery. Harmoni is very grateful to the Northern Ireland Housing Executive and the South-Eastern Health and Social Care Trust, being the principal funders of these activities.

The directors note that there is a total Net Income for 2023 of £199,159, compared to Net Expenditure of £98,199 in 2022.

The directors also note that the charity remains in positive position in terms of generation of a surplus from operating activities. 2023 saw Net Income from Operational Activities of £77,357, with a figure of £91,926 reflected in 2022.

The main points of note are –

- Incoming Resources have increased by £72,343 (1.99%)
  - Increase in investment income of £7,318 (Increase of 5.22 %).
  - Increase in income from charitable activities of £64,500 (Increase of 1.84%). Much of this increase relates to inflationary uplifts Harmoni received in respect of some funding streams.
- Expenditure has increased by £86,912 (2.45%)
  - Increase in expenditure on charitable activities of £79,973 (2.29%). Costs continued to increase across all departments and expense types, with further increases in utility costs, insurance and food. Increased recruitment did however mean that we were able to reduce agency costs even in the face of rising national living wage levels.

In 2023 the organisation saw a gain on the revaluation of investment assets of £121,802. This relates to the value of current asset investments (gain on revaluation of £66,802) and the revaluation on fixed asset investments meant an uplift in the value of the properties held of £55,000.

The net effect of these movements is that the charity returned a Net Income figure of £199,159 in 2023.

This gives reserves carried forward on the balance sheet at the end of the year comprising Restricted Funds carried forward of £65,414 (2022: £161,759) and Unrestricted Funds of £6,870,625 (2021: £6,575,121). The Unrestricted funds carried forward comprise Investment Revaluation Reserves of £1,893,039 and General Funds of £4,977,586.

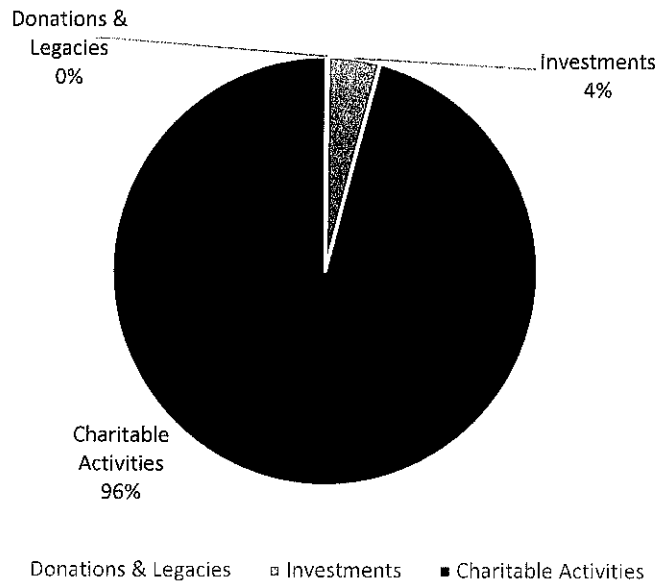
The balance sheet of the charity remains strong, with current assets, including current asset investments, comfortably exceeding current liabilities by £3,149,686.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**FINANCIAL REVIEW (continued)**

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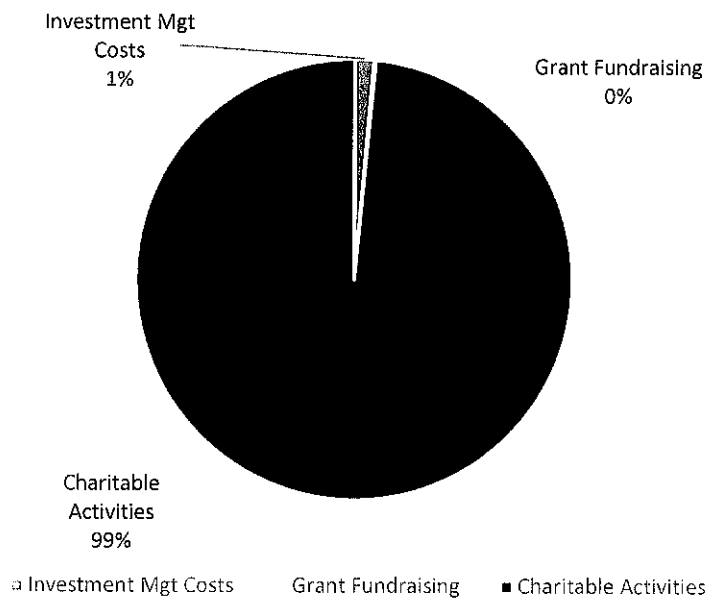
During the year, our income came from the following sources:

**Income for the year ended 31 December 2023**



This income then allowed us to achieve our aims and objectives for the organisation through making the following expenditure:

**Expenditure for the year ended 31 December 2023**



**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Reserves Policy**

HARMONI 2019 aims to maintain a level of resources that match the needs of the organisation, both now, and in the foreseeable future.

The two main objectives are that –

- a. the available reserves ensure that the activities of the organisation could continue in the face of any unexpected reduction in, or loss of, a particular income stream, while allowing the organisation time to seek alternative funds or restructure/cut costs.
- b. the available reserves allow the organisation to progress with the organisational development plan laid out in the strategic plan 2022-2025.

The Directors assess the risks that HARMONI 2019 could be exposed to, and the appropriate level of reserves that should be maintained.

The current assessment of the target range of free reserves – funds that are freely available to be used for general charitable purposes – held by the company should be 6 months of expenditure, with an additional amount to allow the Board the potential to carry out operations in line with the strategic plan.

In carrying out their assessment of reserves the Directors exclude the fixed asset fund of £2.5m because this represents functional, operational assets within the organisation that could not be realised quickly, restricted reserves of £0.065m which have restrictions placed over the use of funds by the individual funders, and the investment property value of £1.55m which is used as mortgage security for the original long-term loan. After excluding the fixed asset fund this leaves free reserves of £2.84m.

In the strategic plan 2022-2025 the Directors have identified several key projects to investigate. They have also identified the need to build and maintain appropriate reserves to carry out these plans.

This is to ensure that the organisation can grow and develop while maintaining the range of services/activities, and in time the reserves should return to a level equivalent to the equivalent of 6 months running costs.

**Investment Policy**

The Directors have agreed an investment policy within the powers provided to them under the Articles of Association of the organisation. The organisation has a long-established balanced approach towards investment risk, with the need to both protect and grow the charities assets for all service users. Therefore, the Directors define the organisation's expected investment profile to be balanced, with a desire to grow, but also protect the capital invested, whilst providing a useful source of income from dividends.

The Directors wish the portfolio to represent a balanced spread of investments in equities and fixed interest securities and bonds.

The investment portfolio was managed during the year under review by Evelyn and Partners alongside Abrdn (formerly Aberdeen Standard Capital) (on behalf of the Northern Ireland Central Investment Fund for Charities). All are professional investment management companies in good standing and regulated by the Financial Conduct Authority.

As a charity with a strong Evangelical Christian heritage, the ethos of which casts a guiding shadow across the organisation's moral position, the Directors have advised the investment managers that the organisation do not wish to invest in the following:

- Alcohol or tobacco trades
- Arms and munitions trades

The performance of the investment portfolio is monitored regularly by the Directors. In the year under review the investments continued to perform well and in line with objectives, providing a good level of dividend income.

**PLANS FOR FUTURE DEVELOPMENT**

Our 2022 strategic plan was purposely entitled Research, Knowledge, Action. The Trustees understood that future development decisions of either services or facilities needed to be underpinned by solid actionable research.

The Dormant Account fund has enabled Harmoni to have the facility of an in-house research associate and because of their inputs in June 2023 the Trustees were able to approve our first prospecting exercise since 2019. Following a joint research exercise between Queens University Business School and our In-House research associate a position paper was tabled showing that there was a genuine need for day services or day opportunities in our catchment area.

Armed with that market knowledge we agreed to take the next steps and produce an architectural specification and then commission a feasibility study on the possible physical build required to meet the client needs. This study will be presented in early 2024.

We have other aspirations too in respect to our Homelessness intervention services. We have long held aspirations of development at our Donegal Pass site and in early 2023 we were able to meet the proposed area development housing association to see if we could align plans. While not an immediate success the door remains open to future engagement and discussion as they start on their 3-5 year development journey for the area immediately adjacent to our Donegal Pass facility.

Allied to the foregoing we have initiated the idea of a Strategic Fundraising Committee establishment as a committee under the Board to assist us find a means to facilitate and enable our ideas and aspirations and capital capacity to fund those ideas subject to robust business case presentation.

**THANKS AND APPRECIATION**

HARMONI 2019 would like to place on record their thanks and appreciation for:

The continued funding provided by the Health Trusts and the Northern Ireland Housing Executive towards the cost of providing vital services in Strickland's Care Village and the Men's Hostel.

The National Lottery Community Fund for the funding to operate Keys to Life project.

The Dormant Accounts Fund NI for the funding to facilitate the research project.

The Ardbannon Trust who provided grant to help equip the hostel dining facility to update the environment.

Those many organisations and individuals who made donations of money, goods and time to the clients at the Hostel.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

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**FIXED ASSETS**

Details of fixed asset movement in the year are given in note 7 to the financial statements.

Although the market value of the operational property is comfortably in excess of its amortised historic cost, the difference is not felt to be of significance to members.

**FAIR EMPLOYMENT**

The charity is committed to a policy of equal opportunities for all current and future employees. This policy also includes compliance with the Sex Discrimination (NI) Orders 1976 and 1988 and the Disability Discrimination Act 1995. These policies are incorporated into the Equal Opportunity of Employment Guidelines that are adhered to by the charity.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT AND FINANCIAL STATEMENTS**

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Companies Act 2006.

**AUDIT**

The directors have sought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. Insofar as the board is aware there is no relevant audit information of which the company's auditors are unaware.

**AUDITOR**

The external audit assignment for 2022 and the subsequent 5 years has been awarded to Baker Tilley Mooney Moore after an open competitive bid process.

**ON BEHALF OF THE BOARD:**

SA Humphries - Secretary

Date: 

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019**

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### **Opinion**

We have audited the financial statements of HARMONI 2019 (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **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 charitable company 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 trustees' 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 charitable company'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 trustees 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 

**Responsibilities of trustees**

As explained more fully in the Directors' responsibilities statement set out on page 17, the Directors (who are also the Trustees of the charitable company for the purposes of company law) 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 trustees 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 Directors are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and The Charities Act (Northern Ireland) 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and compliance with local legislation for the overseas operating segments.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Eimear Brown*

Eimear Brown (Senior Statutory Auditor)  
For and on behalf of Baker Tilly Mooney Moore  
Registered Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

Date: *21<sup>st</sup> June 2024*

Baker Tilly Mooney Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**HARMONI 2019**

**(REGISTERED COMPANY NUMBER: R000316)**

**(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating the Income and Expenditure Account)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Restricted Funds	Unrestricted Funds £	31.12.2023 Total £	31.12.2022 Total £
<b>INCOME &amp; ENDOWMENTS FROM:</b>					
Donations & Legacies			4,091	4,091	3,566
Investments			147,311	147,311	139,993
Charitable Activities		948,612	2,613,364	3,561,976	3,497,476
<b>Total Income</b>	<b>2</b>	<u>948,612</u>	<u>2,764,766</u>	<u>3,713,378</u>	<u>3,641,035</u>
<b>EXPENDITURE ON:</b>					
Raising Funds – Investment Management Costs			52,229	52,229	45,290
Raising Funds – Grant Fundraising			4,320	4,320	4,320
Charitable Activities		1,106,303	2,473,169	3,579,472	3,499,499
<b>Total expenditure</b>	<b>3</b>	<u>1,106,303</u>	<u>2,529,718</u>	<u>3,636,021</u>	<u>3,549,109</u>
<b>Net (Expenditure)/Income from operational activities</b>		(157,691)	235,048	77,357	91,926
Gain/(Loss) on revaluation of investment assets	<b>23</b>	-	121,802	121,802	(190,125)
<b>Net (Expenditure)/Income</b>		<u>(157,691)</u>	<u>356,850</u>	<u>199,159</u>	<u>(98,199)</u>
<b>Transfer between funds</b>	<b>21 &amp; 22</b>	61,346	(61,346)	-	-
<b>Net movement in Funds</b>		<u>(96,345)</u>	<u>295,504</u>	<u>199,159</u>	<u>(98,199)</u>
<b>Reconciliation of Funds:</b>					
<b>Total Funds Brought Forward</b>	<b>21 &amp; 22</b>	161,759	6,575,121	6,736,880	6,835,079
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>21 &amp; 22</b>	<u>65,414</u>	<u>6,870,625</u>	<u>6,936,039</u>	<u>6,736,880</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources expanded derive from continuing activities.

The notes form part of these financial statements.

**HARMONI 2019****(REGISTERED COMPANY NUMBER: R000316)****(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)****BALANCE SHEET****31 DECEMBER 2023**

	Notes	31.12.2023		31.12.2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		2,484,991		2,590,045
Investments	8		1,754,504		1,699,504
			<u>4,239,495</u>		<u>4,289,549</u>
<b>CURRENT ASSETS</b>					
Stock	10	1,583		1,421	
Debtors	11	323,655		225,116	
Investments	12	2,574,446		2,234,968	
Cash at bank and in hand		658,984		899,377	
		<u>3,558,668</u>		<u>3,360,882</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>408,982</u>		<u>353,694</u>	
<b>NET CURRENT ASSETS</b>					
			<u>3,149,686</u>		<u>3,007,188</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			7,389,181		7,296,737
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<u>(453,142)</u>		<u>(559,857)</u>
<b>NET ASSETS</b>					
	20		<u>6,936,039</u>		<u>6,736,880</u>
<b>THE FUNDS OF THE CHARITY:</b>					
<b>Restricted Funds</b>					
	21		<u>65,414</u>		<u>161,759</u>
<b>Unrestricted Funds</b>					
Revaluation Reserve			1,893,039		1,771,237
General Fund			4,977,586		4,803,884
	22		<u>6,870,625</u>		<u>6,575,121</u>
			<u>6,936,039</u>		<u>6,736,880</u>

The financial statements were authorised for issue by the Board of Directors on .....19/01/24..... and were signed on its behalf by:

.....  
 Director – D McIlhagger

The notes form part of these financial statements.

**HARMONI 2019****STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	£	£
<b>Cash generated/ (used) in operating activities – see Note 25</b>	<b>8,979</b>	<b>43,968</b>
<b>Cashflows from investing activities</b>		
Purchase of tangible fixed assets	(4,318)	(7,461)
Purchase of current asset investments	(546,838)	(120,865)
Proceeds from sale of current asset investments	274,162	146,575
Investment income	72,151	65,516
Bank deposit interest	101	-
Proceeds from disposal of tangible fixed assets	-	-
Cash receipts from rentals of investment properties	75,060	74,495
<b>Cash (used)/provided by investing activities</b>	<b>(129,682)</b>	<b>158,260</b>
<b>Cashflows from financing activities</b>		
Repayment of bank loan	(103,917)	(101,132)
Bank property finance loan interest	(17,629)	(20,433)
Legacies and Subscriptions	1,856	3,566
<b>Net cash generated/(used) in financing activities</b>	<b>(119,690)</b>	<b>(117,999)</b>
<b>Increase in cash &amp; cash equivalents in the year</b>	<b>(240,393)</b>	<b>84,229</b>
Cash & cash equivalents at the beginning of the year	<b>899,377</b>	<b>815,148</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>658,984</b>	<b>899,377</b>
<b>Analysis of cash &amp; cash equivalents</b>		
Cash at bank and in hand	658,984	899,377
<b>Total cash &amp; cash equivalents</b>	<b>658,984</b>	<b>899,377</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of this public benefit entity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

**Fund Accounting**

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds include revaluation reserves representing the restatement of investment assets (both fixed and current) at market values.
- Whilst there are none to date, Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds receivable from the Northern Ireland Housing Executive for their Supporting People Programme operating in both Stricklands Bay and the Men's Hostel are subject to restrictions on their expenditure, imposed by the donor.

**Income**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Legacies are accounted for following entitlement. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance – split between Restricted and Unrestricted funds.

**Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Raising funds costs comprise the costs associated with the charity's investment property, current asset investments and the cost of grant applications.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them – split between Restricted and Unrestricted funds.
- Governance costs include those associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 3.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. ACCOUNTING POLICIES (continued)**

**Tangible fixed assets (excluding investment property)**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2% on cost
Improvements to property	- 15% on cost
Short leasehold	- 10% on cost
Long leasehold	- 2% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% on cost

The cost of assets comprises purchase price and any installation charges.

**Pensions**

Retirement benefits to certain current employees are provided by a defined contribution pension scheme, under "Auto-Enrolment", whereby the assets are held separately from those of the charity in independently administered funds. The charity contributions are accounted for by charging costs against surpluses as payments accrue.

In addition, unfunded payments are made to certain former employees who were members of the old defined benefit scheme, which is now closed. These are charged as payments are made. The capital cost of continuing these payments, which has not been computed, is not reflected as a liability in the accounts.

The accounting for unfunded pension payments is considered to be an immaterial departure from Financial Reporting Standard 102.

**Operating Leases**

Harmoni classifies the lease of office equipment as operating leases. The title to the equipment remains with the lessor and the equipment is replaced periodically. Rental charges are charged to the SoFA on a straight-line basis over the term of the lease.

**Investment Properties**

Investment properties are initially measured at cost, including transaction costs. Subsequently those investment properties whose fair value can be measured reliably are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities.

**Stock**

Stock held relates to food stock held for the kitchen in Men's Hostel. Stock is valued at the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. ACCOUNTING POLICIES (continued)**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial Instruments**

Harmoni only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Current asset investments**

Current asset investments are recognised initially at fair value, which is normally the transaction price. Subsequently they are measured at fair value, with changes recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at fair value at the date of acquisition less impairment.

**Judgements and key sources of estimation uncertainty**

The following judgments including those involving estimates have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- (i) Depreciation method and asset useful lives
- (ii) Valuation of properties
- (iii) Impairment of assets

The estimates and assumptions are reviewed on an ongoing basis considering the current and future market conditions.

HARMONI 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023

2. INCOME

	31.12.2023	31.12.2022
	£	£
<b>Unrestricted Funds:</b>		
<b>Donations and Legacies</b>		
Legacies and donations	3,891	3,566
Subscriptions – Boys Brigade	200	-
Gift Aid	-	-
Total voluntary income	<u>4,091</u>	<u>3,566</u>
<b>Investment Income</b>		
Investment property rents receivable	75,059	74,477
Bank deposit interest receivable	101	-
Current asset investment income	72,151	65,516
Total Investment Income	<u>147,311</u>	<u>139,993</u>

**Income from Activities to further the Charity's objectives:**

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.23	Total 31.12.22
	£	£	£	£	£
<b>Unrestricted Funds</b>					
Residential receipts	125,457	50,267	-	175,724	161,670
Payments from Health Trusts	-	1,532,686	-	1,532,686	1,518,762
Payments from NIHE re housing	622,830	263,512	-	886,342	822,847
Private Support Income	-	-	-	-	-
SP Covid-19 Funding	-	-	-	-	25,016
Other	2,683	13,479	2,450	18,612	7,925
	<u>750,970</u>	<u>1,859,944</u>	<u>2,450</u>	<u>2,613,364</u>	<u>2,536,220</u>
<b>Restricted Funds</b>					
Payments from NIHE re Supporting People	462,833	397,376	-	860,209	805,498
Private Support Income	-	46,268	-	46,268	39,808
Ulster Garden Villages Grant	-	-	-	-	-
Dormant Accounts NI Fund	-	-	32,551	32,551	32,551
National Lottery – Covid-19	-	-	-	-	-
SP Covid-19 Funding	-	-	-	-	-
National Lottery Community Fund	3,768	-	-	3,768	65,921
Other Restricted Grants	5,816	-	-	5,816	17,478
	<u>472,417</u>	<u>443,644</u>	<u>32,551</u>	<u>948,612</u>	<u>961,256</u>
<b>TOTAL INCOME</b>				<u>3,713,378</u>	<u>3,641,035</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 3. EXPENDITURE (incl. VAT where relevant)

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.23	Total 31.12.22
<u>Unrestricted Funds</u>	£	£	£	£	£
<b>Costs directly allocated to activities:</b>					
Staff costs	297,905	1,179,365	-	1,477,270	1,534,038
Depreciation	2,540	96,324	692	99,556	69,154
Other	340,610	161,939	12,397	514,946	480,061
Loan interest	-	15,866	-	15,866	19,143
<b>Support Costs allocated by time to activities:</b>	72,041	251,573		323,614	284,480
Administration ( <i>incl. staff costs</i> )			-		
	<u>713,096</u>	<u>1,705,067</u>	<u>13,089</u>	<u>2,431,252</u>	<u>2,386,876</u>
External audit and accountancy – current year				6,600	6,000
External audit and accountancy – prior year				600	-
Internal audit				3,000	3,000
Legal and professional				31,717	13,800
				<u>41,917</u>	<u>22,800</u>
<b>Total Unrestricted Expenditure on charitable activities</b>				<u>2,473,169</u>	<u>2,409,676</u>
<b>Investment Management Costs:</b>					
Re investment property				38,590	31,299
Re current asset investments				13,639	13,991
				<u>52,229</u>	<u>45,290</u>
<b>Grant fundraising costs:</b>				<u>4,320</u>	<u>4,320</u>
<b><u>Restricted Funds</u></b>					
<b>Costs directly allocated to activities:</b>					
	Men's Hostel	Stricklands Bay	Other	Total 31.12.23	Total 31.12.22
Staff costs	382,630	390,496	34,981	808,107	687,406
Depreciation	5,824	405	-	6,229	37,467
Other	102,662	48,708	5,043	156,413	203,639
Loan interest	-	1,763	-	1,763	1,290
<b>Support Costs allocated by time to activities:</b>					
Administration ( <i>incl. staff costs</i> )	65,180	68,611	-	133,791	160,021
	<u>556,296</u>	<u>509,983</u>	<u>40,024</u>	<u>1,106,303</u>	<u>1,089,823</u>
<b>TOTAL EXPENDITURE</b>				<u>3,636,021</u>	<u>3,549,109</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. STAFF COSTS**

	31.12.2023	31.12.2022
	£	£
Wages and salaries	2,409,586	2,332,857
Social security costs	172,298	164,843
Other pensions costs	58,844	55,745
	<u>2,640,728</u>	<u>2,553,445</u>

The average monthly number of employees during the year was as follows:

	31.12.2023	31.12.2022
Administrative staff	8	8
Other staff	84	79
	<u>92</u>	<u>87</u>

Included above is £411,339 (2022: £477,752), which was paid during the year in respect of agency staff.

During 2023, there was one employee with emoluments at the rate between £90,001 and £100,000 (2022: one between £90,001 and £100,000).

Remuneration of the 2 (2022:2) key management personnel in the period was £160,553 (2022: £153,500).

**5. INCOME & EXPENDITURE**

Income and expenditure (including VAT, where relevant) are stated after charging (crediting):

	31.12.2023	31.12.2022
	£	£
Depreciation - owned assets	109,187	113,567
Loss on disposal of fixed assets	-	-
Operating lease costs	4,393	4,393
External Aud & Accs current year	6,600	6,000
External Aud & Accs prior year	600	-
Internal Audit	3,000	3,000
Bank loan interest payable	17,629	20,433
Income from listed investments	72,151	65,516
Directors' remuneration	-	-

**6. TAXATION****Analysis of the tax charge**

Being registered with both HMRC and the Charity Commission for Northern Ireland as a charity, no liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2023, nor for the year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 7. TANGIBLE FIXED ASSETS

	Freehold Property £	Short Leasehold £	Long Leasehold £
<b>COST</b>			
At January 2023			
Additions	2,883,318	9,080	1,822,250
Disposals	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2023	<u>2,883,318</u>	<u>9,080</u>	<u>1,822,250</u>
<b>DEPRECIATION</b>			
At 1 January 2023			
Charge for year	972,293	9,080	1,188,058
Eliminated on disposal	58,563	-	36,180
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2023	<u>1,030,856</u>	<u>9,080</u>	<u>1,224,238</u>
<b>NET BOOK VALUE</b>			
At 31 December 2023	<u>1,852,462</u>	<u>-</u>	<u>598,012</u>
At 31 December 2022	<u>1,911,025</u>	<u>-</u>	<u>634,192</u>

## 7. TANGIBLE FIXED ASSETS (continued)

	Fixtures & Fittings	Motor Vehicles £	Computer Equipment £	Totals £
<b>COST</b>				
At January 2023				
Additions	237,595	9,775	25,203	4,987,221
Disposals	4,318	-	-	4,318
	<u>(300)</u>	<u>-</u>	<u>-</u>	<u>(300)</u>
At 31 December 2023	<u>241,613</u>	<u>9,775</u>	<u>25,203</u>	<u>4,991,239</u>
<b>DEPRECIATION</b>				
At 1 January 2023				
Charge for year	203,110	7,462	17,173	2,397,176
Eliminated on disposal	9,734	578	4,132	109,187
	<u>(115)</u>	<u>-</u>	<u>-</u>	<u>(115)</u>
At 31 December 2023	<u>212,729</u>	<u>8,040</u>	<u>21,305</u>	<u>2,506,248</u>
<b>NET BOOK VALUE</b>				
At 31 December 2023	<u>28,884</u>	<u>1,735</u>	<u>3,898</u>	<u>2,484,991</u>
At 31 December 2022	<u>34,485</u>	<u>2,313</u>	<u>8,030</u>	<u>2,590,045</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**8. FIXED ASSET INVESTMENT PROPERTIES**

Harmoni has two fixed asset property investments and a small ground rental portfolio.

The investment properties at Donegall Pass were revalued at fair open market value as of 9 February 2024 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2023.

The investment properties at Derryvolgie Mews were revalued at fair open market value as of 9 February 2024 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2023.

The directors are of the view that no significant change to fair open market value has arisen with the ground rents in 2023 (or 2022). The movement is summarised as follows: -

	8 Apartments (Derryvolgie Mews) £	Other Investment Property £	Ground Rents £	2023 Total £	2022 Total £
Value at start of the year	1,500,000	195,000	4,504	1,699,504	1,649,504
Increase in value during the year	<u>50,000</u>	<u>5,000</u>	<u>-</u>	<u>55,000</u>	<u>50,000</u>
Value at the end of the year	<u>1,550,000</u>	<u>200,000</u>	<u>4,504</u>	<u>1,754,504</u>	<u>1,699,504</u>

As part of its title to Derryvolgie Mews Harmoni holds the only issued voting 'B' share in an apartment management company, Derryvolgie Mews Management Company Limited, incorporated in Northern Ireland to act as a property management company for Harmoni's investment property "Derryvolgie Mews".

4 non-voting 'A' shares in the company have been issued to the owners of the other 4 apartments which were previously sold by Harmoni.

**9. FINANCIAL INSTRUMENTS**

The fair valued carrying amounts of the charity's financial instruments, being debtors, current asset investments, creditors and bank loans, are given in notes 11, 12, 13, 14 and 15.

The only income from the charity's financial instruments is the bank deposit interest receivable and current asset investment income, as disclosed under investment income in note 2.

The only expense associated with the charity's financial instruments is the Stricklands Bay property bank loan interest, as disclosed in note 3.

**10. STOCK**

	31.12.2023 £	31.12.2022 £
Kitchen stock at Men's Hostel	<u>1,583</u>	<u>1,421</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.2023	31.12.2022
	£	£
Trade Debtors	300,087	205,894
Prepayments and accrued income	23,568	19,222
	<u>323,655</u>	<u>225,116</u>

**12. CURRENT ASSET FINANCIAL INVESTMENTS**

	31.12.2023	31.12.2022
	£	£
At start of year	2,234,968	2,500,803
Additions	546,838	120,865
Disposals	(274,162)	(146,575)
Surplus/(deficit) on disposals – realised	6,955	(31,994)
Unrealised (deficit)/surplus	59,847	(208,131)
At end of year fair market valuation	<u>2,574,446</u>	<u>2,234,968</u>
Current assets investments comprise:		
Listed investments	2,444,175	2,111,838
Other investments	130,271	123,130
	<u>2,574,446</u>	<u>2,234,968</u>
Historical cost of current asset investments	<u>2,574,446</u>	<u>2,234,968</u>

The fair value of listed investments is determined by reference to their market value as at the balance sheet date as provided by the Investment Managers Evelyn Partners.

The fair value of the other Investments is measured at a fair value on acquisition less impairment.

The investment management fees in respect of the financial investments for 2023 were £13,639 (2022: £13,991).

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.2023	31.12.2022
	£	£
Bank loans (see note 15)	106,715	103,917
Trade creditors	95,207	72,579
Social security and other taxes	38,034	31,849
Accrued expenses	169,026	145,349
	<u>408,982</u>	<u>353,694</u>

**HARMONI 2019****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023****14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.2023	31.12.2022
	£	£
Bank Loans (see note 15)	<u>453,142</u>	<u>559,857</u>

The bank loans are secured by a legal mortgage over Harmoni's investment property known as "Derryvolgie Mews".

**15. LOANS**

An analysis of the maturity of loans is given below:

	31.12.2023	31.12.2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>106,715</u>	<u>103,917</u>
	<u>106,715</u>	<u>103,917</u>
Amounts falling due between one and two years:		
Bank loans: 1-2 years	<u>109,712</u>	<u>106,715</u>
Amounts falling due between two and five years:		
Bank loans: 2-5 years	<u>301,666</u>	<u>338,504</u>
Amounts falling due in more than five years:		
Bank loans repayable in more than 5 years by instalments	<u>41,764</u>	<u>114,638</u>

Interest is payable on the original bank loan at 2.15% for 10 years. Interest is payable on a second bank loan at 4% for 10 years.

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.2023	31.12.2022
	£	£
Bank Loans	<u>559,857</u>	<u>663,774</u>
	<u>559,857</u>	<u>663,774</u>

The bank borrowings are secured by a legal mortgage over Harmoni's investment property known as "Derryvolgie Mews" and the development at Getgood House.

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**17. PENSION COMMITMENTS**

The company used to operate a defined benefit pension scheme which has now been wound up. The pension obligations under the old scheme are met by purchased annuities. In addition, unfunded payments are made to certain former employees.

The company now operates a defined contribution scheme for certain current employees. The total pension costs for the year were £58,844 (2022: £55,745), comprising pension scheme costs of £58,302 (2022: £54,404) and unfunded pension payments of £542 (2022: £1,341).

**18. TRANSACTIONS WITH DIRECTORS**

No director emoluments were paid during the year (2022 - £Nil)

There were no transactions during the year in which any director or related party had an interest requiring disclosure.

**19. LEGAL STATUS OF HARMONI**

HARMONI 2019 is a company limited by guarantee, not having a share capital.

Harmoni has tax-exempt status with HMRC as a charity and has also been registered as a charity by the Charity Commission for Northern Ireland.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £	Long Term Liabilities £	Total 2023 £	Total 2022 £
<b>Unrestricted Funds:</b>						
General	<u>2,454,767</u>	<u>1,754,504</u>	<u>3,114,496</u>	<u>(453,142)</u>	<u>6,870,625</u>	<u>6,575,667</u>
<b>Restricted Funds:</b>						
NIHE Supporting People - Men's Hostel & Stricklands Care Village	-	-		-		34,709
Stricklands Bay – Bangor Benevolent Society	-	-	3,728	-	3,728	4,437
Men's Hostel – NIHE Refurb. Grant 2015	3,775		23,181		26,956	30,909
National Lottery Community Fund		-	3,768	-	3,768	51,120
Men's Hostel – Awards for All Grant	706	-	391	-	1,097	1,286
Men's Hostel – NIHE Refurb. Grant 2018	2,888	-	(965)	-	1,923	1,942
Ulster Garden Villages	18,280	-	-	-	18,280	18,685
Stricklands Bay - Awards for All Grant	-	-	5,595	-	5,595	5,595
Dormant Accounts Fund NI	-	-	(185)	-	(185)	7,288
R.U.T.H	1,323	-	-	-	1,323	1,911
Belfast City Council – Equipment	3,252	-	(341)	-	2,911	3,331
Ardbannon Trust			18		18	
At the end of year	<u>2,484,991</u>	<u>1,754,504</u>	<u>3,149,686</u>	<u>(453,142)</u>	<u>6,936,039</u>	<u>6,736,880</u>

**HARMONI 2019**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**21. MOVEMENTS IN RESTRICTED FUNDS**

	At 31 <sup>st</sup> December 2022	Net Movements in Funds	Transfer from Unrestricted Funds	At 31 <sup>st</sup> December 2023
	£	£	£	£
NIHE Supporting People – Men’s Hostel & Stricklands Care Village	34,709	(93,513)	58,804	-
Stricklands Bay – Bangor Benevolent Society	4,437	(709)	-	3,728
Men’s Hostel – NIHE Refurb. Grant 2015	30,909	(3,953)	-	26,956
Dormant Accounts NI Fund	7,288	(7,473)	-	(185)
Men’s Hostel – Awards for All Grant	1,221	(124)	-	1,097
Men’s Hostel – NIHE Refurb Grant 2018	2,553	(630)	-	1,923
National Lottery Community Fund	51,120	(49,894)	2,542	3,768
Ulster Garden Villages	18,685	(405)	-	18,280
Stricklands Bay – Awards for All Grant	5,594	-	-	5,594
R.U.T.H	1,911	(588)	-	1,323
B.C.C – Equipment	3,332	(420)	-	2,912
Ardbannon Trust	-	18	-	18
At the end of year	<u>161,759</u>	<u>(157,691)</u>	<u>61,346</u>	<u>65,414</u>

**22. MOVEMENTS IN UNRESTRICTED FUNDS**

	General Fund	Revaluation Reserves	Total Unrestricted Funds 2023	Total Unrestricted Funds 2022
	£	£	£	£
At 1 <sup>st</sup> January 2023	4,803,884	1,771,237	6,575,121	6,646,995
Net Income on Operational Activities	235,048	-	235,048	220,493
Transfer to restricted funds	(61,346)	-	(61,346)	(102,242)
Investment revaluation (Losses)/Gains	-	121,802	121,802	(190,125)
At 31 <sup>st</sup> December 2023	<u>4,977,586</u>	<u>1,893,039</u>	<u>6,870,625</u>	<u>6,575,121</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**23. ANALYSIS OF REVALUATION RESERVES**

	Fixed Asset Investments	Current Asset Investments	Total Investments	Total
	£	£	£	£
At 1 <sup>st</sup> January 2023	1,176,218	595,019	1,771,237	1,771,237
Net gain/(loss)	55,000	66,802	121,802	121,802
At 31 <sup>st</sup> December 2023	<u>1,231,218</u>	<u>661,821</u>	<u>1,893,039</u>	<u>1,893,039</u>

**24. OPERATING LEASE COMMITMENTS**

	2023	2022
	£	£
Total future minimum lease payments under non-cancellable operating leases for office equipment are as follows:		
Not later than one year	2,501	4,697
Later than one year and not later than five years	1,220	3,416
Greater than five years	-	305
	<u>3,721</u>	<u>8,418</u>

**25. RECONCILIATION OF MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
<b>Net movement in funds</b> – Net income from operational activities, as per Statement of Financial Activities	77,357	91,926
Add back:		
Depreciation charge	109,187	113,567
Loss/(Profit) on sale of tangible fixed assets	185	-
Bank property finance loan interest payable	17,629	20,433
Deduct:		
Investment income shown in investing activities	(72,151)	(65,516)
Legacies and subscriptions shown in financing	(1,856)	(3,566)
Cash receipts from rentals from investment properties	(75,060)	(74,495)
Bank deposit interest	(101)	-
(Increase) in stock	(162)	(462)
(Increase) in debtors	(98,539)	(48,358)
Increase in creditors, excluding bank borrowings	<u>52,490</u>	<u>10,439</u>
<b>Net cash generated in operating activities</b> , as per Statement of Cashflows	<u>8,979</u>	<u>43,968</u>

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Annual report

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## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 FORWARD

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I am pleased to present on behalf of the Trustees of HarmonI 2019 the annual report and accounts for the year 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023. This marks my first full year in office as Chair for the organisation.

I am indebted to my colleagues on the Board for their interest and commitment to guide the work of HarmonI. I am equally indebted to the CEO and the executive team for their efforts in what continues to be very changeable circumstances, not least of all financially. We like most charitable organisations are at the mercy of single year budget allocations from our key statutory commissioners, this can make long term decision making and planning difficult.

Notwithstanding we have a long and we believe mutually positive relationship with both the South Eastern Health and Social Care Trust (SEHSCT) and the Northern Ireland Housing Executive (NIHE) and we acknowledge their continuing engagement and contracting of services with us.

When we commenced the financial year the budget expectations were extremely challenging. I am however delighted to note the in-year uplifts which were more realistic than we could budget for. We understand that both the Department of Health through the SEHSCT and the Department for Communities through the NIHE recognise that our sectors have for many years experienced significant compression with costs rising faster than incomes. We want to acknowledge that recognition and while we again note the budget issues The Stormont Assembly has to juggle, we do hope the momentum in this area can be maintained.

That in no way detracts from the efforts of the executive team in HarmonI who navigate those financially challenging waters routinely. The one key element throughout the 145 years of this charity's existence has been noted as one of tenacity in the face of uncertainty and we can certainly see that from the Board to the front-line staff.

Those front-line colleagues deliver services to our client groups in equally but very different challenges daily. So, on behalf of the Board, I want to thank our front-line colleagues who alongside their colleagues in the support elements such as administration, HR, and finance form part of what has become a very well-oiled and effective delivery system. A system which has at its heart the beneficiaries and their needs.

Our CEO regularly reminds us all that the only reason HarmonI exists is that we have clients who need us, clients who live with multiple disabilities or societal disadvantages, clients who place their trust in us. To those clients whether they come from Stricklands Care Village, or the Men's Hostel at Utility Street I say thank you once again for trusting us to support and care for your needs.

As I close this element of the report, I would pick out one particularly encouraging indicator which was initiated during 2023. The Board agreed to rekindle our development processes and start prospecting for a next stage of service delivery. Undoubtedly it will take some time from inception to delivery but every journey begins with the first step, all of which is a response to our core mantra, "To do more for More!"



*Paul Archer - Chairman*

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRUCTURE, GOVERNANCE AND MANAGEMENT

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#### Governing Document

The legal entity name was changed on 8<sup>th</sup> January 2019 from NIID to HARMONI 2019 Trading as HarmonI.

HARMONI 2019 has its origins in late 19<sup>th</sup> century Belfast. It was incorporated on 19<sup>th</sup> July 1906 as a charitable Company limited by guarantee and not having a share capital. The objects and powers of HARMONI 2019 are set out in the Memorandum of Association, and the Company is governed under its Articles of Association, as updated in 2014 and registered on 28<sup>th</sup> March 2014. In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.00.

HARMONI 2019 is on the Northern Ireland Charity Register, registration number 101731. Since registration, the Director Trustees have embarked and maintained periodic specific training along with the Management team to understand fully the implications, responsibilities and expectations of HARMONI 2019, the Trustees and the Management who operate under delegated authority.

In September 2023 we initiated a review of our current articles steered by a working group from the Board and supported by our legal advisors at Cleaver Fulton and Rankin we aim to complete this exercise in early 2024. The scope of that work is limited to an updating and refreshing exercise.

#### Directors:

#### Recruitment and appointment of directors

Under the requirements of the Articles of Association as revised in March 2014, the directors are trustees of the charity and are known as Members of Council. From that revision date, Director Trustees serve for 4 years dated from the first AGM at which they are voted in, they are eligible to serve up to three terms of four years at which point they must retire. The date cycle is from their first AGM to their fourth AGM.

Name of Director Trustee	Appointment Date	Expected term end AGM date
Archer, Paul (Chair)	28 <sup>th</sup> March 2023	1 <sup>st</sup> term chair June 2026
McIlhagger, David (Deputy Chair)	30 <sup>th</sup> June 2010 (NED) Chair May 2014 – Dec 2020	Appointed Deputy Chair 1 <sup>st</sup> Jan 2020 June 2026
Reagan, Peter	29 <sup>th</sup> October 2014	June 2027
Lavery, Brian	18 <sup>th</sup> May 2020	June 2024
Irwin, Hannah	15 <sup>th</sup> June 2020	June 2024
Collins, Paul	15 <sup>th</sup> June 2020	June 2024
Colgan, Elaine	28 <sup>th</sup> July 2021	Resigned 28 <sup>th</sup> November 2023
Graham, Amira	5 <sup>th</sup> November 2021	Resigned 27 <sup>th</sup> November 2023
Drew, Joanne	12 <sup>th</sup> February 2024	June 2028
Lyle, Robert	12 <sup>th</sup> February 2024	June 2028
Kerr, Elizabeth Mary	1 <sup>st</sup> March 2024	June 2028

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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#### *Director Trustees during reporting period*

No Member of the Board of Director Trustees had a beneficial interest in any contract with HARMONI 2019 during the year.

#### Succession Planning:

Harmoni continues to manage the need for succession in the following manner:

- 1: Trustee appointments are phased in so far as possible so as not to risk a significant number of multiple Trustees ending their tenure simultaneously.
- 2: From 1<sup>st</sup> January 2020 the board of trustees have created a deputy chair role to ensure that in the event of the chair being unavailable there remains a line of consistency in the charity governance.
- 3: The Chair of the Finance and General Purposes Committee is generally not the chair of the full board to ensure a degree of separation and independence.

#### *Trustee induction and training*

Trustees are aware of the practical work of HARMONI 2019 at the hostel in Belfast and Strickland's Care Village in Bangor. New trustees are expected to attend an information session to familiarise themselves with how HARMONI 2019 operates. These are jointly led by the Chair of the Board and the Chief Executive of HARMONI 2019 and cover the following:

- The obligations of the Trustee Directors
- The Articles of Association
- The financial position as set out in the latest published accounts
- Future plans and objectives

New trustees receive copies of the Articles of Association, the latest financial statements, the current strategic plan and a copy of the Code of Good Governance produced by NICVA. They then meet the CEO and undertake a half day induction process to provide information on the charity function.

To ensure that trustees have up to date knowledge regarding charity management issues and the impact of changes in the public sector it is expected that trustees will have the opportunity to attend suitable training and information events. The CEO disseminates all regulatory guidance to trustees as it is received by the charity.

#### **Risk management**

The Board of Director Trustees continues to review the major risks to which HARMONI 2019 is exposed. The risk management strategy for HARMONI 2019 is one which seeks to identify risks and mitigate or manage those risks. It is not designed to remove all risk as to do so is in itself a risk which could render the organisation impotent. The risk framework seeks to firstly identify the organisational risk appetite, over a range from low, medium or high appetite.

The Board of Trustees receive regular updates to the risk register. This process allows the board to see pertinent corporate risks, these risks are categorised with probability and impact scores as High, Medium or Low risk. This measurement is designed to identify risks that require immediate attention and mitigation, and those that need attention, but are less immediate.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023  
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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Each risk is then identified with a risk owner and a mitigation plan narrative provided. Each update of the register identifies new risks and changes in the previous risks due to the effects of the planned mitigation or other external circumstances.

The core risks for 2023 were identified as:

**Budget Delivery:** At the outset of the year armed with limited knowledge on any possible uplift potential from our core statutory partners for the services delivered, the budget presented as a worst-case scenario was a significant deficit. As ever the CEO and executive team produced a mitigation plan to identify key activity and tasks to minimise this risk. We are glad to report that due to an improvement in employed staff resources compared to the agency potential budgeted coupled with significantly better than expected uplifts from The Trust and NIHE we returned a positive surplus result for the underlying business of the charity.

**Funding Compression:** On the income side as a result of no uplift for many years from Supporting People coupled with historic low increments from the Trust for services delivered the income increments required to meet the spiralling costs had no degree of certainty. On the cost side between the greater than inflation rises for National Living Wage which impacts 90% of our workforce and continued increase in overall costs such as energy the year continued to be one in which the compression reality continued.

**Staff resources:** As we started the 2023 year we had noted a small increment in employment for staff particularly in our Stricklands care Village. That continued for the first quarter of 2023 which eased the need for agency. However, that plateaued into quarter 2 and 3 of the year leaving us with a need to still call on agency. One mitigation we have initiated in the year is to ensure we have a negotiated position with the funders particularly where a new client is involved as we now are asking for the Trust to fund staffing levels at agency plus a central contribution rate until we secure our own staff. We have also again attempted to re-engage with the Trust in respect to rebalancing some of our clients care hour baselines whose contracted hours required have outstripped the care hours contracted.

Procedures are in place to ensure compliance with health and safety of staff, suppliers, volunteers, clients and visitors to the Hostel and Strickland's Care Village.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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***Organisational structure***

The Board schedules four meetings a year and is responsible for the strategic direction and policy of HARMONI 2019. The Trustees come from a variety of professional backgrounds relevant to the work of HARMONI 2019.

The Finance and General Purposes Committee meets a week prior to the Board and recorded four meetings in 2023. This continues to include the Annual Report and Accounts presentation to the committee by the Auditors.

The development committee, which is a project-based committee, did not meet in 2023 due to there being no relevant business before the committee.

Responsibility for operations management is delegated to the Chief Executive.

**Governance:**

The Board will formally meet a minimum of 3 times in the year to take care of the ordinary business of the charity and its governance requirements. The board also receives a detailed sub report on Health and Safety, Safeguarding and Deprivation of Liberty issues if any have arisen.

They will meet at other times for special topics meetings as and when required. The Sub Committee of the Finance and General Purposes Committee will normally meet one week in advance of each formal board. The Development Committee will meet as required to meet the needs of the project timeline.

**Corporate Oversight:**

The Senior Management Team meets regularly to ensure the management of the main corporate needs are being met. A key element of this discussion will be the budgets, actuals, and variances we are experiencing and what controls or changes we need to effect in order to keep the organisation on track. We will also review progress in respect to recruitment and retention for our services.

**Corporate Management:**

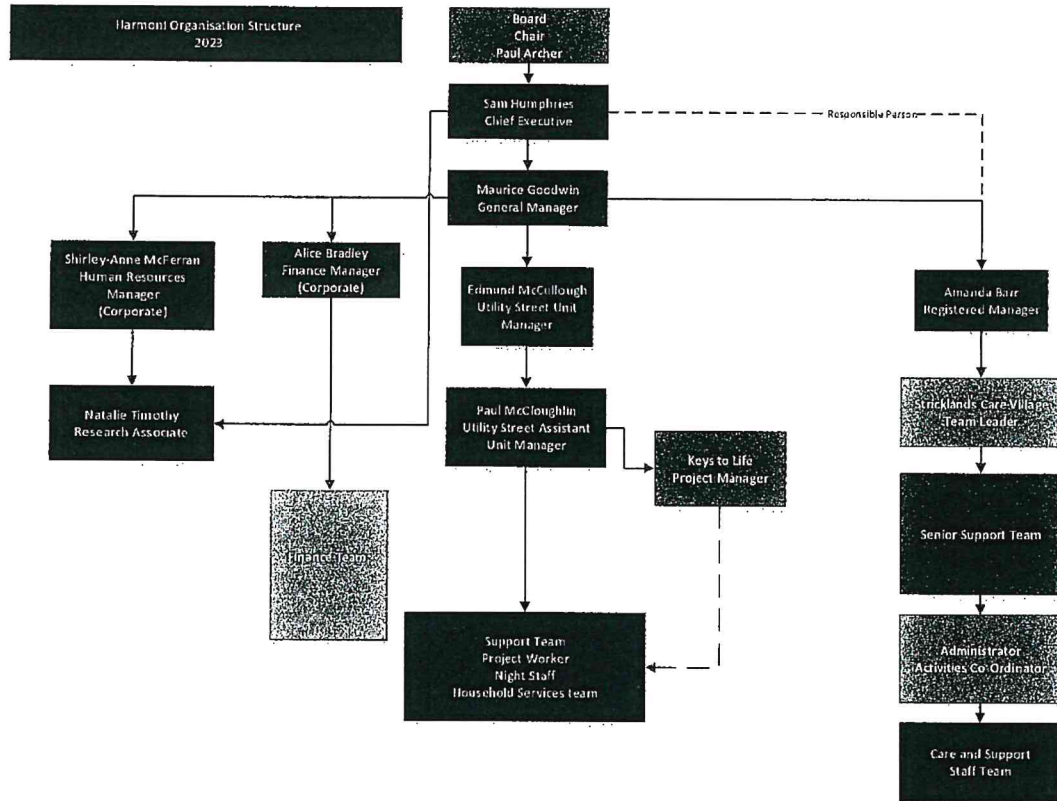
The Unit Managers will meet with members of the Senior Team as required to review the performance of the overall business with specific input from the unit heads. These discussions include the regulatory and compliance elements from the funders and commissioners of the services and also key safeguarding issues.

**Operations Management:**

A member of the Senior Team meets their direct line management team as needed to review and discuss operational issues and take any operational decisions arising.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

The operational organisation structure:



**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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**Related parties**

HARMONI 2019 did not have any dealings during 2021 with any companies or other organisations in which any of the directors have an interest.

**OBJECTIVES AND ACTIVITIES**

The principal objects, as updated, of HARMONI 2019 are to: -

- To relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ('the beneficiaries).
- To advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society.
- In the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries.
- To advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities.
- To relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care.
- Such other exclusively charitable purposes according to the law of Northern Ireland for the beneficiaries as the Trustees may from time to time decide.

Strickland's Care Village located in Bangor provides accommodation in thirty-three separate units for those individuals living with a disability and needing support and care at various levels depending on assessed need.

The Belfast hostel provides emergency accommodation for fifty-nine men experiencing homelessness with one room specifically renovated for men with disabilities. The men are supported and encouraged to improve their situation by taking the necessary steps to move on to training opportunities and employment, and to permanent accommodation. There is close cooperation with the statutory authorities and the Northern Ireland Housing Executive.

## STRATEGIC REPORT

### Achievements and Performance

#### • *Organisational:*

A significant achievement organisationally for 2023 was the ability to reverse the potential deficit to a surplus. This was derived from some 15 mitigation actions by the Executive coupled with better-than-expected increases from the Trust. There was also a fully unexpected increment in Supporting People funding, the first in 16 years.

The second and for a mission driven organisation such as Harmoni 2019 equally as important was the Social Return on Investment outcome. Once again, we were provided access to the Social Value Engine Exercise operated by Work West through grant support of North Down and Ards Social Enterprise Support Fund. We are grateful to the council for this support.

That exercise showed that as an organisation for every £1 invested we returned £3.15 in social and economic value. We have always believed as a charitable organisation we added value to people living with a disability or societal disadvantage, this measure helps to provide a metric to confirm that.

#### • *Stricklands Care Village:*

2023 was a year in which we experienced the loss of a number of our long-term clients. One client required nursing care which is outside our service delivery capability. Then in the last quarter of the year we lost two of our oldest residents who passed away in November and December. It was through these challenging days for staff that the quality of the values based recruitment and retention strategies showed their worth, coupled with the professional training our staff receive annually we were able to see a stoicism in our front line staff as they dealt with the loss but set aside their personal feelings to continue to deliver to the remaining clients.

We have been able to refocus our attempts to provide greater one to one time with our clients as we attempted to be more focussed on their wants and aspirations this year without the hangover of Covid limitations. This showed in the contentment expressed by our clients. We were also pleasantly surprised when the Social Value Engine return showed us that our staff had delivered over 33,000 support sessions across the year.

Our maintenance programme continues to ensure the clients homes are maintained to the high standards we aspire to for them.

Stricklands Care Village again received a positive RQIA report in 2023 following an unannounced inspection with just one procedural improvement suggestion.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE (continued)

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- *Utility Street Hostel:*

This year some 206 men were supported to exit homelessness through the work of the Hostel. It should be more but due to the wider system silting up as people experiencing homelessness having reduced move on options due to higher rents particularly in the private rented sector, our clients were staying longer.

In spite of this, 65 men were supported through a combination of the day-to-day support activity of our front-line support staff and the direct support activity of Keys to Life.

Our Keys to life programme which was funded for three years by the National Lottery Community Fund drew to a close. We want to acknowledge and thank the National Lottery for their enabling funding.

The outcomes for the programme are impressive especially when one considers the transient nature of our client group and the impact of Covid on what was a socialisation-based programme:

- Over 80 men took part (target was 96) with 60% achieving an award certificate or an accreditation.
- 30 men took part in activities outside the hostel.
- 45 men attended skills courses some achieving multiple certificates.
- 21 men completed employment preparation training.
- 20 men undertook a Wellness programme with 9 staying the course to the end.
- 12 men achieved a food hygiene programme and award.
- 30 men undertook TEFL courses. As their primary language was not English this Teaching English and Foreign Language course was very popular.
- 9 men achieved awards in OCN level 2 for Healthy living.
- 6 men built the sensory garden in Bangor.
- 12 men took part in the Toolbox programme to learn new skills for maintenance and repair of household-based items.

#### **Public Benefit**

The directors confirm that they have had due regard for the guidance produced on Public Benefit by the Charity Commission for Northern Ireland, and are pleased to report that during 2023 they have continued to meet the Public Benefit requirement as follows:

The core activity for HARMONI 2019 is the relief of poverty, illness, sickness and suffering to those living with sickness, disability, poverty or social circumstances. All our engagement activities have been with individuals from one or a range of these groups. The organisation has sought to revive these impacts firstly by providing suitable and appropriate accommodation, be that in Supported Independent living or Hostel provision. The organisation sees that provision as the start of our service intervention.

From that point forward, we seek to create a person-centred provision that is cognisant of the individual's need. Many of our residents and service users have those needs identified through professional assessment, either from the health care trusts or other social services. For others it is the skill and experience of the support staff which assists the individual to articulate those needs.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 STRATEGIC REPORT : ACHIEVEMENT & PERFORMANCE (continued)

---

Our core model remains accommodation-based care and support, subject to the service engagement. We continue to believe that the most important element for all our clients remains ensuring a safe and secure place to live. This delivers consistency in what has for some of our clients been a chaotic life to date.

Those for whom the need is centred on personal care are provided a bespoke care and support daily living plan which centres around their personal needs. This is achieved in conjunction with the South East Health Trust care management teams to ensure the assessed needs are met. Next of kin and family provide valuable input to those requirements in the care plan development stage. Further supports are designed which enable the client to live as independently as they wish or are capable of. All these plans are subject to regular review and updating as circumstances change.

Those for whom support is the core focus of our engagement will receive a personal support plan which aims to assist them in achieving their short-term goals which are aimed at delivering a longer term goal, in the case of our clients in Utility street this is independent living in a place of their choosing.

For many of our service users the reality is that their experience with HARMONI 2019 is about small steps and personal capacity / capability building. Many of our residents and families have seen a marked improvement in the individuals' engagement and socialisation skills and their ability to communicate their wants and needs personally.

HARMONI 2019 works closely with multiple statutory bodies to ensure we plan for and deliver suitable and successful outcomes for each and every one of our service users. This joined up approach ensures that the overall public benefit is delivered where service users have longevity and consistency and therefore tend not to move between other agencies or service provisions.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 FINANCIAL REVIEW

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HARMONI 2019 is a unique organisation, not least because of the diverse nature of the service users but also because of the blended funding sources for our service delivery. Harmoni is very grateful to the Northern Ireland Housing Executive and the South-Eastern Health and Social Care Trust, being the principal funders of these activities.

The directors note that there is a total Net Income for 2023 of £199,159, compared to Net Expenditure of £98,199 in 2022.

The directors also note that the charity remains in positive position in terms of generation of a surplus from operating activities. 2023 saw Net Income from Operational Activities of £77,357, with a figure of £91,926 reflected in 2022.

The main points of note are –

- Incoming Resources have increased by £72,343 (1.99%)
  - Increase in investment income of £7,318 (Increase of 5.22 %).
  - Increase in income from charitable activities of £64,500 (Increase of 1.84%). Much of this increase relates to inflationary uplifts Harmoni received in respect of some funding streams.
- Expenditure has increased by £86,912 (2.45%)
  - Increase in expenditure on charitable activities of £79,973 (2.29%). Costs continued to increase across all departments and expense types, with further increases in utility costs, insurance and food. Increased recruitment did however mean that we were able to reduce agency costs even in the face of rising national living wage levels.

In 2023 the organisation saw a gain on the revaluation of investment assets of £121,802. This relates to the value of current asset investments (gain on revaluation of £66,802) and the revaluation on fixed asset investments meant an uplift in the value of the properties held of £55,000.

The net effect of these movements is that the charity returned a Net Income figure of £199,159 in 2023.

This gives reserves carried forward on the balance sheet at the end of the year comprising Restricted Funds carried forward of £65,414 (2022: £161,759) and Unrestricted Funds of £6,870,625 (2021: £6,575,121). The Unrestricted funds carried forward comprise Investment Revaluation Reserves of £1,893,039 and General Funds of £4,977,586.

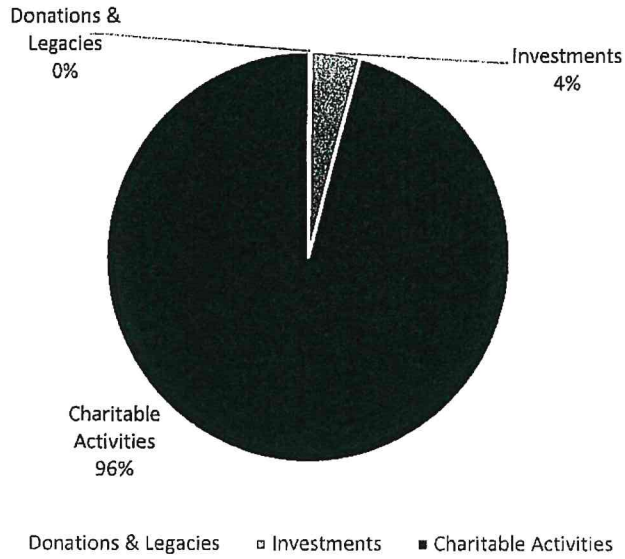
The balance sheet of the charity remains strong, with current assets, including current asset investments, comfortably exceeding current liabilities by £3,149,686.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**FINANCIAL REVIEW (continued)**

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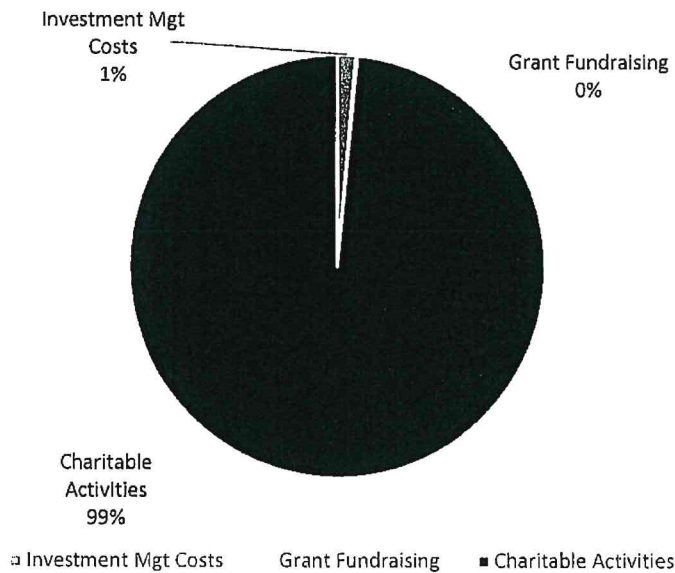
During the year, our income came from the following sources:

**Income for the year ended 31 December 2023**



This income then allowed us to achieve our aims and objectives for the organisation through making the following expenditure:

**Expenditure for the year ended 31 December 2023**



### Reserves Policy

HARMONI 2019 aims to maintain a level of resources that match the needs of the organisation, both now, and in the foreseeable future.

The two main objectives are that –

- a. the available reserves ensure that the activities of the organisation could continue in the face of any unexpected reduction in, or loss of, a particular income stream, while allowing the organisation time to seek alternative funds or restructure/cut costs.
- b. the available reserves allow the organisation to progress with the organisational development plan laid out in the strategic plan 2022-2025.

The Directors assess the risks that HARMONI 2019 could be exposed to, and the appropriate level of reserves that should be maintained.

The current assessment of the target range of free reserves – funds that are freely available to be used for general charitable purposes – held by the company should be 6 months of expenditure, with an additional amount to allow the Board the potential to carry out operations in line with the strategic plan.

In carrying out their assessment of reserves the Directors exclude the fixed asset fund of £2.5m because this represents functional, operational assets within the organisation that could not be realised quickly, restricted reserves of £0.065m which have restrictions placed over the use of funds by the individual funders, and the investment property value of £1.55m which is used as mortgage security for the original long-term loan. After excluding the fixed asset fund this leaves free reserves of £2.84m.

In the strategic plan 2022-2025 the Directors have identified several key projects to investigate. They have also identified the need to build and maintain appropriate reserves to carry out these plans.

This is to ensure that the organisation can grow and develop while maintaining the range of services/activities, and in time the reserves should return to a level equivalent to the equivalent of 6 months running costs.

### Investment Policy

The Directors have agreed an investment policy within the powers provided to them under the Articles of Association of the organisation. The organisation has a long-established balanced approach towards investment risk, with the need to both protect and grow the charities assets for all service users. Therefore, the Directors define the organisation's expected investment profile to be balanced, with a desire to grow, but also protect the capital invested, whilst providing a useful source of income from dividends.

The Directors wish the portfolio to represent a balanced spread of investments in equities and fixed interest securities and bonds.

The investment portfolio was managed during the year under review by Evelyn and Partners alongside Abrdn (formerly Aberdeen Standard Capital) (on behalf of the Northern Ireland Central Investment Fund for Charities). All are professional investment management companies in good standing and regulated by the Financial Conduct Authority.

As a charity with a strong Evangelical Christian heritage, the ethos of which casts a guiding shadow across the organisation's moral position, the Directors have advised the investment managers that the organisation do not wish to invest in the following:

- Alcohol or tobacco trades
- Arms and munitions trades

The performance of the investment portfolio is monitored regularly by the Directors. In the year under review the investments continued to perform well and in line with objectives, providing a good level of dividend income.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

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**PLANS FOR FUTURE DEVELOPMENT**

Our 2022 strategic plan was purposely entitled Research, Knowledge, Action. The Trustees understood that future development decisions of either services or facilities needed to be underpinned by solid actionable research.

The Dormant Account fund has enabled Harmoni to have the facility of an in-house research associate and because of their inputs in June 2023 the Trustees were able to approve our first prospecting exercise since 2019. Following a joint research exercise between Queens University Business School and our In-House research associate a position paper was tabled showing that there was a genuine need for day services or day opportunities in our catchment area.

Armed with that market knowledge we agreed to take the next steps and produce an architectural specification and then commission a feasibility study on the possible physical build required to meet the client needs. This study will be presented in early 2024.

We have other aspirations too in respect to our Homelessness intervention services. We have long held aspirations of development at our Donegal Pass site and in early 2023 we were able to meet the proposed area development housing association to see if we could align plans. While not an immediate success the door remains open to future engagement and discussion as they start on their 3-5 year development journey for the area immediately adjacent to our Donegal Pass facility.

Allied to the foregoing we have initiated the idea of a Strategic Fundraising Committee establishment as a committee under the Board to assist us find a means to facilitate and enable our ideas and aspirations and capital capacity to fund those ideas subject to robust business case presentation.

**THANKS AND APPRECIATION**

HARMONI 2019 would like to place on record their thanks and appreciation for:

The continued funding provided by the Health Trusts and the Northern Ireland Housing Executive towards the cost of providing vital services in Strickland's Care Village and the Men's Hostel.

The National Lottery Community Fund for the funding to operate Keys to Life project.

The Dormant Accounts Fund NI for the funding to facilitate the research project.

The Ardbannon Trust who provided grant to help equip the hostel dining facility to update the environment.

Those many organisations and individuals who made donations of money, goods and time to the clients at the Hostel.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

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#### FIXED ASSETS

Details of fixed asset movement in the year are given in note 7 to the financial statements. Although the market value of the operational property is comfortably in excess of its amortised historic cost, the difference is not felt to be of significance to members.

#### FAIR EMPLOYMENT

The charity is committed to a policy of equal opportunities for all current and future employees. This policy also includes compliance with the Sex Discrimination (NI) Orders 1976 and 1988 and the Disability Discrimination Act 1995. These policies are incorporated into the Equal Opportunity of Employment Guidelines that are adhered to by the charity.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### REPORT AND FINANCIAL STATEMENTS

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Companies Act 2006.

#### AUDIT

The directors have sought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. Insofar as the board is aware there is no relevant audit information of which the company's auditors are unaware.

#### AUDITOR

The external audit assignment for 2022 and the subsequent 5 years has been awarded to Baker Tilley Mooney Moore after an open competitive bid process.

#### ON BEHALF OF THE BOARD:

SA Humphries - Secretary

Date: 

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Annual return

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019**

**Opinion**

We have audited the financial statements of HARMONI 2019 (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company 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 trustees' 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 charitable company'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 trustees 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Directors' responsibilities statement set out on page 17, the Directors (who are also the Trustees of the charitable company for the purposes of company law) 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 trustees 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 Directors are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and The Charities Act (Northern Ireland) 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and compliance with local legislation for the overseas operating segments.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Eimear Brown*

Eimear Brown (Senior Statutory Auditor)  
For and on behalf of Baker Tilly Mooney Moore  
Registered Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

Date: *21<sup>st</sup> June 2024*

Baker Tilly Mooney Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Accounts

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**HARMONI 2019**

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**REGISTERED NUMBER: R0000316 (Northern Ireland)**

**CHARITY COMMISSION for NORTHERN IRELAND REGISTRATION NUMBER: 101731**

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**HARMONI 2019**

**COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DIRECTORS:**

Mr Paul Archer (Appointed Chairman from 28<sup>th</sup> March 2023)  
Mr Norman Carson MBE (Chairman) (Deceased 18<sup>th</sup> June 2022)  
Mr D McIlhagger BSc, FIAE (Deputy Chair)  
Mr Brian Lavery  
Mr P Regan  
Mr Paul Collins  
Mrs Hannah Irwin  
Mrs Elaine Colgan  
Ms Amira Graham

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**SECRETARY:**

Mr S A Humphries

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**REGISTERED OFFICE:**

39 Downshire Road  
Bangor  
Co Down  
BT20 3RD

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**REGISTRAR OF COMPANIES NUMBER:**

R0000316 (Northern Ireland)

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**CHARITY COMMISSION NORTHERN IRELAND NUMBER:**

101731

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**AUDITORS:**

Baker Tilly Mooney Moore  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

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**BANKERS:**

Northern Bank Limited  
t/a Danske Bank  
Donegall Sq West  
Belfast  
BT1 6JS

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**INVESTMENT ADVISORS:**

Evelyn Partners  
The Linenhall  
32-38 Linenhall Street  
Belfast  
BT2 8BG

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**SOLICITORS:**

Cleaver Fulton & Rankin  
50 Bedford Street  
Belfast  
BT2 7FW

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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FORWARD**

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On behalf of the Trustee Directors of HarmonI, I am delighted to present the annual report and accounts for the financial year 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022. It is my great honour to have become the latest chairman for this very special organisation. That honour only tinged by the circumstances requiring a new chair with the passing of my predecessor Mr Norman Carson MBE in June 2022.

As I begin my tenure in April 2023, I want to firstly thank my colleagues from the Board of Trustee Directors for their work and ongoing interest in the charity. I would give special mention to Mr David McIlhagger who as Deputy chair stepped up to chair presiding for the second time in 2 years during the chair's vacancy.

It would be remis of me if I did not also acknowledge the sterling work our staff carry out day and daily in pursuit of the charity's aims and objectives. They are very ably led by an extremely proficient executive and management team to which on behalf of the board we offer our appreciation.

We extend our thanks to the statutory funders from The South Eastern Health and Social Care Trust and the Northern Ireland Housing Executive for their continued engagement and contracting of services with us.

Finally, I place on record our thanks to our clients for trusting us to deliver the services they require.

It is because of the foregoing that I begin my tenure with an organisation that has weathered many storms with strong confidence in the organisation's ability to face challenges and deliver a solution which ensures the clients continue to receive the extremely high-quality services they do.

2022 produced a very positive outcome for the charity, that result means as we face into 2023 and one of the most troubling public sector funding crises of a generation, we have a sound foundation upon which to stand.

It is my objective as I take custodianship of the role of chairman to ensure our heritage is protected, our clients remain served and indeed we find opportunities to grow in spite of the funding paradigm as we seek to do more for more.

*Paul Archer - Chairman*

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The legal entity name was changed on 8<sup>th</sup> January 2019 from NIID to HARMONI 2019 Trading as Harmoni.

HARMONI 2019 has its origins in late 19<sup>th</sup> century Belfast. It was incorporated on 19<sup>th</sup> July 1906 as a charitable Company limited by guarantee and not having a share capital. The objects and powers of HARMONI 2019 are set out in the Memorandum of Association, and the Company is governed under its Articles of Association, as updated in 2014 and registered on 28<sup>th</sup> March 2014. In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.00.

HARMONI 2019 is on the Northern Ireland Charity Register, registration number 101731. Since registration, the Director Trustees have embarked and maintained periodic specific training along with the Management team to understand fully the implications, responsibilities and expectations of HARMONI 2019, the Trustees and the Management who operate under delegated authority.

**Directors:**

**Recruitment and appointment of directors**

Under the requirements of the Articles of Association as revised in March 2014, the directors are trustees of the charity and are known as Members of Council. From that revision date, Director Trustees serve for 4 years dated from the first AGM at which they are voted in, they are eligible to serve up to three terms of four years at which point they must retire. The date cycle is from their first AGM to their fourth AGM.

<b>Name of Director Trustee</b>	<b>Appointment Date</b>	<b>Expected term end AGM date</b>
Archer, Paul (Chair)	28 <sup>th</sup> March 2023	1 <sup>st</sup> term chair June 2026
Carson, Norman (Chair)	26 <sup>th</sup> August 2021	Deceased 18 <sup>th</sup> June 2022
McIlhagger, David (Deputy Chair)	30 <sup>th</sup> June 2010 (NED) Chair May 2014 – Dec 2020	Appointed Deputy Chair 1 <sup>st</sup> Jan 2020 June 2026
Reagan, Peter	29 <sup>th</sup> October 2014	June 2023
Lavery, Brian	18 <sup>th</sup> May 2020	June 2024
Irwin, Hannah	15 <sup>th</sup> June 2020	June 2024
Collins, Paul	15 <sup>th</sup> June 2020	June 2024
Colgan, Elaine	28 <sup>th</sup> July 2021	June 2025
Graham, Amira	5 <sup>th</sup> November 2021	June 2025

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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#### *Director Trustees during reporting period*

No Member of the Board of Director Trustees had a beneficial interest in any contract with HARMONI 2019 during the year.

#### Succession Planning:

From 1<sup>st</sup> January 2020 the board of trustees have created a deputy chair role to ensure that in the event of the chair being unavailable there remains a line of consistency in the charity governance. Since the creation of the role which Mr David McIlhagger has occupied there has been regrettably a need on two separate periods for the Deputy Chair to step into the role of Chair presiding.

The most recent event being the untimely passing of Mr Norman Carson MBE. The trustees place on record their appreciation for David's willingness to step into the role and provide stable governance leadership during the two vacancies.

Mr Paul Archer has been appointed as Chairman in March 2023 and Mr David McIlhagger will retain the deputy chair role and chair of the Finance and General Purposes Committee.

#### *Trustee induction and training*

Trustees are aware of the practical work of HARMONI 2019 at the hostel in Belfast and Strickland's Care Village in Bangor. New trustees are expected to attend an information session to familiarise themselves with how HARMONI 2019 operates. These are jointly led by the Chair of the Board and the Chief Executive of HARMONI 2019 and cover the following:

- The obligations of the Trustee Directors
- The Articles of Association
- The financial position as set out in the latest published accounts
- Future plans and objectives

New trustees receive copies of the Articles of Association, the latest financial statements, the current strategic plan and the current year business plan. They then meet the CEO and undertake a half day induction process to provide information on the charity function.

To ensure that trustees have up to date knowledge regarding charity management issues and the impact of changes in the public sector it is expected that trustees will have the opportunity to attend suitable training and information events. The CEO disseminates all regulatory guidance to trustees as it is received by the charity.

#### **Risk management**

The Board of Director Trustees continues to review the major risks to which HARMONI 2019 is exposed. The risk management strategy for HARMONI 2019 is one which seeks to identify risks and mitigate or manage those risks. It is not designed to remove all risk as to do so is in itself a risk which could render the organisation impotent. The risk framework seeks to firstly identify the organisational risk appetite, over a range from low, medium or high appetite.

The Board of Trustees receive regular updates to the risk register. This process allows the board to see pertinent corporate risks, these risks are categorised with probability and impact scores as High, Medium or Low risk. This measurement is designed to identify risks that require immediate attention and mitigation, and those that need attention, but are less immediate

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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Each risk is then identified with a risk owner and a mitigation plan narrative provided. Each update of the register identifies new risks and changes in the previous risks due to the effects of the planned mitigation or other external circumstances.

The core risks for 2022 were identified as:

**Funding Compression:** While there was some financial support proffered by the Department of Health there remains no annual cost of living increment recognition policy for Supported Living therefore, the perpetual compression between required income increases and actual or no income increases from the statutory funders remains unresolved. The mitigation for that risk continues to be the CEO and senior executive teams engage at the highest levels with the funding bodies.

**Staff resources:** The increasing demand for agency to fill unfilled employed staff hours grew in 2022, it is recognised that this would if unchecked lead to an unsustainable situation financially This leads to limit service growth in respect to accepting new higher need clients, and it could reduce reserves over a prolonged period as the agency cost is significantly higher. The mitigations for this have remained to attempt to keep remuneration levels above that of National Living wage and through the use of Values based recruitment and retention strategies increase the employed workforce. At the end of 2022 we noted a rise in inflow of employed staff.

**Impact of Covid 19:** While we remained vigilant to covid, during the year the management protocols directed from statutory bodies reverted to a standard Risk based approach.

Procedures are in place to ensure compliance with health and safety of staff, suppliers, volunteers, clients and visitors to the Hostel and Strickland's Care Village.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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***Organisational structure***

The Board meets at least three times a year and is responsible for the strategic direction and policy of HARMONI 2019. The Trustees come from a variety of professional backgrounds relevant to the work of HARMONI 2019.

The Finance and General Purposes Committee meets approximately three times a year and as per the change in terms of reference agreed in 2017 the committee now receives all audit reports on behalf of the Board.

The development committee, which is a project-based committee, did not meet in 2022 due to there being no relevant business before the committee.

Responsibility for operations management is delegated to the Chief Executive.

In January 2022 the Board of Trustees launched the next strategic plan iteration, it is entitled Research, Knowledge, Action. It is led by research allowing time to garnish detailed information which will inform future direction decisions. The key objective being that this newfound knowledge leads to risk assessed actions which are aimed at enhancing the service offerings provided by the charity.

**Governance:**

The Board will formally meet a minimum of 3 times in the year to take care of the ordinary business of the charity and its governance requirements. The board also receives a detailed sub report on Health and Safety, Safeguarding and Deprivation of Liberty issues if any have arisen.

They will meet at other times for special topics meetings as and when required. The Sub Committee of the Finance and General Purposes Committee will normally meet one week in advance of each formal board. The Development Committee will meet as required to meet the needs of the project timeline.

**Corporate Oversight:**

The Senior Management Team meets regularly to ensure the management of the main corporate needs are being met. A key element of this discussion will be the budgets, actuals, and variances we are experiencing and what controls or changes we need to effect in order to keep the organisation on track.

**Corporate Management:**

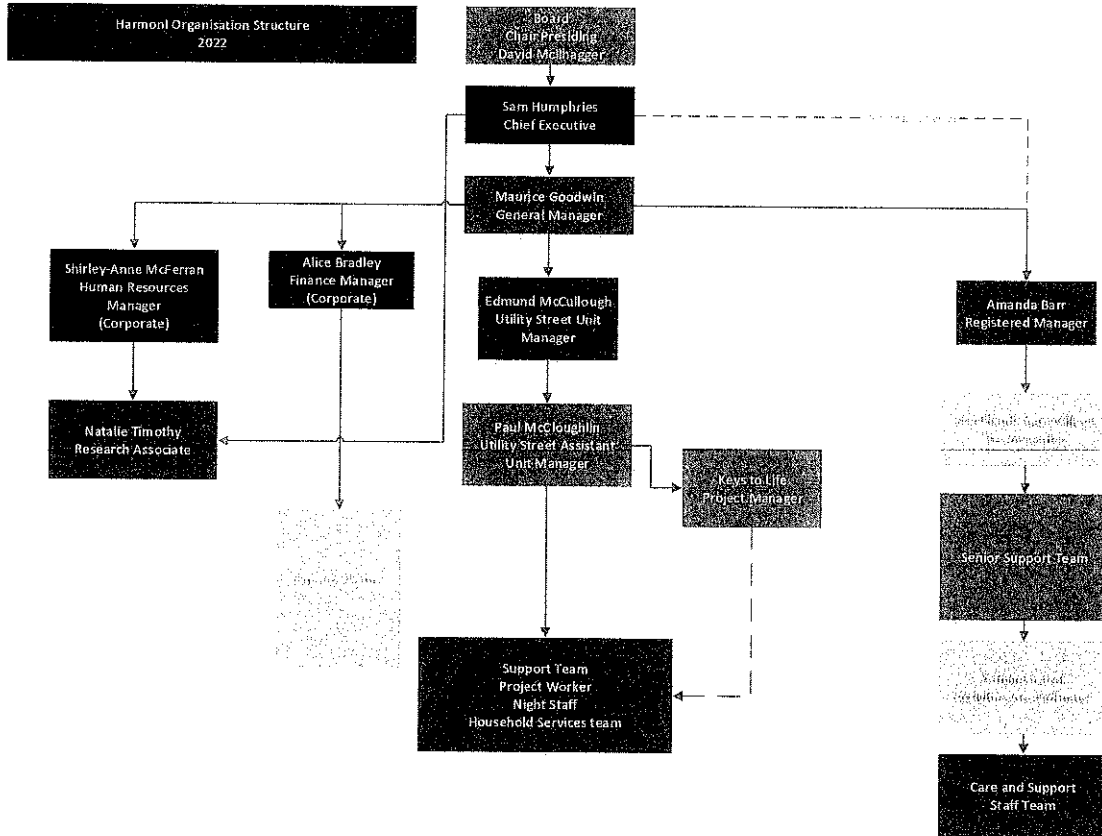
The Unit Managers will meet with members of the Senior Team as required to review the performance of the overall business with specific input from the unit heads. These discussions include the regulatory and compliance elements from the funders and commissioners of the services and also key safeguarding issues.

**Operations Management:**

A member of the Senior Team meets their direct line management team as needed to review and discuss operational issues and take any operational decisions arising.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

The operational organisation structure:



**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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**Related parties**

HARMONI 2019 did not have any dealings during 2021 with any companies or other organisations in which any of the directors have an interest.

**OBJECTIVES AND ACTIVITIES**

The principal objects, as updated, of HARMONI 2019 are to: -

- To relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ('the beneficiaries).
- To advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society.
- In the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries.
- To advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities.
- To relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care.
- Such other exclusively charitable purposes according to the law of Northern Ireland for the beneficiaries as the Trustees may from time to time decide.

Strickland's Care Village located in Bangor provides accommodation in thirty-three separate units for those individuals living with a disability and needing support and care at various levels depending on assessed need.

The Belfast hostel provides emergency accommodation for fifty-nine men experiencing homelessness with one room specifically renovated for men with disabilities. The men are supported and encouraged to improve their situation by taking the necessary steps to move on to training opportunities and employment, and to permanent accommodation. There is close cooperation with the statutory authorities and the Northern Ireland Housing Executive.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE**

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**STRATEGIC REPORT**

**Achievements and Performance**

**. Organisational:**

In April 2022 the Trustees were introduced to the new concept of Psychologically Informed Environments (PIE). This overarching model is designed to ensure the organisation sees everything it does through the PIE lens. The key element of that lens is to ensure we consider the client and their journey. After deliberation the trustees declared that HarmonI would pursue this model organisationally. Some key reasons for that decision were:

- It ensures a Psychological based approach.
- It places a strong emphasis on the client journey (Person Centred)
- It places a strong emphasis on staff support, development and inclusion.
- It fosters a culture of learning and enquiry.
- It ensures the physical needs of built environment are included in the process.
- It is not a restrictive list of do and do not, it remains flexible to the needs of the client and the organisation.

The PIE philosophy is very much in line with the new HR approach initiated in 2022 by our HR manager Shirley-Anne McFerran. The values-based approach has shown incredibly positive benefits throughout 2022 with at least 50% of our new recruits joining under this initiative. We have noted significant changes in employee matters arising from the reduced need for investigations and disciplinaries. We have also noted greater staff engagement in discussion focussed on the client needs.

The changes are subtle but powerful, ultimately adding value to the client experience of HarmonI's services.

**• Stricklands Care village:**

A key element in our strategic aspiration for some time has been the implementation of a new digital care management system. In 2022 we were successfully able to secure a grant to fund the new system aspiration alongside a grant to deliver a site wide Wi-Fi system and associated digital tablet hardware. The net benefit to our client will be the real time updating of their daily living plans, the management of their medications and staff rostering. The sole aim being to maximise the support and care time within an administration rich regulatory requirement.

The management of Covid was reduced in year by the statutory bodies to a risk-based approach on a case by case basis. We remain on high infection control awareness, but the relaxations have allowed much more association for clients to return.

Our maintenance programme continues to ensure the clients homes are maintained to the high standards we aspire to for them.

Stricklands Care Village again received a positive RQIA report in 2022 following an unannounced inspection with no improvement plan required.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE (continued)**

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• *Utility Street Hostel:*

The occupancy level in the Hostel has continued to be maintained at an average of 53 men per week. While it is great to have the service so close to full it is nevertheless saddening to know the demand for emergency accommodation continues to grow.

We successfully rolled out the new client management system in the Hostel and in June 2022 transitioned all referral, occupancy and support information across to the new system.

In 2022 we supported 260 men through the service. Of those 74 went on to successful planned departures.

Our Keys to life programme continued throughout the year. This year 22% of men in the hostel engaged with the programme. A small group of around 10 clients volunteered to help build a new sensory garden for the clients in Stricklands Care Village. The great element within this is the men themselves wanted to give back to other people in the community. The residents of Stricklands Care Village have thoroughly enjoyed the new facility and are grateful for the support Keys to Life brought.

**Public Benefit**

The directors confirm that they have had due regard for the guidance produced on Public Benefit by the Charity Commission for Northern Ireland, and are pleased to report that during 2020 they have continued to meet the Public Benefit requirement as follows:

The core activity for HARMONI 2019 is the relief of poverty, illness, sickness and suffering to those living with sickness, disability, poverty or social circumstances. All our engagement activities have been with individuals from one or a range of these groups. The organisation has sought to revive these impacts firstly by providing suitable and appropriate accommodation, be that in Supported Independent living or Hostel provision. The organisation sees that provision as the start of our service intervention.

From that point forward, we seek to create a person-centred provision that is cognisant of the individual's need. Many of our residents and service users have these needs identified through professional assessment, either from the health care trusts or other social services.

In all HARMONI 2019 service interventions, we first consider the clients personal needs. Our core model remains accommodation-based care and support, subject to the service engagement. We continue to believe that the most important element for all our clients remains ensuring a safe and secure place to live. This delivers consistency in what has for some of our clients been a chaotic life to date.

Those for whom the need is centred on personal care are provided a bespoke care and support daily living plan which centres around their personal needs. This is achieved in conjunction with the South East Health Trust care management teams to ensure the assessed needs are met. Next of kin and family provide valuable input to those requirements in the care plan development stage. Further supports are designed which enable the client to live as independently as they wish or are capable of. All these plans are subject to regular review and updating as circumstances change.

Those for whom support is the core focus of our engagement will receive a personal support plan which aims to assist them in achieving their short term goals which are aimed at delivering a longer term goal, in the case of our clients in Utility street this is independent living in a place of their choosing.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FINANCIAL REVIEW**

---

For many of our service users the reality is that their experience with HARMONI 2019 is about small steps and personal capacity / capability building. Many of our residents and families have seen a marked improvement in the individuals' engagement and socialisation skills and their ability to communicate their wants and needs personally.

HARMONI 2019 works closely with multiple statutory bodies to ensure we plan for and deliver suitable and successful outcomes for each and every one of our service users. This joined up approach ensures that the overall public benefit is delivered where service users have longevity and consistency and therefore tend not to move between other agencies or service provisions.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 FINANCIAL REVIEW

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HARMONI 2019 is a unique organisation, not least because of the diverse nature of the service users but also because of the blended funding sources for our service delivery. Harmoni is very grateful to the Northern Ireland Housing Executive and the South-Eastern Health and Social Care Trust, being the principal funders of these activities.

The directors note that there is a total Net Expenditure for 2022 of £98,199, compared to Net Income of £497,578 in 2021.

The directors however note that the charity remains in positive position in terms of generation of a surplus from operating activities. 2022 saw Net Income from Operational Activities of £91,926, with a figure of £283,247 reflected in 2021.

The main points of note are –

- Incoming Resources have increased by £348,040 (10.57%)
  - Increase in investment income of £24,698 (Increase of 21.42 %).
  - Increase in income from charitable activities of £332,047 (Increase of 10.49%). Much of this relates to Covid 19 funding, including funding for special recognition payments that was made to staff, as well as annual uplifts to contracts from SEHSCT and NIHE.
- Expenditure has increased by £539,361 (17.92%)
  - Increase in expenditure on charitable activities of £546,116 (18.49%). Costs increased across all departments and expense types, with significant increases in utility costs, insurance and food. On top of this increases to NLW and decreased staff availability meant a very significant increase in agency costs in year (65% increase on 2021)

In 2022 the organisation saw a loss on the revaluation of investment assets of £190,125. This primarily related to the value of current asset investments (loss on revaluation of £240,125). The revaluation on fixed asset investments meant an uplift in the value of the properties held of £50,000. This loss on revaluation is a swing from a gain on investment of £214,331 in 2021, which primarily related to the upturn in the investment market at that time.

The net effect of these movements is that the charity returned a Net Expenditure figure of £98,199 in 2022.

This gives reserves carried forward on the balance sheet at the end of the year comprising Restricted Funds carried forward of £161,759 (2021: £188,084) and Unrestricted Funds of £6,575,121 (2021: £6,646,995). The Unrestricted funds carried forward comprise Investment Revaluation Reserves of £1,771,237 and General Funds of £4,803,884.

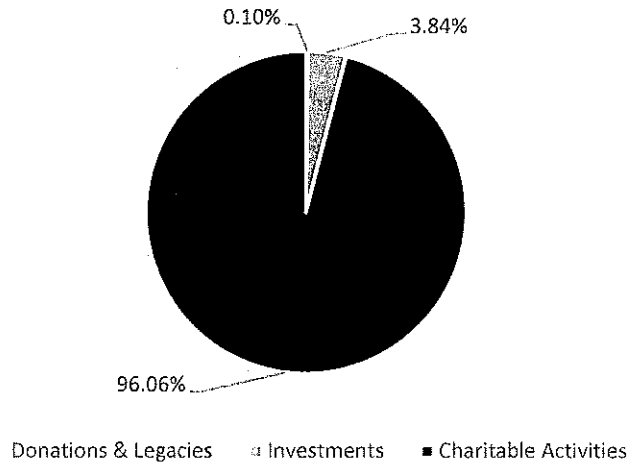
The balance sheet of the charity remains strong, with current assets, including current asset investments, comfortably exceeding current liabilities by £3,007,188.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FINANCIAL REVIEW (continued)**

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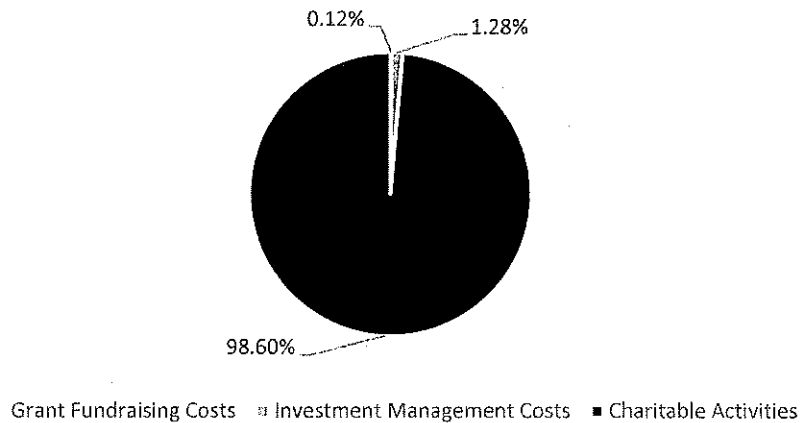
During the year, our income came from the following sources:

**Income for the year ended 31 December 2022**



This income then allowed us to achieve our aims and objectives for the organisation through making the following expenditure:

**Expenditure for the year ended 31 December 2022**



### **Reserves Policy**

HARMONI 2019 aims to maintain a level of resources that match the needs of the organisation, both now, and in the foreseeable future.

The two main objectives are that –

- a. the available reserves ensure that the activities of the organisation could continue in the face of any unexpected reduction in, or loss of, a particular income stream, while allowing the organisation time to seek alternative funds or restructure/cut costs.
- b. the available reserves allow the organisation to progress with the organisational development plan laid out in the strategic plan 2017-2022.

The Directors assess the risks that HARMONI 2019 could be exposed to, and the appropriate level of reserves that should be maintained.

The current assessment of the target range of free reserves – funds that are freely available to be used for general charitable purposes – held by the company should be 6 months of expenditure, with an additional amount to allow the Board the potential to carry out operations in line with the strategic plan.

In carrying out their assessment of reserves the Directors exclude the fixed asset fund of £2.6m because this represents functional, operational assets within the organisation that could not be realised quickly, restricted reserves of £0.162m which have restrictions placed over the use of funds by the individual funders, and the investment property value of £1.5m which is used as mortgage security for the original long-term loan. After excluding the fixed asset fund this leaves free reserves of £2.47m.

In the strategic plan 2022-2025 the Directors have identified several key projects to investigate. They have also identified the need to build and maintain appropriate reserves to carry out these plans.

This is to ensure that the organisation can grow and develop while maintaining the range of services/activities, and in time the reserves should return to a level equivalent to the equivalent of 6 months running costs.

### **Investment Policy**

The Directors have agreed an investment policy within the powers provided to them under the Articles of Association of the organisation. The organisation has a long-established balanced approach towards investment risk, with the need to both protect and grow the charities assets for all service users. Therefore, the Directors define the organisation's expected investment profile to be balanced, with a desire to grow, but also protect the capital invested, whilst providing a useful source of income from dividends.

The Directors wish the portfolio to represent a balanced spread of investments in equities and fixed interest securities and bonds.

The investment portfolio was managed during the year under review by Evelyn and Partners alongside Abrdn (formerly Aberdeen Standard Capital) (on behalf of the Northern Ireland Central Investment Fund for Charities). All are professional investment management companies in good standing and regulated by the Financial Conduct Authority.

As a charity with a strong Evangelical Christian heritage, the ethos of which casts a guiding shadow across the organisation's moral position, the Directors have advised the investment managers that the organisation do not wish to invest in the following:

- Alcohol or tobacco trades
- Arms and munitions trades

The performance of the investment portfolio is monitored regularly by the Directors. In the year under review the investments continued to perform well and in line with objectives, providing a good level of dividend income.

**PLANS FOR FUTURE DEVELOPMENT**

The charity placed a hold on major developments during the pandemic, this however has not quelled the plans to increase the positive impact Harmoni 2019 delivers to a diverse client group. The key enabler of our future development will be the research project which will generate new knowledge or solidify current knowledge into a more cohesive ethos and philosophy upon which to build, both figuratively and physically, our future service offerings.

In 2022 we had the opportunity to work alongside undergraduates from the Queens University Belfast Business School who carried out a specific piece of market penetration analysis for us in respect to a possible future service. That work will complete in early 2023 and will be used as a foundation for further analysis to determine if a sustainable business case can be drawn up enabling a new service development to be started.

**THANKS AND APPRECIATION**

HARMONI 2019 would like to place on record their thanks and appreciation for:

The continued funding provided by the Health Trusts and the Northern Ireland Housing Executive towards the cost of providing vital services in Strickland's Care Village and the Men's Hostel.

The Boys' Brigade have been involved, for over 100 years, in organising house to house collections to support the work of Harmoni. Unfortunately, with the Covid pandemic and associated restrictions, the opportunity has been reduced significantly, although we still receive small contributions from individual company's for which we remain grateful.

The National Lottery Community Fund for the funding to operate Keys to Life project.

The Dormant Accounts Fund NI for the funding to facilitate the research project.

Those many organisations and individuals who made donations of money, goods and time to the clients at the Hostel.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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**FIXED ASSETS**

Details of fixed asset movement in the year are given in note 7 to the financial statements.

Although the market value of the operational property is comfortably in excess of its amortised historic cost, the difference is not felt to be of significance to members.

**FAIR EMPLOYMENT**

The charity is committed to a policy of equal opportunities for all current and future employees. This policy also includes compliance with the Sex Discrimination (NI) Orders 1976 and 1988 and the Disability Discrimination Act 1995. These policies are incorporated into the Equal Opportunity of Employment Guidelines that are adhered to by the charity.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT AND FINANCIAL STATEMENTS**

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Companies Act 2006.

**AUDIT**

The directors have sought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. Insofar as the board is aware there is no relevant audit information of which the company's auditors are unaware.

**AUDITOR**

The external audit assignment for 2022 and the subsequent 5 years has been awarded to Baker Tilley Mooney Moore after an open competitive bid process.

**ON BEHALF OF THE BOARD:**

SA Humphries - Secretary



Date: 26-6-2023

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019**

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### **Opinion**

We have audited the financial statements of HARMONI 2019 (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **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 charitable company 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 trustees' 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 charitable company'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 trustees 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- 

**Responsibilities of trustees**

As explained more fully in the Directors' responsibilities statement set out on page 16, the Directors (who are also the Trustees of the charitable company for the purposes of company law) 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 trustees 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 Directors are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and The Charities Act (Northern Ireland) 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and compliance with local legislation for the overseas operating segments.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Eimear Brown*

Eimear Brown (Senior Statutory Auditor)  
For and on behalf of Baker Tilly Mooney Moore  
Registered Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

Date: *25<sup>th</sup> June 2023*

Baker Tilly Mooney Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**HARMONI 2019****(REGISTERED COMPANY NUMBER: R000316)****(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)****STATEMENT OF FINANCIAL ACTIVITIES****(Incorporating the Income and Expenditure Account)****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Restricted Funds	Unrestricted Funds £	31.12.2022 Total £	31.12.2021 Total £
<b>INCOME &amp; ENDOWMENTS FROM:</b>					
Donations & Legacies		-	3,566	3,566	12,271
Investments		-	139,993	139,993	115,295
Charitable Activities		961,256	2,536,220	3,497,476	3,165,429
<b>Total Income</b>	<b>2</b>	<u>961,256</u>	<u>2,679,779</u>	<u>3,641,035</u>	<u>3,292,995</u>
<b>EXPENDITURE ON:</b>					
Raising Funds – Investment Management Costs		-	45,290	45,290	48,805
Raising Funds – Grant Fundraising		-	4,320	4,320	7,560
Charitable Activities		1,089,823	2,409,676	3,499,499	2,953,383
<b>Total expenditure</b>	<b>3</b>	<u>1,089,823</u>	<u>2,459,286</u>	<u>3,549,109</u>	<u>3,009,748</u>
<b>Net (Expenditure)/Income from operational activities</b>		(128,567)	220,493	91,926	283,247
Gain/(Loss) on revaluation of investment assets	<b>23</b>	-	(190,125)	(190,125)	214,331
<b>Net (Expenditure)/Income</b>		<u>(128,567)</u>	<u>30,368</u>	<u>(98,199)</u>	<u>497,578</u>
<b>Transfer between funds</b>	<b>21 &amp; 22</b>	102,242	(102,242)	-	-
<b>Net movement in Funds</b>		<u>(26,325)</u>	<u>(71,874)</u>	<u>(98,199)</u>	<u>497,578</u>
<b>Reconciliation of Funds:</b>					
<b>Total Funds Brought Forward</b>	<b>21 &amp; 22</b>	188,084	6,646,995	6,835,079	6,337,501
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>21 &amp; 22</b>	<u>161,759</u>	<u>6,575,121</u>	<u>6,736,880</u>	<u>6,835,079</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources expanded derive from continuing activities.

The notes form part of these financial statements.

**HARMONI 2019**

**(REGISTERED COMPANY NUMBER: R000316)**

**(REGISTERED NORTHERN IRELAND CHARITY NUMBER: 101731)**

**BALANCE SHEET**

**31 DECEMBER 2022**

	Notes	31.12.2022		31.12.2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		2,590,045		2,696,151
Investments	8		1,699,504		1,649,504
			<u>4,289,549</u>		<u>4,345,655</u>
<b>CURRENT ASSETS</b>					
Stock	10	1,421		959	
Debtors	11	225,116		176,758	
Investments	12	2,234,968		2,500,803	
Cash at bank and in hand		899,377		815,148	
		<u>3,360,882</u>		<u>3,493,668</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>353,694</u>		<u>340,469</u>	
<b>NET CURRENT ASSETS</b>					
			<u>3,007,188</u>		<u>3,153,199</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			7,296,737		7,498,854
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<u>(559,857)</u>		<u>(663,775)</u>
<b>NET ASSETS</b>					
	20		<u>6,736,880</u>		<u>6,835,079</u>
<b>THE FUNDS OF THE CHARITY:</b>					
<b>Restricted Funds</b>					
	21		<u>161,759</u>		<u>188,084</u>
<b>Unrestricted Funds</b>					
Revaluation Reserve			1,771,237		1,961,362
General Fund			4,803,884		4,685,633
	22		<u>6,575,121</u>		<u>6,646,995</u>
			<u>6,736,880</u>		<u>6,835,079</u>

The financial statements were authorised for issue by the Board of Directors on 29 JUNE 2023 and were signed on its behalf by:

.....  
Director – P Archer

The notes form part of these financial statements.

HARMONI 2019

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	£	£
<b>Cash generated/ (used) in operating activities – see Note 25</b>	<b>43,968</b>	<b>336,580</b>
<b>Cashflows from investing activities</b>		
Purchase of tangible fixed assets	(7,461)	(10,565)
Purchase of current asset investments	(120,865)	(3,087,805)
Proceeds from sale of current asset investments	146,575	2,973,805
Investment income	65,516	42,008
Bank deposit interest	-	-
Proceeds from disposal of tangible fixed assets	-	-
Cash receipts from rentals of investment properties	74,495	73,286
<b>Cash (used)/provided by investing activities</b>	<b>158,260</b>	<b>(9,271)</b>
<b>Cashflows from financing activities</b>		
Repayment of bank loan	(101,132)	(98,389)
Bank property finance loan interest	(20,433)	(23,190)
Legacies and Subscriptions	3,566	17,516
<b>Net cash generated/(used) in financing activities</b>	<b>(117,999)</b>	<b>(104,063)</b>
<b>Increase in cash &amp; cash equivalents in the year</b>	<b>84,229</b>	<b>223,246</b>
Cash & cash equivalents at the beginning of the year	815,148	591,902
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>899,377</b>	<b>815,148</b>
<b>Analysis of cash &amp; cash equivalents</b>		
Cash at bank and in hand	899,377	815,148
<b>Total cash &amp; cash equivalents</b>	<b>899,377</b>	<b>815,148</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of this public benefit entity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

**Fund Accounting**

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds include revaluation reserves representing the restatement of investment assets (both fixed and current) at market values.
- Whilst there are none to date, Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds receivable from the Northern Ireland Housing Executive for their Supporting People Programme operating in both Stricklands Bay and the Men's Hostel are subject to restrictions on their expenditure, imposed by the donor.

**Income**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Legacies are accounted for following entitlement. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance – split between Restricted and Unrestricted funds.

**Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Raising funds costs comprise the costs associated with the charity's investment property, current asset investments and the cost of grant applications.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them – split between Restricted and Unrestricted funds.
- Governance costs include those associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 3.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES (continued)**

**Tangible fixed assets (excluding investment property)**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- 2% on cost
Improvements to property	- 15% on cost
Short leasehold	- 10% on cost
Long leasehold	- 2% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% on cost

The cost of assets comprises purchase price and any installation charges.

**Pensions**

Retirement benefits to certain current employees are provided by a defined contribution pension scheme, under "Auto-Enrolment", whereby the assets are held separately from those of the charity in independently administered funds. The charity contributions are accounted for by charging costs against surpluses as payments accrue.

In addition, unfunded payments are made to certain former employees who were members of the old defined benefit scheme, which is now closed. These are charged as payments are made. The capital cost of continuing these payments, which has not been computed, is not reflected as a liability in the accounts.

The accounting for unfunded pension payments is considered to be an immaterial departure from Financial Reporting Standard 102.

**Operating Leases**

Harmoni classifies the lease of office equipment as operating leases. The title to the equipment remains with the lessor and the equipment is replaced periodically. Rental charges are charged to the SoFA on a straight-line basis over the term of the lease.

**Investment Properties**

Investment properties are initially measured at cost, including transaction costs. Subsequently those investment properties whose fair value can be measured reliably are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities.

**Stock**

Stock held relates to food stock held for the kitchen in Men's Hostel. Stock is valued at the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES (continued)**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial Instruments**

Harmoni only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Current asset investments**

Current asset investments are recognised initially at fair value, which is normally the transaction price. Subsequently they are measured at fair value, with changes recognised in the revaluation reserve through gains/losses on revaluation of investments in the Statement of Financial Activities if the investments are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at fair value at the date of acquisition less impairment.

**Judgements and key sources of estimation uncertainty**

The following judgments including those involving estimates have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- (i) Depreciation method and asset useful lives
- (ii) Valuation of properties
- (iii) Impairment of assets

The estimates and assumptions are reviewed on an ongoing basis considering the current and future market conditions.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. INCOME**

	31.12.2022	31.12.2021
	£	£
<b>Unrestricted Funds:</b>		
<b>Donations and Legacies</b>		
Legacies and donations	3,566	11,466
Subscriptions – Boys Brigade	-	805
Gift Aid	-	-
Total voluntary income	<u>3,566</u>	<u>12,271</u>
<b>Investment Income</b>		
Investment property rents receivable	74,477	73,287
Bank deposit interest receivable	-	-
Current asset investment income	65,516	42,008
Total Investment Income	<u>139,993</u>	<u>115,295</u>

**Income from Activities to further the Charity's objectives:**

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.22	Total 31.12.21
	£	£	£	£	£
<b>Unrestricted Funds</b>					
Residential receipts	115,651	46,019	-	161,670	138,163
Payments from Health Trusts	-	1,518,762	-	1,518,762	1,348,147
Payments from NIHE re housing	569,585	253,262	-	822,847	727,492
Private Support Income	-	-	-	-	-
SP Covid-19 Funding	17,246	7,770	-	25,016	71,720
Other	4,675	-	3,250	7,925	18,942
	<u>707,157</u>	<u>1,825,813</u>	<u>3,250</u>	<u>2,536,220</u>	<u>2,304,464</u>
<b>Restricted Funds</b>					
Payments from NIHE re Supporting People	450,949	354,549	-	805,498	738,432
Private Support Income	-	39,808	-	39,808	35,470
Ulster Garden Villages Grant	-	-	-	-	-
Dormant Accounts NI Fund	-	-	32,551	32,551	16,275
National Lottery – Covid-19	-	-	-	-	-
SP Covid-19 Funding	-	-	-	-	-
National Lottery Community Fund	65,921	-	-	65,921	65,921
Other Restricted Grants	3,500	13,978	-	17,478	4,867
	<u>520,370</u>	<u>408,335</u>	<u>32,551</u>	<u>961,256</u>	<u>860,965</u>
<b>TOTAL INCOME</b>				<u>3,641,035</u>	<u>3,292,995</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 3. EXPENDITURE (incl. VAT where relevant)

	Utility Street Men's Hostel	Stricklands Bay	Other	Total 31.12.22	Total 31.12.21
	£	£	£	£	£
<b>Unrestricted Funds</b>					
<b>Costs directly allocated to activities:</b>					
Staff costs	303,377	1,230,661	-	1,534,038	1,255,600
Depreciation	882	67,580	692	69,154	69,735
Other	315,579	157,089	7,393	480,061	386,066
Loan interest	-	19,143	-	19,143	21,699
<b>Support Costs allocated by time to activities:</b>					
Administration ( <i>incl. staff costs</i> )	66,676	217,804	-	284,480	281,104
	<u>686,514</u>	<u>1,692,277</u>	<u>8,085</u>	<u>2,386,876</u>	<u>2,014,204</u>
External audit and accountancy – current year				6,000	6,000
External audit and accountancy – prior year				-	-
Internal audit				3,000	3,000
Legal and professional				13,800	14,328
				<u>22,800</u>	<u>23,328</u>
<b>Total Unrestricted Expenditure on charitable activities</b>				<u>2,409,676</u>	<u>2,037,532</u>
<b>Investment Management Costs:</b>					
Re investment property				31,299	33,062
Re current asset investments				13,991	15,743
				<u>45,290</u>	<u>48,805</u>
<b>Grant fundraising costs:</b>				<u>4,320</u>	<u>7,560</u>
<b>Restricted Funds</b>					
<b>Costs directly allocated to activities:</b>					
	Men's Hostel	Stricklands Bay	Other	Total 31.12.22	Total 31.12.21
Staff costs	340,394	313,866	33,146	687,406	633,341
Depreciation	8,064	29,403	-	37,467	35,414
Other	123,610	77,109	2,920	203,639	97,542
Loan interest	-	1,290	-	1,290	1,491
<b>Support Costs allocated by time to activities:</b>					
Administration ( <i>incl. staff costs</i> )	66,675	93,346	-	160,021	148,063
	<u>538,743</u>	<u>515,014</u>	<u>36,066</u>	<u>1,089,823</u>	<u>915,851</u>
<b>TOTAL EXPENDITURE</b>				<u>3,549,109</u>	<u>3,009,748</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. STAFF COSTS**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,332,857	2,005,125
Social security costs	164,843	145,238
Other pensions costs	55,745	52,525
	<u>2,553,445</u>	<u>2,202,888</u>

The average monthly number of employees during the year was as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
Administrative staff	8	8
Other staff	79	78
	<u>87</u>	<u>86</u>

Included above is £477,752 (2021: £290,248), which was paid during the year in respect of agency staff.

During 2022, there was one employee with emoluments at the rate between £90,001 and £100,000 (2021: one between £80,001 and £90,000).

Remuneration of the 2 (2021: 3) key management personnel in the period was £153,500 (2021: £195,467).

**5. INCOME & EXPENDITURE**

Income and expenditure (including VAT, where relevant) are stated after charging (crediting):

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	113,567	111,617
Loss on disposal of fixed assets	-	49
Operating lease costs	4,393	4,393
External Aud & Accs current year	6,000	6,000
Internal Audit	3,000	3,000
Bank loan interest payable	20,433	23,190
Income from listed investments	65,516	42,008
Directors' remuneration	-	-

**6. TAXATION**

**Analysis of the tax charge**

Being registered with both HMRC and the Charity Commission for Northern Ireland as a charity, no liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2022, nor for the year ended 31 December 2021.

## 7. TANGIBLE FIXED ASSETS

	Freehold Property £	Short Leasehold £	Long Leasehold £
<b>COST</b>			
At January 2022	2,883,318	9,080	1,822,250
Additions	-	-	-
Disposals	-	-	-
At 31 December 2022	<u>2,883,318</u>	<u>9,080</u>	<u>1,822,250</u>
<b>DEPRECIATION</b>			
At 1 January 2022	911,211	9,080	1,151,878
Charge for year	61,082	-	36,180
Eliminated on disposal	-	-	-
At 31 December 2022	<u>972,293</u>	<u>9,080</u>	<u>1,188,058</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>1,911,025</u>	<u>-</u>	<u>634,192</u>
At 31 December 2021	<u>1,972,107</u>	<u>-</u>	<u>670,372</u>

## 7. TANGIBLE FIXED ASSETS (continued)

	Fixtures & Fittings	Motor Vehicles £	Computer Equipment £	Totals £
<b>COST</b>				
At January 2022	235,255	9,775	20,082	4,979,760
Additions	2,340	-	5,121	7,461
Disposals	-	-	-	-
At 31 December 2022	<u>237,595</u>	<u>9,775</u>	<u>25,203</u>	<u>4,987,221</u>
<b>DEPRECIATION</b>				
At 1 January 2022	193,322	6,691	11,427	2,283,609
Charge for year	9,788	771	5,746	113,567
Eliminated on disposal	-	-	-	-
At 31 December 2022	<u>203,110</u>	<u>7,462</u>	<u>17,173</u>	<u>2,397,176</u>
<b>NET BOOK VALUE</b>				
At 31 December 2022	<u>34,485</u>	<u>2,313</u>	<u>8,030</u>	<u>2,590,045</u>
At 31 December 2021	<u>41,933</u>	<u>3,084</u>	<u>8,655</u>	<u>2,696,151</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. FIXED ASSET INVESTMENT PROPERTIES**

Harmoni has two fixed asset property investments and a small ground rental portfolio.

The investment properties at Donegall Pass were revalued at fair open market value as of 8 March 2023 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2022.

The investment properties at Derryvolgie Mews were revalued at fair open market value as of 8 March 2023 by Frazer Kidd & Partners, Property Consultants. The directors consider this to be a fair estimate of value as of 31 December 2022.

The directors are of the view that no significant change to fair open market value has arisen with the ground rents in 2021 (or 2020). The movement is summarised as follows: -

	8 Apartments (Derryvolgie Mews) £	Other Investment Property £	Ground Rents £	2022 Total £	2021 Total £
Value at start of the year	1,470,000	175,000	4,504	1,649,504	1,624,504
Increase in value during the year	<u>30,000</u>	<u>20,000</u>	<u>-</u>	<u>50,000</u>	<u>25,000</u>
Value at the end of the year	<u>1,500,000</u>	<u>195,000</u>	<u>4,504</u>	<u>1,699,504</u>	<u>1,649,504</u>

As part of its title to Derryvolgie Mews Harmoni holds the only issued voting 'B' share in an apartment management company, Derryvolgie Mews Management Company Limited, incorporated in Northern Ireland to act as a property management company for Harmoni's investment property "Derryvolgie Mews".

4 non-voting 'A' shares in the company have been issued to the owners of the other 4 apartments which were previously sold by Harmoni.

**9. FINANCIAL INSTRUMENTS**

The fair valued carrying amounts of the charity's financial instruments, being debtors, current asset investments, creditors and bank loans, are given in notes 11, 12, 13, 14 and 15.

The only income from the charity's financial instruments is the bank deposit interest receivable and current asset investment income, as disclosed under investment income in note 2.

The only expense associated with the charity's financial instruments is the Stricklands Bay property bank loan interest, as disclosed in note 3.

**10. STOCK**

	31.12.2022 £	31.12.2021 £
Kitchen stock at Men's Hostel	<u>1,421</u>	<u>959</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	£	£
Trade Debtors	205,894	158,460
Prepayments and accrued income	19,222	18,298
	<u>225,116</u>	<u>176,758</u>

**12. CURRENT ASSET FINANCIAL INVESTMENTS**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	£	£
At start of year	2,500,803	2,197,472
Additions	120,865	3,087,805
Disposals	(146,575)	(2,973,805)
Surplus/(deficit) on disposals – realised	(31,994)	286,651
Unrealised (deficit)/surplus	(208,131)	(97,320)
At end of year fair market valuation	<u>2,234,968</u>	<u>2,500,803</u>
Current assets investments comprise:		
Listed investments	2,111,838	2,360,577
Other investments	123,130	140,226
	<u>2,234,968</u>	<u>2,500,803</u>
Historical cost of current asset investments	<u>2,234,968</u>	<u>2,500,803</u>

The fair value of listed investments is determined by reference to their market value as at the balance sheet date as provided by the Investment Managers Evelyn Partners.

The fair value of the other Investments is measured at a fair value on acquisition less impairment.

The investment management fees in respect of the financial investments for 2022 were £13,991 (2021: £15,743).

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	£	£
Bank loans (see note 15)	103,917	101,131
Trade creditors	72,579	65,368
Social security and other taxes	31,849	30,913
Accrued expenses	145,349	143,057
	<u>353,694</u>	<u>340,469</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.2022	31.12.2021
Bank Loans (see note 15)	£ <u>559,857</u>	£ <u>663,775</u>

The bank loans are secured by a legal mortgage over Harmoni's investment property known as "Derryvolgie Mews".

15. LOANS

An analysis of the maturity of loans is given below:

	31.12.2022	31.12.2021
Amounts falling due within one year or on demand:	£	£
Bank loans	<u>103,917</u>	<u>101,131</u>
	<u>103,917</u>	<u>101,131</u>
Amounts falling due between one and two years: Bank loans: 1-2 years	<u>106,715</u>	<u>103,917</u>
Amounts falling due between two and five years: Bank loans: 2-5 years	<u>338,504</u>	<u>329,254</u>
Amounts falling due in more than five years: Bank loans repayable in more than 5 years by instalments	<u>114,638</u>	<u>230,604</u>

Interest is payable on the original bank loan at 2.15% for 10 years. Interest is payable on a second bank loan at 4% for 10 years.

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.2022	31.12.2021
Bank Loans	£ <u>663,774</u>	£ <u>764,906</u>
	<u>663,774</u>	<u>764,906</u>

The bank borrowings are secured by a legal mortgage over Harmoni's investment property known as "Derryvolgie Mews" and the development at Getgood House.

**17. PENSION COMMITMENTS**

The company used to operate a defined benefit pension scheme which has now been wound up. The pension obligations under the old scheme are met by purchased annuities. In addition, unfunded payments are made to certain former employees.

The company now operates a defined contribution scheme for certain current employees. The total pension costs for the year were £55,745 (2021: £52,525), comprising pension scheme costs of £54,404 (2021: £51,398) and unfunded pension payments of £1,341 (2021: £1,127).

**18. TRANSACTIONS WITH DIRECTORS**

No director emoluments were paid during the year (2021 - £Nil)

There were no transactions during the year in which any director or related party had an interest requiring disclosure.

**19. LEGAL STATUS OF HARMONI**

HARMONI 2019 is a company limited by guarantee, not having a share capital.

Harmoni has tax-exempt status with HMRC as a charity and has also been registered as a charity by the Charity Commission for Northern Ireland.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Fixed Asset Investments £	Net Current Assets £	Long Term Liabilities £	Total 2022 £	Total 2020 £
<b>Unrestricted Funds:</b>						
General	<u>2,553,648</u>	<u>1,699,504</u>	<u>2,882,372</u>	<u>(559,857)</u>	<u>6,575,667</u>	<u>6,646,995</u>
<b>Restricted Funds:</b>						
NIHE Supporting People - Men's Hostel & Stricklands Care Village	-	-	34,709	-	34,709	34,709
Stricklands Bay – Bangor Benevolent Society	-	-	4,437	-	4,437	8,161
Men's Hostel – NIHE Refurb. Grant 2015	7,728	-	23,181	-	30,909	34,862
National Lottery Community Fund	53	-	51,067	-	51,120	65,961
Men's Hostel – Awards for All Grant	830	-	456	-	1,286	1,345
Men's Hostel – NIHE Refurb. Grant 2018	3,518	-	(1,576)	-	1,942	3,183
Ulster Garden Villages	18,685	-	-	-	18,685	19,090
Stricklands Bay - Awards for All Grant	-	-	5,595	-	5,595	5,719
Dormant Accounts Fund NI	-	-	7,288	-	7,288	10,803
R.U.T.H	1,911	-	-	-	1,911	2,499
Belfast City Council – Equipment	3,672	-	(341)	-	3,331	1,752
At the end of year	<u>2,590,045</u>	<u>1,699,504</u>	<u>3,007,188</u>	<u>(559,857)</u>	<u>6,736,880</u>	<u>6,835,079</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. MOVEMENTS IN RESTRICTED FUNDS**

	At 31 <sup>st</sup> December 2021	Net Movements in Funds	Transfer from Unrestricted Funds	At 31 <sup>st</sup> December 2022
	£	£	£	£
NIHE Supporting People – Men’s Hostel & Stricklands Care Village	34,709	(102,242)	102,242	34,709
Stricklands Bay – Bangor Benevolent Society	8,161	(3,724)	-	4,437
Men’s Hostel – NIHE Refurb. Grant 2015	34,862	(3,953)	-	30,909
Dormant Accounts NI Fund	10,803	(3,515)	-	7,288
Men’s Hostel – Awards for All Grant	1,345	(124)	-	1,221
Men’s Hostel – NIHE Refurb Grant 2018	3,183	(630)	-	2,553
National Lottery Community Fund	65,961	(14,841)	-	51,120
Ulster Garden Villages	19,090	(405)	-	18,685
Stricklands Bay – Awards for All Grant	5,719	(125)	-	5,594
R.U.T.H	2,499	(588)	-	1,911
B.C.C – Equipment	1,752	1,580	-	3,332
At the end of year	<u>188,084</u>	<u>(128,567)</u>	<u>102,242</u>	<u>161,759</u>

**22. MOVEMENTS IN UNRESTRICTED FUNDS**

	General Fund	Revaluation Reserves	Total Unrestricted Funds 2022	Total Unrestricted Funds 2021
	£	£	£	£
At 1 <sup>st</sup> January 2022	4,685,633	1,961,362	6,646,995	6,202,335
Net Income on Operational Activities	220,493	-	220,493	338,133
Transfer to restricted funds	(102,242)	-	(102,242)	(107,804)
Investment revaluation (Losses)/Gains	-	(190,125)	(190,125)	214,331
At 31 <sup>st</sup> December 2022	<u>4,803,884</u>	<u>1,771,237</u>	<u>6,575,121</u>	<u>6,646,995</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**23. ANALYSIS OF REVALUATION RESERVES**

	Fixed Asset Investments	Current Asset Investments	Total Investments	Total
	£	£	£	£
At 1 <sup>st</sup> January 2022	1,126,218	835,144	1,961,362	1,961,362
Net gain/(loss)	50,000	(240,125)	(190,125)	(190,125)
At 31 <sup>st</sup> December 2022	<u>1,176,218</u>	<u>595,019</u>	<u>1,771,237</u>	<u>1,771,237</u>

**24. OPERATING LEASE COMMITMENTS**

	2022 £	2021 £
Total future minimum lease payments under non-cancellable operating leases for office equipment are as follows:		
Not later than one year	4,697	4,697
Later than one year and not later than five years	3,416	7,808
Greater than five years	305	610
	<u>8,418</u>	<u>13,115</u>

**25. RECONCILIATION OF MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	2022 £	2021 £
Net movement in funds – Net income from operational activities, as per Statement of Financial Activities	91,926	283,247
Add back:		
Depreciation charge	113,567	111,617
Loss/(Profit) on sale of tangible fixed assets	-	49
Bank property finance loan interest payable	20,433	23,190
Deduct:		
Investment income shown in investing activities	(65,516)	(42,008)
Legacies and subscriptions shown in financing	(3,566)	(17,516)
Cash receipts from rentals from investment properties	(74,495)	(73,286)
Bank deposit interest	-	-
(Increase)/Decrease in stock	(462)	369
(Increase)/Decrease in debtors	(48,358)	31,333
Increase in creditors, excluding bank borrowings	<u>10,439</u>	<u>19,585</u>
<b>Net cash generated in operating activities,</b> as per Statement of Cashflows	<u><b>43,968</b></u>	<u><b>336,580</b></u>

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Annual report

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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
FORWARD**

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On behalf of the Trustee Directors of HarmonI, I am delighted to present the annual report and accounts for the financial year 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022. It is my great honour to have become the latest chairman for this very special organisation. That honour only tinged by the circumstances requiring a new chair with the passing of my predecessor Mr Norman Carson MBE in June 2022.

As I begin my tenure in April 2023, I want to firstly thank my colleagues from the Board of Trustee Directors for their work and ongoing interest in the charity. I would give special mention to Mr David McIlhagger who as Deputy chair stepped up to chair presiding for the second time in 2 years during the chair's vacancy.

It would be remis of me if I did not also acknowledge the sterling work our staff carry out day and daily in pursuit of the charity's aims and objectives. They are very ably led by an extremely proficient executive and management team to which on behalf of the board we offer our appreciation.

We extend our thanks to the statutory funders from The South Eastern Health and Social Care Trust and the Northern Ireland Housing Executive for their continued engagement and contracting of services with us.

Finally, I place on record our thanks to our clients for trusting us to deliver the services they require.

It is because of the foregoing that I begin my tenure with an organisation that has weathered many storms with strong confidence in the organisation's ability to face challenges and deliver a solution which ensures the clients continue to receive the extremely high-quality services they do.

2022 produced a very positive outcome for the charity, that result means as we face into 2023 and one of the most troubling public sector funding crises of a generation, we have a sound foundation upon which to stand.

It is my objective as I take custodianship of the role of chairman to ensure our heritage is protected, our clients remain served and indeed we find opportunities to grow in spite of the funding paradigm as we seek to do more for more.

*Paul Archer - Chairman*

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 STRUCTURE, GOVERNANCE AND MANAGEMENT

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#### Governing Document

The legal entity name was changed on 8<sup>th</sup> January 2019 from NIID to HARMONI 2019 Trading as HarmonI.

HARMONI 2019 has its origins in late 19<sup>th</sup> century Belfast. It was incorporated on 19<sup>th</sup> July 1906 as a charitable Company limited by guarantee and not having a share capital. The objects and powers of HARMONI 2019 are set out in the Memorandum of Association, and the Company is governed under its Articles of Association, as updated in 2014 and registered on 28<sup>th</sup> March 2014. In the event of the Company being wound up Members are required to contribute an amount not exceeding £1.00.

HARMONI 2019 is on the Northern Ireland Charity Register, registration number 101731. Since registration, the Director Trustees have embarked and maintained periodic specific training along with the Management team to understand fully the implications, responsibilities and expectations of HARMONI 2019, the Trustees and the Management who operate under delegated authority.

#### Directors:

##### Recruitment and appointment of directors

Under the requirements of the Articles of Association as revised in March 2014, the directors are trustees of the charity and are known as Members of Council. From that revision date, Director Trustees serve for 4 years dated from the first AGM at which they are voted in, they are eligible to serve up to three terms of four years at which point they must retire. The date cycle is from their first AGM to their fourth AGM.

Name of Director Trustee	Appointment Date	Expected term end AGM date
Archer, Paul (Chair)	28 <sup>th</sup> March 2023	1 <sup>st</sup> term chair June 2026
Carson, Norman (Chair)	26 <sup>th</sup> August 2021	Deceased 18 <sup>th</sup> June 2022
McIlhagger, David (Deputy Chair)	30 <sup>th</sup> June 2010 (NED) Chair May 2014 – Dec 2020	Appointed Deputy Chair 1 <sup>st</sup> Jan 2020 June 2026
Reagan, Peter	29 <sup>th</sup> October 2014	June 2023
Lavery, Brian	18 <sup>th</sup> May 2020	June 2024
Irwin, Hannah	15 <sup>th</sup> June 2020	June 2024
Collins, Paul	15 <sup>th</sup> June 2020	June 2024
Colgan, Elaine	28 <sup>th</sup> July 2021	June 2025
Graham, Amira	5 <sup>th</sup> November 2021	June 2025

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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#### *Director Trustees during reporting period*

No Member of the Board of Director Trustees had a beneficial interest in any contract with HARMONI 2019 during the year.

#### Succession Planning:

From 1<sup>st</sup> January 2020 the board of trustees have created a deputy chair role to ensure that in the event of the chair being unavailable there remains a line of consistency in the charity governance. Since the creation of the role which Mr David McIlhagger has occupied there has been regrettably a need on two separate periods for the Deputy Chair to step into the role of Chair presiding.

The most recent event being the untimely passing of Mr Norman Carson MBE. The trustees place on record their appreciation for David's willingness to step into the role and provide stable governance leadership during the two vacancies.

Mr Paul Archer has been appointed as Chairman in March 2023 and Mr David McIlhagger will retain the deputy chair role and chair of the Finance and General Purposes Committee.

#### *Trustee induction and training*

Trustees are aware of the practical work of HARMONI 2019 at the hostel in Belfast and Strickland's Care Village in Bangor. New trustees are expected to attend an information session to familiarise themselves with how HARMONI 2019 operates. These are jointly led by the Chair of the Board and the Chief Executive of HARMONI 2019 and cover the following:

- The obligations of the Trustee Directors
- The Articles of Association
- The financial position as set out in the latest published accounts
- Future plans and objectives

New trustees receive copies of the Articles of Association, the latest financial statements, the current strategic plan and the current year business plan. They then meet the CEO and undertake a half day induction process to provide information on the charity function.

To ensure that trustees have up to date knowledge regarding charity management issues and the impact of changes in the public sector it is expected that trustees will have the opportunity to attend suitable training and information events. The CEO disseminates all regulatory guidance to trustees as it is received by the charity.

#### **Risk management**

The Board of Director Trustees continues to review the major risks to which HARMONI 2019 is exposed. The risk management strategy for HARMONI 2019 is one which seeks to identify risks and mitigate or manage those risks. It is not designed to remove all risk as to do so is in itself a risk which could render the organisation impotent. The risk framework seeks to firstly identify the organisational risk appetite, over a range from low, medium or high appetite.

The Board of Trustees receive regular updates to the risk register. This process allows the board to see pertinent corporate risks, these risks are categorised with probability and impact scores as High, Medium or Low risk. This measurement is designed to identify risks that require immediate attention and mitigation, and those that need attention, but are less immediate

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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Each risk is then identified with a risk owner and a mitigation plan narrative provided. Each update of the register identifies new risks and changes in the previous risks due to the effects of the planned mitigation or other external circumstances.

The core risks for 2022 were identified as:

**Funding Compression:** While there was some financial support proffered by the Department of Health there remains no annual cost of living increment recognition policy for Supported Living therefore, the perpetual compression between required income increases and actual or no income increases from the statutory funders remains unresolved. The mitigation for that risk continues to be the CEO and senior executive teams engage at the highest levels with the funding bodies.

**Staff resources:** The increasing demand for agency to fill unfilled employed staff hours grew in 2022, it is recognised that this would if unchecked lead to an unsustainable situation financially This leads to limit service growth in respect to accepting new higher need clients, and it could reduce reserves over a prolonged period as the agency cost is significantly higher. The mitigations for this have remained to attempt to keep remuneration levels above that of National Living wage and through the use of Values based recruitment and retention strategies increase the employed workforce. At the end of 2022 we noted a rise in inflow of employed staff.

**Impact of Covid 19:** While we remained vigilant to covid, during the year the management protocols directed from statutory bodies reverted to a standard Risk based approach.

Procedures are in place to ensure compliance with health and safety of staff, suppliers, volunteers, clients and visitors to the Hostel and Strickland's Care Village.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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***Organisational structure***

The Board meets at least three times a year and is responsible for the strategic direction and policy of HARMONI 2019. The Trustees come from a variety of professional backgrounds relevant to the work of HARMONI 2019.

The Finance and General Purposes Committee meets approximately three times a year and as per the change in terms of reference agreed in 2017 the committee now receives all audit reports on behalf of the Board.

The development committee, which is a project-based committee, did not meet in 2022 due to there being no relevant business before the committee.

Responsibility for operations management is delegated to the Chief Executive.

In January 2022 the Board of Trustees launched the next strategic plan iteration, it is entitled Research, Knowledge, Action. It is led by research allowing time to garnish detailed information which will inform future direction decisions. The key objective being that this newfound knowledge leads to risk assessed actions which are aimed at enhancing the service offerings provided by the charity.

**Governance:**

The Board will formally meet a minimum of 3 times in the year to take care of the ordinary business of the charity and its governance requirements. The board also receives a detailed sub report on Health and Safety, Safeguarding and Deprivation of Liberty issues if any have arisen.

They will meet at other times for special topics meetings as and when required. The Sub Committee of the Finance and General Purposes Committee will normally meet one week in advance of each formal board. The Development Committee will meet as required to meet the needs of the project timeline.

**Corporate Oversight:**

The Senior Management Team meets regularly to ensure the management of the main corporate needs are being met. A key element of this discussion will be the budgets, actuals, and variances we are experiencing and what controls or changes we need to effect in order to keep the organisation on track.

**Corporate Management:**

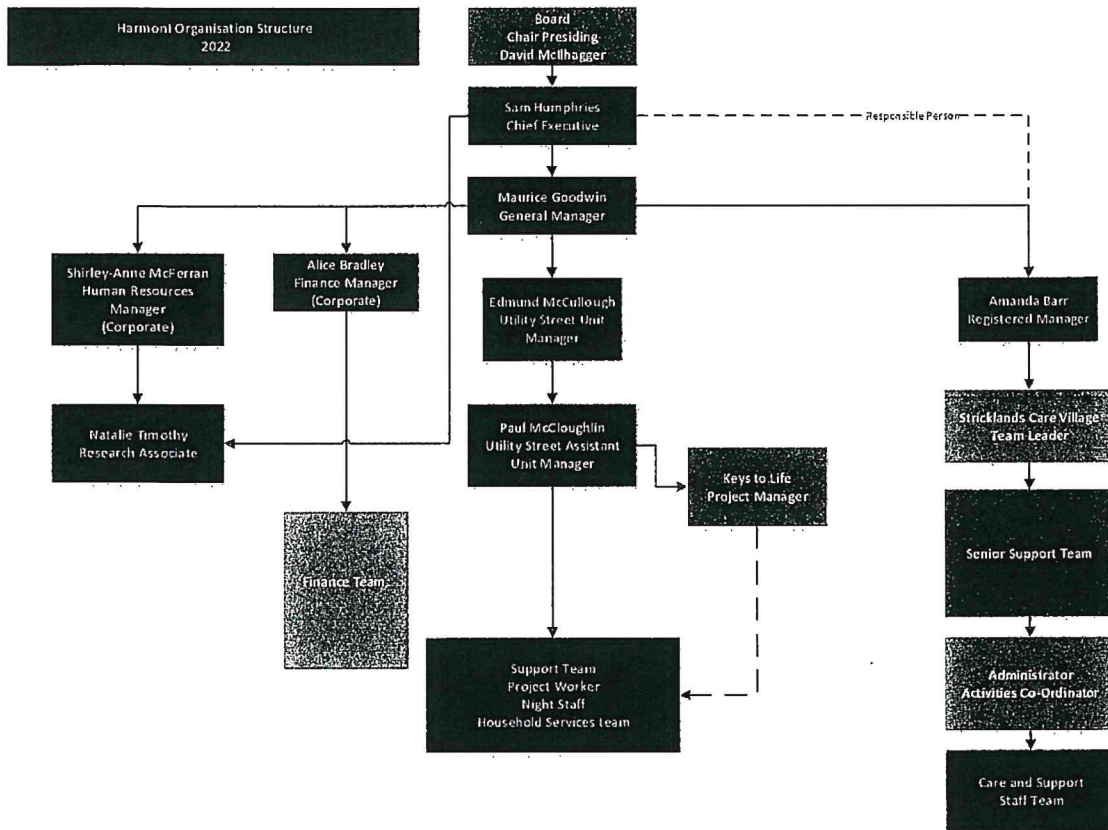
The Unit Managers will meet with members of the Senior Team as required to review the performance of the overall business with specific input from the unit heads. These discussions include the regulatory and compliance elements from the funders and commissioners of the services and also key safeguarding issues.

**Operations Management:**

A member of the Senior Team meets their direct line management team as needed to review and discuss operational issues and take any operational decisions arising.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

The operational organisation structure:



## **HARMONI 2019**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 STRUCTURE, GOVERNANCE & MANAGEMENT (continued)**

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#### **Related parties**

HARMONI 2019 did not have any dealings during 2021 with any companies or other organisations in which any of the directors have an interest.

#### **OBJECTIVES AND ACTIVITIES**

The principal objects, as updated, of HARMONI 2019 are to: -

- To relieve poverty, illness, sickness and suffering of people who are in need by reason of sickness, disability, poverty or social and economic circumstance ('the beneficiaries).
- To advance the interests of beneficiaries by all means including, but not limited to, their closer integration into wider society.
- In the interests of social welfare to provide or assist in the provision of supported housing facilities or other services, such as nursing care or domiciliary care, which improve the conditions of life of the beneficiaries and provide or assist in the provision of respite care or other support for carers of the beneficiaries.
- To advance the education of the beneficiaries and educate and raise awareness among the public of issues pertaining to social welfare and people with disabilities.
- To relieve sickness and poverty of elderly disabled sick or injured persons and their carers by offering assistance to enable those in need to secure respite care.
- Such other exclusively charitable purposes according to the law of Northern Ireland for the beneficiaries as the Trustees may from time to time decide.

Strickland's Care Village located in Bangor provides accommodation in thirty-three separate units for those individuals living with a disability and needing support and care at various levels depending on assessed need.

The Belfast hostel provides emergency accommodation for fifty-nine men experiencing homelessness with one room specifically renovated for men with disabilities. The men are supported and encouraged to improve their situation by taking the necessary steps to move on to training opportunities and employment, and to permanent accommodation. There is close cooperation with the statutory authorities and the Northern Ireland Housing Executive.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE**

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**STRATEGIC REPORT**

**Achievements and Performance**

**. Organisational:**

In April 2022 the Trustees were introduced to the new concept of Psychologically Informed Environments (PIE). This overarching model is designed to ensure the organisation sees everything it does through the PIE lens. The key element of that lens is to ensure we consider the client and their journey. After deliberation the trustees declared that HarmonI would pursue this model organisationally. Some key reasons for that decision were:

- It ensures a Psychological based approach.
- It places a strong emphasis on the client journey (Person Centred)
- It places a strong emphasis on staff support, development and inclusion.
- It fosters a culture of learning and enquiry.
- It ensures the physical needs of built environment are included in the process.
- It is not a restrictive list of do and do not, it remains flexible to the needs of the client and the organisation.

The PIE philosophy is very much in line with the new HR approach initiated in 2022 by our HR manager Shirley-Anne McFerran. The values-based approach has shown incredibly positive benefits throughout 2022 with at least 50% of our new recruits joining under this initiative. We have noted significant changes in employee matters arising from the reduced need for investigations and disciplinarys. We have also noted greater staff engagement in discussion focussed on the client needs.

The changes are subtle but powerful, ultimately adding value to the client experience of HarmonI's services.

**• Stricklands Care village:**

A key element in our strategic aspiration for some time has been the implementation of a new digital care management system. In 2022 we were successfully able to secure a grant to fund the new system aspiration alongside a grant to deliver a site wide Wi-Fi system and associated digital tablet hardware. The net benefit to our client will be the real time updating of their daily living plans, the management of their medications and staff rostering. The sole aim being to maximise the support and care time within an administration rich regulatory requirement.

The management of Covid was reduced in year by the statutory bodies to a risk-based approach on a case by case basis. We remain on high infection control awareness, but the relaxations have allowed much more association for clients to return.

Our maintenance programme continues to ensure the clients homes are maintained to the high standards we aspire to for them.

Stricklands Care Village again received a positive RQIA report in 2022 following an unannounced inspection with no improvement plan required.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 STRATEGIC REPORT: ACHIEVEMENT & PERFORMANCE (continued)

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- *Utility Street Hostel:*

The occupancy level in the Hostel has continued to be maintained at an average of 53 men per week. While it is great to have the service so close to full it is nevertheless saddening to know the demand for emergency accommodation continues to grow.

We successfully rolled out the new client management system in the Hostel and in June 2022 transitioned all referral, occupancy and support information across to the new system.

In 2022 we supported 260 men through the service. Of those 74 went on to successful planned departures.

Our Keys to life programme continued throughout the year. This year 22% of men in the hostel engaged with the programme. A small group of around 10 clients volunteered to help build a new sensory garden for the clients in Stricklands Care Village. The great element within this is the men themselves wanted to give back to other people in the community. The residents of Stricklands Care Village have thoroughly enjoyed the new facility and are grateful for the support Keys to Life brought.

#### **Public Benefit**

The directors confirm that they have had due regard for the guidance produced on Public Benefit by the Charity Commission for Northern Ireland, and are pleased to report that during 2020 they have continued to meet the Public Benefit requirement as follows:

The core activity for HARMONI 2019 is the relief of poverty, illness, sickness and suffering to those living with sickness, disability, poverty or social circumstances. All our engagement activities have been with individuals from one or a range of these groups. The organisation has sought to revive these impacts firstly by providing suitable and appropriate accommodation, be that in Supported Independent living or Hostel provision. The organisation sees that provision as the start of our service intervention.

From that point forward, we seek to create a person-centred provision that is cognisant of the individual's need. Many of our residents and service users have these needs identified through professional assessment, either from the health care trusts or other social services.

In all HARMONI 2019 service interventions, we first consider the clients personal needs. Our core model remains accommodation-based care and support, subject to the service engagement. We continue to believe that the most important element for all our clients remains ensuring a safe and secure place to live. This delivers consistency in what has for some of our clients been a chaotic life to date.

Those for whom the need is centred on personal care are provided a bespoke care and support daily living plan which centres around their personal needs. This is achieved in conjunction with the South East Health Trust care management teams to ensure the assessed needs are met. Next of kin and family provide valuable input to those requirements in the care plan development stage. Further supports are designed which enable the client to live as independently as they wish or are capable of. All these plans are subject to regular review and updating as circumstances change.

Those for whom support is the core focus of our engagement will receive a personal support plan which aims to assist them in achieving their short term goals which are aimed at delivering a longer term goal, in the case of our clients in Utility street this is independent living in a place of their choosing.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022  
FINANCIAL REVIEW**

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For many of our service users the reality is that their experience with HARMONI 2019 is about small steps and personal capacity / capability building. Many of our residents and families have seen a marked improvement in the individuals' engagement and socialisation skills and their ability to communicate their wants and needs personally.

HARMONI 2019 works closely with multiple statutory bodies to ensure we plan for and deliver suitable and successful outcomes for each and every one of our service users. This joined up approach ensures that the overall public benefit is delivered where service users have longevity and consistency and therefore tend not to move between other agencies or service provisions.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 FINANCIAL REVIEW

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HARMONI 2019 is a unique organisation, not least because of the diverse nature of the service users but also because of the blended funding sources for our service delivery. Harmoni is very grateful to the Northern Ireland Housing Executive and the South-Eastern Health and Social Care Trust, being the principal funders of these activities.

The directors note that there is a total Net Expenditure for 2022 of £98,199, compared to Net Income of £497,578 in 2021.

The directors however note that the charity remains in positive position in terms of generation of a surplus from operating activities. 2022 saw Net Income from Operational Activities of £91,926, with a figure of £283,247 reflected in 2021.

The main points of note are –

- Incoming Resources have increased by £348,040 (10.57%)
  - Increase in investment income of £24,698 (Increase of 21.42 %).
  - Increase in income from charitable activities of £332,047 (Increase of 10.49%). Much of this relates to Covid 19 funding, including funding for special recognition payments that was made to staff, as well as annual uplifts to contracts from SEHSCT and NIHE.
- Expenditure has increased by £539,361 (17.92%)
  - Increase in expenditure on charitable activities of £546,116 (18.49%). Costs increased across all departments and expense types, with significant increases in utility costs, insurance and food. On top of this increases to NLW and decreased staff availability meant a very significant increase in agency costs in year (65% increase on 2021)

In 2022 the organisation saw a loss on the revaluation of investment assets of £190,125. This primarily related to the value of current asset investments (loss on revaluation of £240,125). The revaluation on fixed asset investments meant an uplift in the value of the properties held of £50,000. This loss on revaluation is a swing from a gain on investment of £214,331 in 2021, which primarily related to the upturn in the investment market at that time.

The net effect of these movements is that the charity returned a Net Expenditure figure of £98,199 in 2022.

This gives reserves carried forward on the balance sheet at the end of the year comprising Restricted Funds carried forward of £161,759 (2021: £188,084) and Unrestricted Funds of £6,575,121 (2021: £6,646,995). The Unrestricted funds carried forward comprise Investment Revaluation Reserves of £1,771,237 and General Funds of £4,803,884.

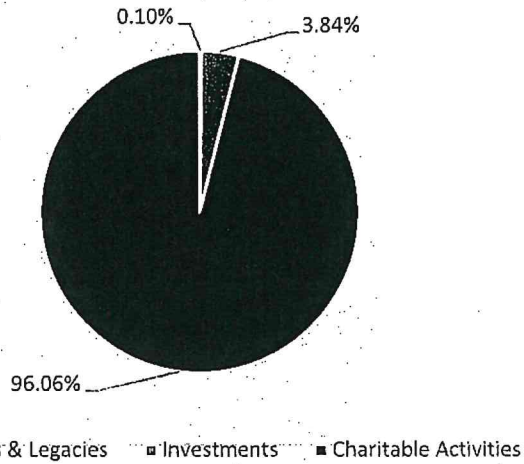
The balance sheet of the charity remains strong, with current assets, including current asset investments, comfortably exceeding current liabilities by £3,007,188.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FINANCIAL REVIEW (continued)**

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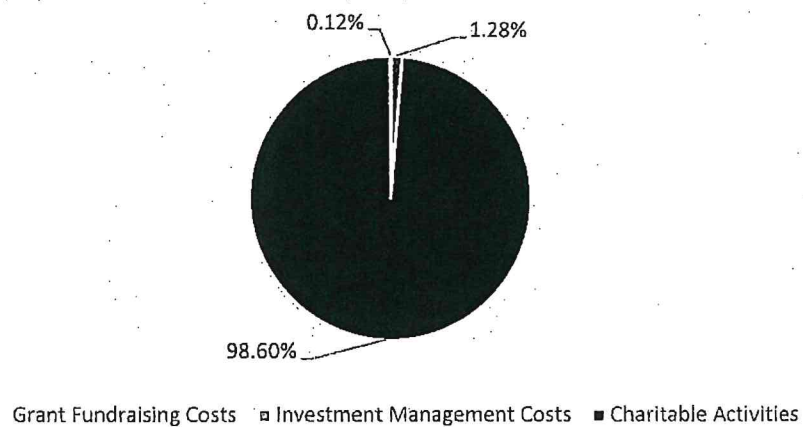
During the year, our income came from the following sources:

**Income for the year ended 31 December 2022**



This income then allowed us to achieve our aims and objectives for the organisation through making the following expenditure:

**Expenditure for the year ended 31 December 2022**



### **Reserves Policy**

HARMONI 2019 aims to maintain a level of resources that match the needs of the organisation, both now, and in the foreseeable future.

The two main objectives are that –

- a. the available reserves ensure that the activities of the organisation could continue in the face of any unexpected reduction in, or loss of, a particular income stream, while allowing the organisation time to seek alternative funds or restructure/cut costs.
- b. the available reserves allow the organisation to progress with the organisational development plan laid out in the strategic plan 2017-2022.

The Directors assess the risks that HARMONI 2019 could be exposed to, and the appropriate level of reserves that should be maintained.

The current assessment of the target range of free reserves – funds that are freely available to be used for general charitable purposes – held by the company should be 6 months of expenditure, with an additional amount to allow the Board the potential to carry out operations in line with the strategic plan.

In carrying out their assessment of reserves the Directors exclude the fixed asset fund of £2.6m because this represents functional, operational assets within the organisation that could not be realised quickly, restricted reserves of £0.162m which have restrictions placed over the use of funds by the individual funders, and the investment property value of £1.5m which is used as mortgage security for the original long-term loan. After excluding the fixed asset fund this leaves free reserves of £2.47m.

In the strategic plan 2022-2025 the Directors have identified several key projects to investigate. They have also identified the need to build and maintain appropriate reserves to carry out these plans.

This is to ensure that the organisation can grow and develop while maintaining the range of services/activities, and in time the reserves should return to a level equivalent to the equivalent of 6 months running costs.

### **Investment Policy**

The Directors have agreed an investment policy within the powers provided to them under the Articles of Association of the organisation. The organisation has a long-established balanced approach towards investment risk, with the need to both protect and grow the charities assets for all service users. Therefore, the Directors define the organisation's expected investment profile to be balanced, with a desire to grow, but also protect the capital invested, whilst providing a useful source of income from dividends.

The Directors wish the portfolio to represent a balanced spread of investments in equities and fixed interest securities and bonds.

The investment portfolio was managed during the year under review by Evelyn and Partners alongside Abrdn (formerly Aberdeen Standard Capital) (on behalf of the Northern Ireland Central Investment Fund for Charities). All are professional investment management companies in good standing and regulated by the Financial Conduct Authority.

As a charity with a strong Evangelical Christian heritage, the ethos of which casts a guiding shadow across the organisation's moral position, the Directors have advised the investment managers that the organisation do not wish to invest in the following:

- Alcohol or tobacco trades
- Arms and munitions trades

The performance of the investment portfolio is monitored regularly by the Directors. In the year under review the investments continued to perform well and in line with objectives, providing a good level of dividend income.

**PLANS FOR FUTURE DEVELOPMENT**

The charity placed a hold on major developments during the pandemic, this however has not quelled the plans to increase the positive impact HarmonI 2019 delivers to a diverse client group. The key enabler of our future development will be the research project which will generate new knowledge or solidify current knowledge into a more cohesive ethos and philosophy upon which to build, both figuratively and physically, our future service offerings.

In 2022 we had the opportunity to work alongside undergraduates from the Queens University Belfast Business School who carried out a specific piece of market penetration analysis for us in respect to a possible future service. That work will complete in early 2023 and will be used as a foundation for further analysis to determine if a sustainable business case can be drawn up enabling a new service development to be started.

**THANKS AND APPRECIATION**

HARMONI 2019 would like to place on record their thanks and appreciation for:

The continued funding provided by the Health Trusts and the Northern Ireland Housing Executive towards the cost of providing vital services in Strickland's Care Village and the Men's Hostel.

The Boys' Brigade have been involved, for over 100 years, in organising house to house collections to support the work of Harmoni. Unfortunately, with the Covid pandemic and associated restrictions, the opportunity has been reduced significantly, although we still receive small contributions from individual company's for which we remain grateful.

The National Lottery Community Fund for the funding to operate Keys to Life project.

The Dormant Accounts Fund NI for the funding to facilitate the research project.

Those many organisations and individuals who made donations of money, goods and time to the clients at the Hostel.

## HARMONI 2019

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

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#### FIXED ASSETS

Details of fixed asset movement in the year are given in note 7 to the financial statements. Although the market value of the operational property is comfortably in excess of its amortised historic cost, the difference is not felt to be of significance to members.

#### FAIR EMPLOYMENT

The charity is committed to a policy of equal opportunities for all current and future employees. This policy also includes compliance with the Sex Discrimination (NI) Orders 1976 and 1988 and the Disability Discrimination Act 1995. These policies are incorporated into the Equal Opportunity of Employment Guidelines that are adhered to by the charity.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### REPORT AND FINANCIAL STATEMENTS

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Companies Act 2006.

#### AUDIT

The directors have sought to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. Insofar as the board is aware there is no relevant audit information of which the company's auditors are unaware.

#### AUDITOR

The external audit assignment for 2022 and the subsequent 5 years has been awarded to Baker Tilley Mooney Moore after an open competitive bid process.

#### ON BEHALF OF THE BOARD:

SA Humphries - Secretary



Date: 28-6-2022

**Harmoni 2019**

Northern Ireland - Charity number 101731

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# Annual return

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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019**

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**Opinion**

We have audited the financial statements of HARMONI 2019 (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company 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 trustees' 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 charitable company'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 trustees 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
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**Responsibilities of trustees**

As explained more fully in the Directors' responsibilities statement set out on page 16, the Directors (who are also the Trustees of the charitable company for the purposes of company law) 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 trustees 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 Directors are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and The Charities Act (Northern Ireland) 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segment and compliance with local legislation for the overseas operating segments.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims;

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HARMONI 2019 (continued)**

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- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

We communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Eimear Brown*

Eimear Brown (Senior Statutory Auditor)  
For and on behalf of Baker Tilly Mooney Moore  
Registered Auditor  
17 Clarendon Road  
Clarendon Dock  
Belfast  
BT1 3BG

Date: *25<sup>th</sup> June 2023*

Baker Tilly Mooney Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.