

DRUMREAGH PRESBYTERIAN CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DRUMREAGH PRESBYTERIAN CHURCH

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DRUMREAGH PRESBYTERIAN CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev. Richard Murray Mr J Walker Mr W Fulton Mr J Christie Mr C Nevin Mr C T Scott Mr T J Craig Mr R J Henry Mr R Eakin Mr W Eakin Mr D McBride Mr James Gault
Charity number	NIC105565
Principal address	104 Bann Road Ballymoney Co. Antrim BT53 7NA
Independent examiner	Dr R I Peters Gallagher, OBE, FCA Moore (NI) LLP 32 Lodge Road Coleraine Co Londonderry BT52 1NB
Bankers	Danske Bank 1-2 Broadway Ballymena Co. Antrim BT43 7PE

DRUMREAGH PRESBYTERIAN CHURCH

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The law applicable to charities in Northern Ireland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Church and of the incoming resources and application of resources of the Church for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our examiners

In so far as the Trustees are aware at the timing of approving our Trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Church's independent examiner is aware of that information.

Independent Examiners

Dr R I Peters Gallagher, of, Moore (NI) LLP, have indicated her willingness to continue in office, and a resolution concerning her reappointment will be proposed at the Trustees meeting on 7th June 2022.

DRUMREAGH PRESBYTERIAN CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DRUMREAGH PRESBYTERIAN CHURCH

I report on the accounts of the Church for the year ended 31 December 2022, which are set out on pages 4 to 15.

Respective responsibilities of Trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the Charities Act (Northern Ireland) 2008.

It is my responsibility to:

- (i) examine the accounts under section 65 of the Charities Act
- (ii) follow the procedures laid down in the general directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

I have examined your charity accounts as required under section 65 of the Charities Act and my examination was carried out in accordance with the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act. The examination included a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as charity trustees concerning any such matters.

My role is to state whether any material matters have come to our attention giving us cause to believe:

- 1. That accounting records were not kept in accordance with section 63 of the Charities Act
- 2. That the accounts do not accord with those accounting records
- 3. That the accounts do not comply with the accounting requirements of the Charities Act
- 4. That there is further information needed for a proper understanding of the accounts to be reached.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am registered as a member of Chartered Accountants Ireland which is one of the listed bodies.

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission for Northern Ireland, I have found no matters that require drawing to your attention.



Dr R I Peters Gallagher, OBE, FCA

Chartered Accountant
Moore (NI) LLP
32 Lodge Road
Coleraine
Co Londonderry
BT52 1NB

Dated: 31 May 2023

DRUMREAGH PRESBYTERIAN CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds designated 2022 £	Restricted funds general 2022 £	Total Unrestricted funds 2022 £	Restricted funds general 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	5	134,765	-	186,697	321,462	167,426	294,244
Charitable activities	3	-	-	700	700	700	700
Investments	4	494	-	315	809	116	989
Dromore Presbyterian Church funds transferred in.		25,601	10,000	87,126	122,727	-	-
Other income	6	24	-	9,438	9,462	8,532	9,021
Total income		160,884	10,000	284,276	455,160	176,774	304,954
<u>Expenditure on:</u>							
Charitable activities	7	139,721	-	157,402	297,123	32,259	199,216
Net gains/(losses) on investments	10	-	-	-	-	(58,953)	(96,628)
Net incoming resources before transfers		21,163	10,000	126,874	158,037	85,562	9,110

DRUMREAGH PRESBYTERIAN CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds designated 2022 £	Restricted funds general 2022 £	Total Unrestricted funds 2022 £	Restricted funds general 2021 £	Total 2021 £
Net incoming resources before transfers		21,163	10,000	126,874	158,037	85,562	9,110
Gross transfers between funds		(2,056,849)	-	2,056,849	-	(549,353)	-
Net (expenditure)/income for the year/ Net movement in funds		(2,035,686)	10,000	2,183,723	158,037	(463,791)	9,110
Fund balances at 1 January 2022		2,475,039	-	79,340	2,554,379	543,131	2,545,269
Fund balances at 31 December 2022		439,353	10,000	2,263,063	2,712,416	79,340	2,554,379

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

All income and expenditure derive from continuing activities.

DRUMREAGH PRESBYTERIAN CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11	2,831,122		2,424,122	
Current assets					
Debtors	12	38,786		36,552	
Cash at bank and in hand		233,257		189,120	
		272,043		225,672	
Creditors: amounts falling due within one year	14	(46,124)		(95,415)	
Net current assets		225,919		130,257	
Total assets less current liabilities		3,057,041		2,554,379	
Creditors: amounts falling due after more than one year	15	(344,625)		-	
Net assets		2,712,416		2,554,379	
Income funds					
Restricted funds - general		2,263,063		79,340	
Restricted funds - designated		10,000		-	
Unrestricted funds		439,353		2,475,039	
		2,712,416		2,554,379	

Dromore Presbyterian Church has merged with Drumreagh Presbyterian Church and was dissolved at 31/10/22. On 7/11/22 £122,726.72 was transferred to Drumreagh Presbyterian Church - £25,601 of this is unrestricted funds. £10,000 is to be held by Drumreagh for the upkeep of Moody Grave. The remainder is to be transferred to Drumreagh Building Fund. The balance of £18,699.07 in Progressive Building Society is to be held until maturity on 27/6/23. This amount along with interest received will be transferred to Drumreagh Presbyterian Church Building Fund. The Church Assets including the Church, hall and land will continue to be held by Dromore Presbyterian Church. When these are sold, the proceeds will be donated to Drumreagh Presbyterian Church.

The financial statements were approved by the Trustees on 31 May 2023

Rev. Richard Murray
Trustee

Richard Murray

Mr J Walker
Trustee

John Walker

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Drumreagh Presbyterian Church is a unincorporated entity governed by a Constitution.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act (Northern Ireland) 2008 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Church is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Church.

1.4 Income

Income is recognised when the Church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

These accounts for the year ended 31 December 2022 for Drumreagh Presbyterian Church are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% reducing balance
Fixtures and fittings	4% - 20% reducing balance

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

2 Critical accounting estimates and judgements

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

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

3 Charitable activities

	Charitable Income Heading 1 2022 £	Charitable Income Heading 1 2021 £
Charitable rental income	700	700

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Investments

	Unrestricted funds	Restricted funds general	Total Unrestricted funds	Restricted funds general	Total
	2022 £	2022 £	2022 £	2021 £	2021 £
Interest receivable	494	315	809	873	989

5 Donations and legacies

	Unrestricted funds £	Restricted funds general £	Total 2022 £	Total 2021 £
Donations and gifts	134,765	-	134,765	126,818
Other	-	186,697	186,697	167,426
	134,765	186,697	321,462	294,244
For the year ended 31 December 2021	126,818	167,426		294,244

6 Other income

	Unrestricted funds	Restricted funds general	Total	Unrestricted funds	Restricted funds general	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Other income	24	9,438	9,462	489	8,532	9,021

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	69,002	71,080
Depreciation and impairment	82,110	55,810
Rental property expenses	2,763	282
Cleaning and catering	-	294
Missions and other groups	45,286	39,163
Repairs and maintenance	26,508	2,226
Insurance	5,621	5,413
Heat and Light	13,312	5,194
Admin costs	5,589	4,543
Stationery and printing	3,183	2,332
Rates	2,045	1,812
Financial charges	17,146	4,026
General expenses	24,558	7,041
	<u>297,123</u>	<u>199,216</u>
	<u>297,123</u>	<u>199,216</u>
Analysis by fund		
Unrestricted funds	139,721	
Restricted funds - general	157,402	
	<u>297,123</u>	
For the year ended 31 December 2021		
Unrestricted funds		166,957
Restricted funds - general		32,259
		<u>199,216</u>

8 Trustees

None of the Trustees (or any persons connected with them), other than Rev. Richard Murray, received any remuneration or benefits from the Church during the year.

9 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>1</u>	<u>2</u>

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	<u>69,002</u>	<u>71,080</u>

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

Drumreagh Presbyterian Church has one employee which is the Music Coordinator. Staff costs include the cost of the Music Coordinator, the ministers' wages and caretaker costs. Although the wages of are paid by Drumreagh Presbyterian Church, the minister of the church is an employee of the Presbyterian Church in Ireland, and is therefore not reflected in the employee numbers of Drumreagh Presbyterian Church.

10 Net gains/(losses) on investments

	Total 2022 £	Unrestricted funds 2021 £	Restricted funds general 2021 £	Total 2021 £
Gain/(loss) on sale of investments	<u>-</u>	<u>(37,675)</u>	<u>(58,953)</u>	<u>(96,628)</u>

The Presbyterian Mutual Society investment balance of £96,627.44 that the church held was written off in 2021 due to the asset realisations from PMS not being completed as originally intended.

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	2,506,331	130,767	2,637,098
Additions	<u>383,941</u>	<u>105,168</u>	<u>489,109</u>
At 31 December 2022	<u>2,890,272</u>	<u>235,935</u>	<u>3,126,207</u>
Depreciation and impairment			
At 1 January 2022	155,158	57,817	212,975
Depreciation charged in the year	<u>53,086</u>	<u>29,024</u>	<u>82,110</u>
At 31 December 2022	<u>208,244</u>	<u>86,841</u>	<u>295,085</u>
Carrying amount			
At 31 December 2022	<u>2,682,028</u>	<u>149,094</u>	<u>2,831,122</u>
At 31 December 2021	<u>2,351,172</u>	<u>72,950</u>	<u>2,424,122</u>

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Debtors		2022	2021
		£	£
Amounts falling due within one year:			
Trade debtors		<u>38,786</u>	<u>36,552</u>
13 Loans and overdrafts		2022	2021
		£	£
Bank overdrafts		-	89,103
Bank loans		<u>382,917</u>	<u>-</u>
		<u>382,917</u>	<u>89,103</u>
Payable within one year		38,292	89,103
Payable after one year		<u>344,625</u>	<u>-</u>
14 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Bank loans and overdrafts	13	38,292	89,103
Trade creditors		<u>7,832</u>	<u>6,312</u>
		<u>46,124</u>	<u>95,415</u>
15 Creditors: amounts falling due after more than one year		2022	2021
	Notes	£	£
Bank loans	13	<u>344,625</u>	<u>-</u>
16 Designated funds			

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:-

- £10,000 held by Drumreagh for the upkeep of Moody Grave.

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

	General	Designated	Restricted	Total	General	Restricted	Total
	2022	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£	£
Tangible assets	-	-	2,831,122	2,831,122	2,424,122	-	2,424,122
Current assets/(liabilities)	439,353	10,000	(223,434)	225,919	50,917	79,340	130,257
Long term liabilities	-	-	(344,625)	(344,625)	-	-	-
	<u>439,353</u>	<u>10,000</u>	<u>2,263,063</u>	<u>2,712,416</u>	<u>2,475,039</u>	<u>79,340</u>	<u>2,554,379</u>

DRUMREAGH PRESBYTERIAN CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	189,120	44,137	233,257
Bank overdrafts	(89,103)	89,103	-
	<u>100,017</u>	<u>133,240</u>	<u>233,257</u>
Loans falling due within one year	-	(38,292)	(38,292)
Loans falling due after more than one year	-	(344,625)	(344,625)
	<u>100,017</u>	<u>(249,677)</u>	<u>(149,660)</u>