

Company registration number: NI649755

Charity registration number: 108029

## **Drop Inn Ministries Limited**

(A company limited by guarantee)

### **Annual Report and Financial Statements**

**Year Ended 30 September 2022**

Drop Inn Ministries Limited

Annual Report and Financial Statements

Year Ended 30 September 2022

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**Drop Inn Ministries Limited**

**Charity Reference and Administrative Details**

**Year Ended 30 September 2022**

<b>Charity registration number</b>	101694
<b>Directors and Trustees</b>	Mr Ronald Dawson Mr Neville Garland Mr Thomas Stewart
<b>Secretary</b>	Mr Thomas Stewart
<b>Registered office</b>	123 Keady Road Armagh BT60 3AD
<b>Auditor</b>	Barry Thompson and Company 76-78 Church Street Portadown BT62 3EU
<b>Accountants</b>	Thomas Oliver & Co 1 Moygashel Mills Park Dungannon BT71 7DH

## **Trustees' Annual Report (Including Directors Report)**

### **Year Ended 30 September 2022**

The Trustees and Directors present their report and the audited financial statements of Drop Inn Ministries Limited for the year ended 30 September 2022. The Trustees and Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity and company.

### **Trustees of the charity**

The trustees who have served during the year were as follows:-

Mr Ronald Dawson  
Mr Neville Garland  
Mr Thomas Stewart

The trustees meet quarterly to discuss the board strategy, the 'day to day' administration is delegated to the director and the staff leadership team.

### **Structure, governance and management**

The Charity's Trustees formed Drop Inn Ministries Limited which was incorporated as a company limited by guarantee on 11 December 2017. The charity continued in its previous format until 1 October 2019 when it transferred activities and assets to the Company.

The charity is registered with The Charities Commission for Northern Ireland (Registered number 101694). The company is controlled by its trustees who are directors of the company for the purposes of the Companies Act 2006 and is governed by the provisions contained in the Memorandum and Articles of Association.

All trustees are members and directors of the Charitable Company and stand as guarantors of the charitable company in the sum of £10 each.

There are currently 4 trustees and directors of the charity and company.

### **Objectives and Activities**

The company's objects are:

- To advance the Christian religion for the benefit of the public in the area of benefit.
- Associating together the said inhabitants and the local authorities voluntary and other organisations in the area of benefit in a common effort to relieve poverty and advance education and to provide facilities in the interests of welfare with the object of improving the conditions of life for the said inhabitants.

The principal activities of the charity are to equip and mobilise people for mission, and to bring hope, help and healing to the hurting world through the operation of various humanitarian projects. The projects are financed through surplus funds generated by the operation of numerous charity shops, various donations, sponsorship, and fundraising activities.

**Trustees' Annual Report (Including Directors Report) continued**

**Year Ended 30 September 2022**

**Headquarters - Ballyards Castle**

Ballyards Castle is the head office of all Drop Inn Projects.

The facilities at Ballyards allows the charity to host prayer events, retreats, Christian conferences and visits from mission teams and project partners from various nations. During the time period of this financial year we began to see the usage of Castle begin to grow again, following on from the relaxing of Covid-19 restrictions.

**Finances**

During this financial year we have saw a steady, and at times strong financial performance in our charity shops, with the development of some new concept stores. This has allowed us to stabilise operations following the Covid-19 period.

With a steady, and at times growing income base we have been able to maintain and grow our support locally as well as internationally in 30 different nations as well as to consider appropriate capital acquisition to aid long-term stability of our income base.

The charity endeavours to keep a prudent amount in reserve for cash flow purposes but most funds are spent in the short term.

**International Missions**

During the year, post Covid-19 restrictions we have been able to visit international partners, review project work and provide increased leadership support to projects. These visits are a great source of encouragement to our international partners. Short-term mission experiences often lead to increased prayer support for Drop Inn as well as an increase in Child Sponsorships and giving to the various projects people visit.

One additional aspect of international support this year, since February 2022, has been increased support to project partners in Ukraine, helping them address the humanitarian crisis that has taken place as a result of the war.

**Local Missions**

Local Outreach Ministries – Our team and our interns have visited local people in need to offer physical help such as yard work, cleaning, help with finances and support for addictions. This helps to connect disenfranchised people with other organisations such as foodbanks, social workers, etc. This serves to provide a service to bring immediate need as well as continuation of support to facilitate positive outcomes within our local community.

Drop Inn partners with Grace Community Church in Richhill, to operate a youth outreach in 'The Living Room' as well as a Drop Inn Centre for Youth on Wednesday nights. Different staff and volunteers offer a safe place for local youth to connect to positive resources and mentors.

Three of our main focuses locally consist of: Aspire NI, Madlug and Hope Mission.

**Other Information**

Drop Inn Ministries transferred to a company limited by guarantee under the name of Drop Inn Ministries Limited on 1 October 2019. Assets and liabilities were transferred to the company at book value on 1 October 2019, excluding the church which was transferred to another charitable company.

The church was also transferred on 1 October 2019 to a company limited by guarantee under the name of Grace Community Church (Ireland) Limited.



**Trustees' Annual Report (Including Directors Report) continued**

**Year Ended 30 September 2022**

**Trustees' responsibilities**

The trustees (who are also directors of Drop Inn Ministries Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

**Disclosure of information to the auditors**

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



**Mr Ronald Dawson (Trustee and director)**

**20 June 2023**

Year ended 30 September 2022

**Independent Auditor's Report to the trustees of Drop Inn Ministries Limited**

**Opinion**

We have audited the financial statements of Drop Inn Ministries Limited (the 'charitable company') for the year ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows 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 30 September 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 trustees' 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.



Year ended 30 September 2022

**Independent Auditor's Report to the trustees of Drop Inn Ministries Limited (continued)**

**Opinion 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report included within the trustees' 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 the directors' report.

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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors 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 trustees 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.



Year ended 30 September 2022

**Independent Auditor's Report to the trustees of Drop Inn Ministries Limited (continued)**

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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>

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that control identify during our audit.

Drop Inn Ministries Limited

Year ended 30 September 2022

Independent Auditor's Report to the trustees of Drop Inn Ministries Limited (continued)

**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



Barry Thompson (Senior statutory auditor)  
for and on behalf of Barry Thompson and Company  
Chartered Accountants and Statutory Auditors  
76-78 Church Street  
Portadown  
Co Armagh  
BT62 3EU

20 June 2023

Drop Inn Ministries Limited

Statement of Financial Activities

Year Ended 30 September 2022

			2022		
	Note	Unrestricted funds £	Restricted funds £	Total £	2021 Total £
<b>Income from:</b>					
Donations and legacies	2	56,329	95,049	151,378	852,811
Other trading activities	3	2,129,532	-	2,129,532	1,425,246
<b>Total income</b>		<b>2,185,861</b>	<b>95,049</b>	<b>2,280,910</b>	<b>2,278,057</b>
<b>Expenditure on:</b>					
Raising funds	4	1,720,734	215	1,720,949	1,582,914
Charitable activities	5	326,367	49,645	376,012	236,800
<b>Total expenditure</b>		<b>2,047,101</b>	<b>49,860</b>	<b>2,096,961</b>	<b>1,819,714</b>
<b>Net income (expenditure)</b>		<b>138,760</b>	<b>45,189</b>	<b>183,949</b>	<b>458,343</b>
<b>Net movement in funds</b>	16	<b>138,760</b>	<b>45,189</b>	<b>183,949</b>	<b>458,343</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	16	660,125	19,872	679,997	221,654
<b>Total funds carried forward</b>	16	<b>798,885</b>	<b>65,061</b>	<b>863,946</b>	<b>679,997</b>

All income and expenditure derive from continuing activities.

Drop Inn Ministries Limited

Balance Sheet

Year Ended 30 September 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	478,661	440,981
<b>Current assets</b>			
Debtors	13	39,045	54,850
Cash at bank and in hand		617,376	478,135
		<u>656,421</u>	<u>532,985</u>
<b>Creditors: amounts falling due within one year</b>	14	(85,488)	(94,222)
<b>Net current assets</b>		<u>570,933</u>	<u>438,763</u>
<b>Total assets less current liabilities</b>		<u>1,049,594</u>	<u>879,744</u>
<b>Creditors: amounts falling due after one year</b>		(185,648)	(199,747)
<b>Net Assets</b>		<u>863,946</u>	<u>679,997</u>
<b>Charity Funds</b>			
Restricted funds	16	65,061	19,872
Unrestricted funds	16	798,885	660,125
<b>Total charity funds</b>	16	<u>863,946</u>	<u>679,997</u>

The financial statements were approved and authorised for issue by the Board on 20 June 2023.

Signed on behalf of the board of trustees



Mr Ronald Dawson, Trustee

The notes on pages 10 to 19 form part of these financial statements.



**Drop Inn Ministries Limited**

**Statement of Cash Flows**

**Year Ended 30 September 2022**

	2022 £	2021 £
Net income for the year	183,949	458,343
Adjusted for:		
Depreciation	28,790	16,272
Adjustment on assets transfer	-	-
(Increase)/decrease in debtors	15,805	4,304
Increase/(decrease) in creditors	(8,737)	(8,587)
<b>Net cash flow from operating activities</b>	<u>219,807</u>	<u>470,332</u>
<b>Cash flow from investing activities</b>		
Investment income	-	-
Payments to acquire tangible fixed assets	(66,470)	(364,765)
Sale of tangible fixed assets	-	2,975
<b>Net cash flow from investing activities</b>	<u>(66,470)</u>	<u>(361,790)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	153,337	108,542
<b>Cash and cash equivalents at 1 October 2021</b>	254,750	146,208
<b>Cash and cash equivalents at 30 September 2022</b>	<u>408,087</u>	<u>254,750</u>

Notes to Financial Statements

Year Ended 30 September 2022

**1 Summary of significant accounting policies**

**(a) General information and basis of preparation**

The address of the registered office is given in the charity information on page 2 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements 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 United Kingdom and Republic of Ireland (FRS 102), the Charities Act (Northern Ireland) 2008, and UK Generally Accepted Practice as it applies from 1 January 2015 and Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all Periods presented unless otherwise stated.

**(b) Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

**(c) Income recognition**

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

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

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

Notes to Financial Statements (continued)

Year Ended 30 September 2022

**(c) Income recognition (continued)**

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

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

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

**(d) Expenditure recognition**

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

- Costs of raising funds includes the cost of all fundraising activities, events, non-charitable trading activities and the sale of donated goods;
- Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries; and
- Other expenditure represents those items not falling into the categories above.

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

**(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities. They are incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Notes to Financial Statements (continued)

Year Ended 30 September 2022

**(f) Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	4% straight line
Plant and machinery	25% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	20% straight line

Land and buildings were valued using cost basis.

**(g) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one Period are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**(h) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**(i) Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**(j) Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**(k) Employee benefits**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable

**(l) Financial instruments**

The charity only has financial assets and 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.



## Notes to Financial Statements (continued)

Year Ended 30 September 2022

**(m) Tax**

The charity is an exempt charity and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**(n) Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Income from donations and legacies**

	Unrestricted £	Restricted £	2022 £	2021 £
Gifts and church tythes	64,271	-	64,271	40,045
Gifts received for Humanitarian aid	-	95,049	95,049	53,994
Government grants	(7,942)	-	(7,942)	758,772
	<u>56,329</u>	<u>95,049</u>	<u>151,378</u>	<u>852,811</u>

Income from donations and legacies was £151,378 in the year of which, £95,049 was attributable to restricted and £56,329 was attributable to unrestricted funds.

**3 Income from other trading activities**

	Unrestricted £	Restricted £	2022 £	2021 £
Thrift shop income (donated goods)	2,121,482	-	2,121,482	1,420,886
Hire of Ballyards	8,050	-	8,050	4,360
	<u>2,129,532</u>	<u>-</u>	<u>2,129,532</u>	<u>1,425,246</u>

Income from other trading activities was £2,129,532 in the year of which £nil was attributable to restricted and £2,129,532 was attributable to unrestricted funds.

## Notes to Financial Statements (continued)

Year Ended 30 September 2022

## 4 Analysis of expenditure on raising funds

	Unrestricted £	Restricted £	2022 £	2021 £
Coffee shop purchases	-	-	-	479
Wages and salaries	1,084,662	-	1,084,662	1,034,371
Staff Pension	12,916	-	12,916	10,481
Governance costs <sup>note 6</sup>	10,395	-	10,395	9,736
Support costs allocated to activities <sup>note 7</sup>	612,761	215	612,976	527,847
	<u>1,720,734</u>	<u>215</u>	<u>1,720,949</u>	<u>1,582,914</u>

Of the expenditure of £1,720,949 in the year £215 was attributable to restricted funds and £1,720,734 was attributable to unrestricted funds.

## 5 Analysis of expenditure on charitable activities

	Unrestricted £	Restricted £	2022 £	2021 £
Mission expenses	326,367	49,645	376,012	227,064
Support costs allocated to activities <sup>note 6</sup>	-	-	-	9,736
	<u>326,367</u>	<u>49,645</u>	<u>376,012</u>	<u>236,800</u>

Expenditure on charitable activities was £376,012 during the year of which £49,645 was attributable to restricted and £326,367 was attributable to unrestricted funds.

## 6 Analysis of governance costs

	Unrestricted £	Restricted £	2022 £	2021 £
Legal and professional fees	3,445	-	3,445	5,561
Consultancy fees	-	-	-	-
Audit and Accountancy	6,950	-	6,950	4,175
	<u>10,395</u>	<u>-</u>	<u>10,395</u>	<u>9,736</u>

Of the expenditure of £10,395 in the year all were attributable to unrestricted funds.

**Drop Inn Ministries Limited**

**Notes to Financial Statements (continued)**

**Year Ended 30 September 2022**

**7 Allocation of support costs**

Support cost – Raising funds

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Premises costs	421,156	416,613
Repairs and maintenance	72,636	26,665
Motor and travel	28,780	18,000
Depreciation	28,790	16,272
Profit on disposal	-	-
Office costs (incl. rental)	23,037	21,374
Finance	32,564	20,802
Other	6,013	8,121
<b>Total</b>	<b>612,976</b>	<b>527,847</b>

**8 Net income for the year**

Net income is stated after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	28,790	16,272
Cost of stock recognised as an expense	-	479
<b>Operating lease rentals</b>	<b>4,875</b>	<b>3,537</b>

**9 Auditor's and Accountancy remuneration**

The auditor's remuneration amounts to an audit fee of £2,540 and accountancy services of £4,410.

**10 Trustees' remuneration and expenses**

Mr Ronald Dawson (Trustee) received a total remuneration of £44,014, including NIC, during the year.

## Notes to Financial Statements (continued)

Year Ended 30 September 2022

**11 Staff costs and employee benefits**

The total staff costs and employees benefit's was as follows:

	2022 £	2021 £
Wages and salaries	1,025,495	989,599
Social security	59,167	55,137
Defined contribution pension costs	12,916	10,481
	<u>1,097,578</u>	<u>1,055,217</u>

The average number of employees during the period was 75 with more than half being part time.

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

**12 Tangible fixed assets**

	Land and buildings £	Plant and machinery including Motor Vehicle £	Fixtures and fittings £	Total £
Cost:				
At 1 October 2021	359,114	37,099	72,102	468,315
Additions	65,971	-	499	66,470
Disposals	-	-	-	-
At 30 September 2022	<u>425,085</u>	<u>37,099</u>	<u>72,601</u>	<u>534,785</u>
Depreciation:				
At 1 October 2021	5,228	8,793	13,313	27,334
Charge for the year	16,124	6,758	5,908	28,790
Eliminated on disposals	-	-	-	-
At 30 September 2022	<u>21,352</u>	<u>15,551</u>	<u>19,221</u>	<u>56,124</u>
Net book value:				
At 30 September 2022	<u>403,733</u>	<u>21,548</u>	<u>53,380</u>	<u>478,661</u>
At 30 September 2021	<u>353,886</u>	<u>28,306</u>	<u>58,789</u>	<u>440,981</u>



Drop Inn Ministries Limited

Notes to Financial Statements (continued)

Year Ended 30 September 2022

13 Debtors

	2022 £	2021 £
Other debtors	868	-
Prepayments and accrued income	26,938	22,218
VAT	11,239	32,632
	<u>39,045</u>	<u>54,850</u>

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank Loan	23,640	23,640
Trade creditors	6,038	34
Other tax and social security	11,433	10,164
Other creditors	2,218	2,814
Accruals and deferred income	42,159	57,570
	<u>85,488</u>	<u>94,222</u>

15 Creditors: amounts falling due after one year

	2022 £	2021 £
Not later than one year	185,648	199,747
	<u>185,648</u>	<u>199,747</u>

## Notes to Financial Statements (continued)

Year Ended 30 September 2022

## 16 Fund reconciliation

	Transferred 1 October 2021	Income	Expenditure	Transfers	Balance at 30 September 2022
	£	£	£	£	£
<b>General Fund</b>					
Unrestricted	660,125	138,760	-	-	798,885
<b>Restricted Fund</b>					
Restricted income fund	19,872	45,189	-	-	65,061
	<u>679,997</u>	<u>183,949</u>	<u>-</u>	<u>-</u>	<u>863,946</u>

## Fund descriptions

## a) Unrestricted funds

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

## b) Restricted funds

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. The restricted funds relate to humanitarian aid.

## 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Fixed assets	478,661	-	478,661	440,981
Current assets	632,397	24,024	656,421	532,985
Creditors less than one year	(85,488)	-	(85,488)	(94,222)
Creditors more than one year	(185,648)	-	(185,648)	(199,747)
<b>Total</b>	<u>839,922</u>	<u>24,024</u>	<u>863,946</u>	<u>679,997</u>

Notes to Financial Statements (continued)

Year Ended 30 September 2022

**18 Pensions and other post-retirement benefits**

a) Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £12,916.

The defined contribution liability is allocated to unrestricted funds and in expenditure on raising funds.

**19 Related party transactions**

There are no related party transactions during the year.

**20 Financial instruments**

The carrying amounts of the charity's financial instruments are as follows:

	2022 £	2021 £
<i>Financial assets</i>		
Cash and cash equivalents	408,087	254,750
<i>Financial liabilities</i>		
Trade creditors	6,038	34

**21 COVID-19 Pandemic**

In this period of enormous uncertainty, it is extremely difficult to make future predictions, but the directors consider that the impact of Covid-19 will be a temporary disruption and will ultimately pass. Given the widespread government-led support to businesses, including certain guidance to banks, certain risks are mitigated. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.