

Company registration number: NI649755

Charity registration number: 108029

Drop Inn Ministries Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2023

David Lyttle & Co Ltd
Station House
46 Molesworth Street
Cookstown
Co Tyrone
BT80 8PA

Drop Inn Ministries Limited

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Drop Inn Ministries Limited

Reference and Administrative Details

Secretary	Mr Thomas Stewart
Charity Registration Number	108029
Company Registration Number	NI649755
Registered Office	The charity is incorporated in Northern Ireland. 123 Keady Road Armagh Co Armagh BT60 3AD
Auditor	David Lyttle & Co Ltd Station House 46 Molesworth Street Cookstown Co Tyrone BT80 8PA

Drop Inn Ministries Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 30 September 2023.

Objectives and activities

Objects and aims

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

Public benefit

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.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr Neville Gartland
	Mr Ronald Dawson
	Mr Thomas Stewart
	Mr Michael Rollo

Secretary:	Mr Thomas Stewart
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Structure, governance and management

Nature of governing document

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.

Headquarters- Ballyards Castle

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

The facilities at Ballyards allow the charity to host prayer events, retreats, Christian conferences and visits from missions team and project partners from various nations. During the time period of this financial year we began to see the usage of Castle continued to develop, following on a lull after the COVID period.

Drop Inn Ministries Limited

Trustees' Report

Finances

During this financial year we have seen a steady, and at times strong financial performance in our charity shops, with the development of some new stores, including outlet stores that sell off stock at reduced cost.

With a steady, and at times growing income base we have been able to maintain and grow our support to locally as well as internationally in 30 different nations as well as to continue with capital acquisition to aid the 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, members of the board and senior leadership team have been able to visit international partners, review project work and provide increased leadership support to projects. These visits are a great source of engagements 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.

A continued aspect of international support this year, 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 continues, as appropriate, to visit local people in need and offer practical support. This helps to connect disenfranchised people with other organizations 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. In addition we have been able to partner with the Southern Trust to offer support to unaccompanied minors arriving in Northern Ireland from nations where their lives would have been at risk.

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.

Statement of trustees' responsibilities

The trustees (who are also the directors of Drop Inn Ministries Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 its 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 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, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Drop Inn Ministries Limited

Trustees' Report

- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can 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 and Charities Act (Northern Ireland) 2008. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 17 July 2024 and signed on its behalf by:



Mr Ronald Dawson
Trustee

Drop Inn Ministries Limited

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

Opinion

We have audited the financial statements of Drop Inn Ministries Limited (the 'charity') for the year ended 30 September 2023, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Drop Inn Ministries Limited

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

Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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 trustees 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 Statement of trustees' responsibilities (set out on page 3 and 4), the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

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.

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

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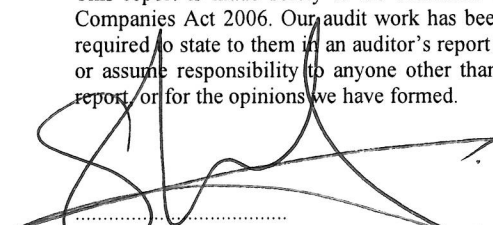
Independent Auditor's Report to the Members of Drop Inn Ministries Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedure 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 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 achieve 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.

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mr Stephen McGeagh (Senior Statutory Auditor)
For and on behalf of David Lyttle & Co Ltd, Statutory Auditor

Station House
46 Molesworth Street
Cookstown
Co Tyrone
BT80 8PA

17 July 2024

Drop Inn Ministries Limited

Statement of Financial Activities for the Year Ended 30 September 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	42,203	52,028	94,231
Other trading activities	4	2,518,517	-	2,518,517
Investment income	5	3,600	-	3,600
Total income		<u>2,564,320</u>	<u>52,028</u>	<u>2,616,348</u>
Expenditure on:				
Raising funds	6	(1,957,928)	(15)	(1,957,943)
Charitable activities	7	(441,917)	(37,032)	(478,949)
Total expenditure		<u>(2,399,845)</u>	<u>(37,047)</u>	<u>(2,436,892)</u>
Net income		<u>164,475</u>	<u>14,981</u>	<u>179,456</u>
Net movement in funds		164,475	14,981	179,456
Reconciliation of funds				
Total funds brought forward		<u>798,890</u>	<u>65,061</u>	<u>863,951</u>
Total funds carried forward	22	<u>963,365</u>	<u>80,042</u>	<u>1,043,407</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	56,329	95,049	151,378
Other trading activities	4	2,129,532	-	2,129,532
Total income		<u>2,185,861</u>	<u>95,049</u>	<u>2,280,910</u>
Expenditure on:				
Raising funds	6	(1,710,337)	(215)	(1,710,552)
Charitable activities	7	(336,762)	(49,645)	(386,407)
Total expenditure		<u>(2,047,099)</u>	<u>(49,860)</u>	<u>(2,096,959)</u>
Net income		<u>138,762</u>	<u>45,189</u>	<u>183,951</u>
Net movement in funds		138,762	45,189	183,951
Reconciliation of funds				
Total funds brought forward		<u>660,128</u>	<u>19,872</u>	<u>680,000</u>
Total funds carried forward	22	<u>798,890</u>	<u>65,061</u>	<u>863,951</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 22.

The notes on pages 11 to 21 form an integral part of these financial statements.

Drop Inn Ministries Limited
(Registration number: NI649755)
Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	15	556,788	478,661
Investments	16	<u>106,041</u>	<u>-</u>
		<u>662,829</u>	<u>478,661</u>
Current assets			
Debtors	17	10,879	39,046
Cash at bank and in hand	18	<u>627,109</u>	<u>617,377</u>
		637,988	656,423
Creditors: Amounts falling due within one year	19	<u>(79,851)</u>	<u>(85,485)</u>
Net current assets		<u>558,137</u>	<u>570,938</u>
Total assets less current liabilities		1,220,966	1,049,599
Creditors: Amounts falling due after more than one year	20	<u>(177,559)</u>	<u>(185,648)</u>
Net assets		<u>1,043,407</u>	<u>863,951</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		80,042	65,061
Unrestricted income funds			
Unrestricted funds		<u>963,365</u>	<u>798,890</u>
Total funds	22	<u>1,043,407</u>	<u>863,951</u>

The financial statements on pages 8 to 21 were approved by the trustees, and authorised for issue on 17 July 2024 and signed on their behalf by:



.....
Mr Ronald Dawson
Trustee

The notes on pages 11 to 21 form an integral part of these financial statements.

Drop Inn Ministries Limited

Statement of Cash Flows for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		179,456	183,951
Adjustments to cash flows from non-cash items			
Depreciation	6	31,365	28,790
Investment income	5	<u>(3,600)</u>	<u>-</u>
		207,221	212,741
Working capital adjustments			
Decrease in debtors	17	28,167	15,804
Decrease in creditors	19	<u>(5,634)</u>	<u>(8,737)</u>
Net cash flows from operating activities		<u>229,754</u>	<u>219,808</u>
Cash flows from investing activities			
Interest receivable and similar income	5	3,598	-
Purchase of tangible fixed assets	15	(109,492)	(66,470)
Purchase of investments	16	<u>(106,041)</u>	<u>-</u>
Net cash flows from investing activities		(211,935)	(66,470)
Cash flows from financing activities			
Repayment of loans and borrowings	19	<u>(8,089)</u>	<u>(14,097)</u>
Net increase in cash and cash equivalents		9,730	139,241
Cash and cash equivalents at 1 October		<u>617,376</u>	<u>478,135</u>
Cash and cash equivalents at 30 September		<u><u>627,106</u></u>	<u><u>617,376</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 11 to 21 form an integral part of these financial statements.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

1 Charity status

The charity is limited by guarantee, incorporated in Northern Ireland, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

123 Keady Road
Armagh
Co Armagh
BT60 3AD

These financial statements were authorised for issue by the trustees on 17 July 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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 UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Drop Inn Ministries Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Asset class	Depreciation method and rate
Freehold buildings	4 % straight line
Plant and machinery	25% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	20% straight line

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

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

Restricted income 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.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Gifts and church tythes	42,203	-	42,203
Gifts received for Humanitarian aid	-	52,028	52,028
Total for 2023	<u>42,203</u>	<u>52,028</u>	<u>94,231</u>
Total for 2022	<u>56,329</u>	<u>95,049</u>	<u>151,378</u>

4 Income from other trading activities

	Unrestricted funds General £	Total funds £
Trading income;		
Shop income from sale of donated goods and services	2,508,877	2,508,877
Hire of Ballyards	9,640	9,640
Total for 2023	<u>2,518,517</u>	<u>2,518,517</u>
Total for 2022	<u>2,129,532</u>	<u>2,129,532</u>

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

5 Investment income

	Unrestricted funds General £	Total funds £
Income from rents	3,600	3,600
Total for 2023	3,600	3,600

6 Expenditure on raising funds

a) Costs of trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Note			
Depreciation, amortisation and other similar costs	31,365	-	31,365
Other direct costs of activities for generating funds	608,759	15	608,774
Total for 2023	640,124	15	640,139
Total for 2022	612,558	215	612,773

7 Expenditure on charitable activities

	Activity support costs £	2023 £
Mission expenses	468,223	468,223
	Activity support costs £	2022 £
Mission expenses	376,012	376,012

In addition to the expenditure analysed above, there are also governance costs of £10,726 (2022 - £10,395) which relate directly to charitable activities. See note 8 for further details.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

8 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2023 £
Audit fees		
Audit of the financial statements	2,330	2,330
Independent examiner fees		
Preparation of annual accounts	4,045	4,045
Legal fees	4,351	4,351
	<u>10,726</u>	<u>10,726</u>
	Unrestricted funds General £	Total 2022 £
Audit fees		
Audit of the financial statements	2,540	2,540
Independent examiner fees		
Other fees paid to examiners	4,410	4,410
Legal fees	3,445	3,445
	<u>10,395</u>	<u>10,395</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Audit fees	2,330	2,540
Depreciation of fixed assets	<u>31,365</u>	<u>28,790</u>

10 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Mr Ronald Dawson

Mr Ronald Dawson received remuneration of £45,892 (2022: £44,014) during the year.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,228,342	1,025,495
Social security costs	74,595	59,167
Pension costs	14,815	12,916
Other staff costs	52	201
	<u>1,317,804</u>	<u>1,097,779</u>

No employee received emoluments of more than £60,000 during the year.

12 Independent examiner's remuneration

	2023 £	2022 £
Other fees to examiners		
Preparation of annual accounts	<u>4,045</u>	<u>4,410</u>

13 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>2,330</u>	<u>2,540</u>

14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 October 2022	425,085	84,393	25,307	534,785
Additions	82,733	7,764	18,995	109,492
At 30 September 2023	<u>507,818</u>	<u>92,157</u>	<u>44,302</u>	<u>644,277</u>
Depreciation				
At 1 October 2022	21,352	26,039	8,733	56,124
Charge for the year	17,003	6,729	7,633	31,365
At 30 September 2023	<u>38,355</u>	<u>32,768</u>	<u>16,366</u>	<u>87,489</u>
Net book value				
At 30 September 2023	<u>469,463</u>	<u>59,389</u>	<u>27,936</u>	<u>556,788</u>
At 30 September 2022	<u>403,733</u>	<u>58,354</u>	<u>16,574</u>	<u>478,661</u>

16 Fixed asset investments

	2023
	£
Investment properties	<u>106,041</u>
Investment properties	
	Investment properties £
Cost or Valuation	
Additions	<u>106,041</u>
Provision	
At 30 September 2023	<u>-</u>
Net book value	
At 30 September 2023	<u>106,041</u>

The investment property was purchased during the financial year. The property was valued on 30th September 2023 by the directors who are internal to the company. The basis for this valuation was fair value. The directors do not believe that there is a material difference between the current market value and the initial purchase price of the property. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

17 Debtors

	2023 £	2022 £
Prepayments	9,494	26,939
VAT recoverable	-	11,239
Other debtors	1,385	868
	<u>10,879</u>	<u>39,046</u>

18 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	10,543	24,024
Cash at bank	616,563	593,352
	<u>627,106</u>	<u>617,376</u>

19 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	23,640	23,640
Trade creditors	13,943	6,038
Other taxation and social security	17,671	11,433
VAT creditor	1,702	-
Other creditors	3,322	2,215
Accruals	19,573	42,159
	<u>79,851</u>	<u>85,485</u>

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2023 £	2022 £
Bank Loan	<u>23,640</u>	<u>23,640</u>

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

20 Creditors: amounts falling due after one year

	2023 £	2022 £
Bank loans	<u>177,559</u>	<u>185,648</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2023 £	2022 £
Bank Loan	<u>177,559</u>	<u>185,648</u>

The bank loan liability relates to a legal mortgage and commercial all monies charge over property at 71 - 79 Armagh Road, Portadown.

21 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £14,815 (2022 - £12,916).

22 Funds

	Balance at 1 October 2022 £	Incoming resources £	Resources expended £	Balance at 30 September 2023 £
Unrestricted funds				
General	798,890	2,564,320	(2,399,845)	963,365
Restricted funds	<u>65,061</u>	<u>52,028</u>	<u>(37,047)</u>	<u>80,042</u>
Total funds	<u>863,951</u>	<u>2,616,348</u>	<u>(2,436,892)</u>	<u>1,043,407</u>
	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Balance at 30 September 2022 £
Unrestricted funds				
General	660,128	2,185,861	(2,047,099)	798,890
Restricted funds	<u>19,872</u>	<u>95,049</u>	<u>(49,860)</u>	<u>65,061</u>
Total funds	<u>680,000</u>	<u>2,280,910</u>	<u>(2,096,959)</u>	<u>863,951</u>

Drop Inn Ministries Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

23 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 September 2023 £
Tangible fixed assets	556,788	-	556,788
Current assets	557,359	80,241	637,600
Current liabilities	(78,149)	-	(78,149)
Creditors over 1 year	(177,559)	-	(177,559)
Total net assets	<u>858,439</u>	<u>80,241</u>	<u>938,680</u>

	Unrestricted funds General £	Restricted funds £	Total funds at 30 September 2022 £
Tangible fixed assets	478,661	-	478,661
Current assets	591,161	65,261	656,422
Current liabilities	(85,485)	-	(85,485)
Creditors over 1 year	(185,648)	-	(185,648)
Total net assets	<u>798,689</u>	<u>65,261</u>	<u>863,950</u>

24 Analysis of net funds

	At 1 October 2022 £	At 30 September 2023 £
Cash at bank and in hand	<u>617,376</u>	<u>617,376</u>
Net debt	<u>617,376</u>	<u>617,376</u>

	At 1 October 2021 £	At 30 September 2022 £
Cash at bank and in hand	<u>478,135</u>	<u>478,135</u>
Net debt	<u>478,135</u>	<u>478,135</u>