

Charity Registration No. 1071823

Company Registration No. 03631207 (England and Wales)

EUROPEAN MISSIONARY FELLOWSHIP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

EUROPEAN MISSIONARY FELLOWSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rev G.N. Burke	
	Mr S.M. Gay	
	Rev D.M. Grimwade	
	Mr G Hilton	
	Rev P.B. Jones	
	Rev D.L. Moore	
	Mr N D Pountney	
	Rev S. Quinton	
	Rev A W J Stevens	(Appointed 20 January 2020)
	Rev M R Thomas	(Appointed 26 April 2021)
Mission director	Mr A. Birch	
Secretary	Mr G Brienza	
Charity number	1071823	
Company number	03631207	
Registered office and principal address	The Old Rectory Main Street Glenfield Leicester LE3 8DG	
Independent examiner	Philip John Dymond FCCA Cheyettes Ltd 167 London Road Leicester LE2 1EG	

EUROPEAN MISSIONARY FELLOWSHIP

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EUROPEAN MISSIONARY FELLOWSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements of the European Missionary Fellowship (EMF) for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (published in October 2019).

Objectives and activities

The primary objective of EMF is to promote the Gospel of the Lord Jesus Christ to the people of Europe and to do so in co-operation with all other evangelical Christians and the Evangelical Christian churches who agree with the doctrinal statement of EMF. This is accomplished by providing financial resources, together with spiritual counsel and support to men and women who know themselves to have been called by God for the proclamation of the Gospel of Jesus Christ. In so doing, the second objective of EMF is accomplished which is to advance the Christian religion for the benefit of the public and in accordance with the doctrinal statement of EMF through the holding of prayer meetings, training, lectures, producing and/or distributing literature on the Christian faith to enlighten others about the Christian religion.

It is envisaged that financial support will ideally be temporary in nature and that churches established through the preaching of the gospel will in due time adopt the financial needs of men and women previously supported through EMF. This charity is therefore an agency sourcing funds largely from churches and individuals within the United Kingdom, providing support to missionary members of EMF preaching on the continent of Europe. Being self-employed or employed by churches, these people initially receive financial donations and spiritual support from EMF, but in time it is expected that this will be replaced by support from local churches established through the preaching of the gospel.

EMF is also involved in three additional, though related, areas of activity:

1. Financial support is occasionally provided on an individual project basis to assist in the construction of buildings to house indigenous national evangelical churches; on occasion we also assist in the rent or purchase of accommodation for missionaries.
2. Funds are provided for the translation, publication and distribution of Christian literature in Europe. In accordance with EMF's objectives, a significant proportion of resources is expended by way of grants and is subsequently divided into missionary support, the cost of church building work, and the cost of publishing Christian literature overseas. The grant-making policy of EMF is to continue to support the work of promoting the Christian religion in accordance with the charity's objectives subject to any restrictions imposed by the original donor of the funds.
3. Following the closure of its School of Biblical Studies in 2018, EMF is still committed to supporting training and has established a Training Fund to support potential studies in ministry training – particularly, though not exclusively, for a two-year course through London Seminary. The policies and administration of this Fund have been further defined in 2020. The Fund has continued to perform well financially through 2020, and through the year 4 students were supported in their training.

This year, EMF paid grants in furtherance of the charity's objectives amounting to £437,002 (compared to £417,899 in the previous year). The charity benefits from the voluntary services of a number of helpers and in many ways. For example, during 2020 voluntary services were received in relation to the preparation of Vision for Europe magazine. Many individuals and churches throughout the UK voluntarily assist the missionary deputation programme by organising meetings and conferences and providing hospitality and transport. Voluntary help is also provided to publicise the work of EMF in Australia.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

EUROPEAN MISSIONARY FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The Executive Committee plays a crucial role in overseeing the work and met for its regular quarterly meetings. It was supported and informed by the working Business Sub Committee.

A new Mission Director began work in September 2020 with a two-month overlap period, which enabled a seamless transition. One Trustee stood down at the start of 2020, and another Trustee was introduced.

Missionary support

At the end of 2020 a total of 84 missionaries in 15 countries were in fellowship with EMF. While no new missionaries were introduced into EMF in 2020, one missionary couple was confirmed after a provisional period.

Details of those bodies and individuals who received financial support are available on request from the mission office. Throughout 2020 support for these missionaries has been maintained. We continue to work towards churches taking more responsibility for the support of missionaries. The continuing economic pressures in many of the countries we work with have meant that progress in this is slow.

Significant changes were made during 2020 to the way in which the financial needs of supported missionaries were assessed and EMF allowances reviewed, leading to a number of adjustments in missionary allowances. It was also decided to stop using the Associate Member status, and as a result, three missionaries were moved from this status to full member status, with a regular allowance.

The process of assessing prospective missionaries for adoption into EMF was made more rigorous, along with a clearer statement of the 2-way obligations between EMF and the missionary in the form of a Letter of Appointment.

With the COVID-19 pandemic, a high proportion of EMF missionaries have been directly affected by the pandemic, along with a significant impact on their churches and on their activities. EMF has provided pastoral support for its missionary family in various ways, both individually and collectively.

Church and Supporter Engagement

The restrictions arising from the COVID-19 pandemic have had a major effect on the way in which EMF has engaged with its support base in 2020. From March 2020, all missionary deputation was cancelled along with planned conferences. The mission fellowship had to find new ways to engage with its supporters and continue to inform, update and encourage engagement. In 2020, a significant move towards online engagement was undertaken, which has seen encouraging benefits. Conferences were moved to being online, leading to attendance far higher than would have been seen at an in-person conference. Regular webinars were held, with strong content and good attendance. And many churches took up the opportunity to interact directly with missionaries using internet conferencing. This has moved the mission forward in its modes of engagement not just for the pandemic period.

Support for the work of the mission, whether in financial terms, or in prayerful interest, increased during 2020, which can be attributed at least in part to these efforts to engage in new ways with the support base.

Literature work

We continue to contribute to this work in Spain with Editorial Peregrino and in Poland with Legatio. We support the missionaries who manage the work, subject to the continuing activities of the publishing houses being acceptable to EMF, but normally we do not designate funds to cover the costs of publishing new titles. However, the COVID-19 pandemic had a significant impact on sales and revenues, which put Editorial Peregrino at risk of bankruptcy. A supporter appeal led to donations of £13,704 being passed through to Editorial Peregrino, which was sufficient for it to continue its work. The impact of the pandemic on Legatio has been less, having lower fixed costs

EUROPEAN MISSIONARY FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Training for Mission Work

In 2020, the Training Fund Sub Committee made significant improvements to the policies and processes of the mission with respect to the use of the fund, to the selection of appropriate training institutions to be used, and to the selection of candidates for training. Four new students were supported, fully or partially, for training, two of whom were attending London Seminary, the other two at Bible colleges in their own countries.

Outreach projects

Donations amounting to £19,162 were made to a ministry for people with disabilities in Ternopil, Ukraine, called 'Happy Wheels' ministry. This was as a result of a Christmas Project appeal.

Church building projects

Donations amounting to £36,138 were made to a building projects in Poland, Spain, Portugal and Greece. We continue to aid some churches with rental payments for their buildings.

Financial review

Total incoming resources received during 2020 were £856,016, this was 29.9% higher than the previous year's income (£659,144). Included within these incoming resources were restricted funds amounting to £315,463. Incoming general and designated funds increased by 46.80% to £540,553. Legacies received amounted to £152,168. During the reporting period, total expenditure amounted to £712,502 (compared with the previous year of £709,009). This level of expenditure included use of restricted funds amounting to £297,156. Expenditure from general and designated funds was therefore £415,346 (compared with the previous year of £431,486).

The trustees consider that EMF has adequate resources to fulfil its immediate future obligations. We continue to seek to control expenditure where possible without jeopardising EMF's ability to fulfil its aims and objectives. The work of supporting missionaries is regarded as a long-term commitment and further fundraising will be needed to finance activities for the longer term. This is being addressed primarily through the deputation programme, attendance at conferences, the distribution of news updates and publicity and the preparation of new publicity material, although in 2020 a significant proportion of this has been through online engagement.

The trustees have established a general reserves policy to ensure that EMF can maximise the programme impact for beneficiaries and maximise the value of net income. General reserves provide some protection to the organisation and charitable programme, and provide time to adjust to changing financial circumstances. This limits the risk to the programme in the event of a downturn in some of EMF's various sources of income or an unexpected need for additional expenditure. This policy also provides parameters for future strategic plans, contributes towards decision making, and influences EMF's ways of working. EMF aims to keep in reserve funds representing approximately six months of total expenditure.

As shown in the notes to the financial statements, after excluding amounts retained in fixed assets, EMF had free unrestricted reserves of £2,497,663 at 31st December 2020. The balance of free reserves represents approximately 350.55% of the level of total resources expended in 2020 and provides EMF with sufficient comfort to enable the continuance of its activities. EMF's investment objective is to maximise the return on its investment funds while maintaining maximum security and a high degree of liquidity to allow a rapid response to urgent needs as they occur. To meet this objective, the EMF continues to hold its deposits in current and savings accounts. The Training Fund investment established in 2019 continued to perform well over the year, despite the significant downturn in financial markets in the 1st quarter.

The principal sources of funds for the work of EMF are the gifts of supporting churches and individuals. Legacies form an important but unpredictable additional source of income. It remains an objective of the Trustees to close the gap between income from donations and expenditure. The global economic situation continues to affect EMF's financial position, particularly through rising costs but also the reduced value of the pound against other European currencies adding to the costs of overseas donations. The decision to leave the European Union made in June 2016 has had considerable effect due to the impact on Pound to Euro exchange rates although these rates, once again, have continued to improve.

EUROPEAN MISSIONARY FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

With respect to the oversight of EMF, it is planned to introduce two or three additional Trustees to strengthen the board, but no other changes to the staff or Trustees are planned.

Having moved to managed office accommodation in Leicester in 2019, this arrangement has been found to suit the work of the mission well and it is not planned to make further significant changes. However, a review of whether two separate offices within that accommodation are required will be undertaken with a view to further reducing costs. This would be enabled in part by a move to more home working with the assistance of internet conferencing as a means of collaboration within the staff.

The principal aim remains the support of the missionaries and their work. A conference for the entire missionary body is planned for October 2022. This will be held in Spain. This had to be deferred from 2020 and had not taken place for many years and is felt to be essential at this point. This can be seen as part of an aim to increase the level of support and networking across the EMF family of missionaries, staff, trustees and others, for the furtherance of the gospel. There is also an aim to explore more collaboration with like-minded gospel organisations working in Europe, especially with regard to church planting, publication of Christian Literature, and the spread of reformed teaching within Europe.

With regard to engagement with its supporters in the UK, and engaging the next generation of supporters, EMF aims to build on the developments adopted within 2020, moving to increased online content and engagement, whilst maintaining links through more traditional channels.

Structure, governance and management

The charitable company is a company limited by guarantee with no share capital, incorporated on 14 September 1998. EMF is governed by its Articles of Association, adopted on 21 July 2014 in substitution for, and to the exclusion of, its previous Articles of Association. These were slightly updated in 2019 as we no longer own a property. A copy can be obtained from the company's Mission office.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Rev G.N. Burke

Mr S.M. Gay

Rev D.M. Grimwade

Mr G Hilton

Rev P.B. Jones

Rev D.L. Moore

Mr N D Pountney

Rev S. Quinton

Rev M.A. Troughton

(Resigned 20 January 2020)

Rev A W J Stevens

(Appointed 20 January 2020)

Rev M R Thomas

(Appointed 26 April 2021)

EMF is administered and managed by the trustees, who are members of the charity for the purposes of the Companies Act, in accordance with its Articles of Association. The following organisational structure is in place:

EUROPEAN MISSIONARY FELLOWSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

1. Directors/Trustees

The directors of the company are the charity's trustees, and they are the body by which EMF is governed. Throughout this report they are referred to collectively as the trustees. The number of trustees must not be less than three but is not subject to any maximum. Appointment as a trustee is made on the recommendation of the existing trustees to a general meeting. Potential new trustees usually attend at least two general meetings on a trial basis before an appointment is made. Such appointments are based on the need for the charity as a whole to have the skills and experience to determine the policies of EMF and to monitor the implementation of those policies. Trustees are supplied with appropriate information to enable them to fulfil their duties and occasionally attend independently-organised training courses.

2. Members

The Members of the company are also known as the Executive Members. This body is comprised of all trustees. Members are appointed by a general meeting of the members. Members normally meet on a quarterly basis and require a quorum of one half of the members or three members (whichever is the greater) present in person or by proxy and entitled to vote on the business to be transacted. Members have guaranteed the liabilities of the company up to £1.00 (one pound) each.

3. Business Sub-committee

The Business Sub-Committee is made up of a group from among the trustees who are deemed suitable to advise the full Board of Trustees on financial, management and administrative policy. Their responsibilities include ensuring that the risk management and control processes within EMF are effective. They too meet on a quarterly basis with ad hoc meetings as deemed necessary. Minutes of these meetings are submitted to and approved by the Trustees at their executive meetings usually two weeks following a Business Sub Committee meeting.

4. Training Fund Sub-committee

The Training Fund Sub-Committee is made up of a group from among the trustees who are deemed suitable to advise the full Board of Trustees on the training of future mission workers and on the financial, management and administrative policies associated with the Training Fund. They too meet on a quarterly basis with ad hoc meetings as deemed necessary. Minutes of these meetings are submitted to and approved by the Trustees at their executive meetings.

5. Company Secretary

The company secretary is appointed by the trustees.

The pay and remuneration of key management personnel are set by the trustees.

This Report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

Rev D.M. Grimwade

Trustee and director

Dated: 10 September 2021

EUROPEAN MISSIONARY FELLOWSHIP

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EUROPEAN MISSIONARY FELLOWSHIP

I report to the trustees on my examination of the financial statements of European Missionary Fellowship (the charitable company) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Philip John Dymond FCCA

Cheyettes Ltd
167 London Road
Leicester
LE2 1EG

Dated: 16 September 2021

EUROPEAN MISSIONARY FELLOWSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income and endowments from:							
Donations and legacies	3	478,172	315,463	793,635	324,912	290,225	615,137
Investments	4	62,087	-	62,087	42,411	-	42,411
Other	5	294	-	294	896	700	1,596
Total income		540,553	315,463	856,016	368,219	290,925	659,144
Expenditure on:							
Raising funds	6	124,222	-	124,222	124,960	-	124,960
Charitable activities	7	291,124	297,156	588,280	306,526	277,523	584,049
Total resources expended		415,346	297,156	712,502	431,486	277,523	709,009
Net gains/(losses) on investments	12	120,127	-	120,127	1,741,569	-	1,741,569
Net incoming resources before transfers		245,334	18,307	263,641	1,678,302	13,402	1,691,704
Gross transfers between funds		3,634	(3,634)	-	6,072	(6,072)	-
Net movement in funds		248,968	14,673	263,641	1,684,374	7,330	1,691,704
Fund balances at 1 January 2020		2,289,655	32,749	2,322,404	605,281	25,416	630,697
Fund balances at 31 December 2020		2,538,623	47,422	2,586,045	2,289,655	32,746	2,322,401

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EUROPEAN MISSIONARY FELLOWSHIP

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		1,351		788
Current assets					
Debtors	14	17,531		26,274	
Investments	15	2,030,243		1,910,116	
Cash at bank and in hand		543,638		395,916	
		<u>2,591,412</u>		<u>2,332,306</u>	
Creditors: amounts falling due within one year	16	<u>(6,718)</u>		<u>(10,693)</u>	
Net current assets			2,584,694		2,321,613
Total assets less current liabilities			<u>2,586,045</u>		<u>2,322,401</u>
Income funds					
Restricted funds	18		47,422		32,746
<u>Unrestricted funds</u>					
Designated funds	19	39,609		16,680	
General unrestricted funds		<u>2,499,014</u>		<u>2,272,975</u>	
			2,538,623		2,289,655
			<u>2,586,045</u>		<u>2,322,401</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 10 September 2021

Rev D.M. Grimwade
Trustee

Company Registration No. 03631207

EUROPEAN MISSIONARY FELLOWSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		86,534		(156,393)
Investing activities					
Purchase of tangible fixed assets		(899)		-	
Proceeds on disposal of tangible fixed assets		-		1,817	
Proceeds on disposal of investment property		-		1,805,536	
Purchase of other investments		-		(1,755,536)	
Interest received		62,087		42,411	
Net cash generated from investing activities			61,188		94,228
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			147,722		(62,165)
Cash and cash equivalents at beginning of year			395,916		458,081
Cash and cash equivalents at end of year			543,638		395,916

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

European Missionary Fellowship is a private company limited by guarantee incorporated in England and Wales. The registered office is The Old Rectory, Main Street, Glenfield, Leicester, LE3 8DG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (issued in October 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. 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 charitable company 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

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of their charitable objectives which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are those which can only be used for particular restricted purposes within the object of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company 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 charitable company 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 charitable company 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.

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is included in the financial statements on an accruals basis, inclusive of any VAT which cannot be recovered.

The costs of raising funds comprise those costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of either estimate of the proportion of time spent by staff or upon the usage of those activities.

1.6 Tangible fixed assets

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

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

Fixtures and fittings	20% per annum on a reducing balance basis
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Freehold land is not depreciated.

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 net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company 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 charitable company 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 charitable company's balance sheet when the charitable company 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.

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charitable company'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.

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	326,004	315,463	641,467	291,821	290,225	582,046
Legacies receivable	152,168	-	152,168	33,091	-	33,091
	<u>478,172</u>	<u>315,463</u>	<u>793,635</u>	<u>324,912</u>	<u>290,225</u>	<u>615,137</u>

4 Investments

	2020 £	2019 £
Income from listed investments	60,626	40,187
Interest receivable	1,461	2,224
	<u>62,087</u>	<u>42,411</u>

5 Other

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other income	294	-	294	1,596
For the year ended 31 December 2019	<u>896</u>	<u>700</u>		<u>1,596</u>

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Raising funds

	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Travel expenses	16,719	21,182
Telephone and office expenses	4,884	5,163
Newsletter	18,210	18,111
Literature	149	307
Other fundraising costs	7,514	10,819
Staff costs	76,621	69,040
Depreciation and impairment	125	338
	<u>124,222</u>	<u>124,960</u>

7 Charitable activities

	Mission support	Literature work	Church building	Total 2020	Total 2019
	£	£	£	£	£
Staff costs	89,792	3,838	687	94,317	82,512
Depreciation and impairment	179	17	17	213	1,016
Other costs	53,348	1,769	1,631	56,748	82,622
	<u>143,319</u>	<u>5,624</u>	<u>2,335</u>	<u>151,278</u>	<u>166,150</u>
Grant funding of activities (see note 8)					
	376,510	24,354	36,138	437,002	417,899
	<u>519,829</u>	<u>29,978</u>	<u>38,473</u>	<u>588,280</u>	<u>584,049</u>
Analysis by fund					
Unrestricted funds	283,165	5,624	2,335	291,124	
Restricted funds	236,664	24,354	36,138	297,156	
	<u>519,829</u>	<u>29,978</u>	<u>38,473</u>	<u>588,280</u>	
For the year ended 31 December 2019					
Unrestricted funds	298,275	5,801	2,450		306,526
Restricted funds	214,547	6,141	56,835		277,523
	<u>512,822</u>	<u>11,942</u>	<u>59,285</u>		<u>584,049</u>

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Grants payable

	Mission support £	Literature work £	Church building £	Total £	2019 £
Grants to institutions (173 grants):					
Support of missionaries in Europe	147,057	-	-	147,057	152,885
Legatio, Poland	-	-	-	-	1,231
Editorial Peregrino, Spain	-	13,704	-	13,704	-
Sines, Portugal	-	-	1,000	1,000	-
Wodzislav, Poland	-	-	5,610	5,610	9,635
Ciudad Real, Spain	-	-	1,750	1,750	47,200
Alto Do Moinho, Portugal	-	-	22,950	22,950	-
Ioannina, Greece	-	-	4,828	4,828	-
Other	6,789	-	-	6,789	850
	<u>153,846</u>	<u>13,704</u>	<u>36,138</u>	<u>203,688</u>	<u>211,801</u>
Grants to individuals (269 grants)	222,664	10,650	-	233,314	206,098
	<u>376,510</u>	<u>24,354</u>	<u>36,138</u>	<u>437,002</u>	<u>417,899</u>

Details of the institutions that received grants during the year for the support of missionaries in Europe and the amounts paid to each institution are available upon request in writing to the registered office at The Old Rectory, Main Street, Glenfield, Leicester LE3 8DG.

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Mission support	Literature work	Church building	Total 2020	Total 2019
	£	£	£	£	£
Staff costs	58,183	2,366	70	60,619	46,615
Administrative expenses	39,206	325	216	39,747	66,914
Independent examiners fees	2,356	49	49	2,454	2,453
Legal and professional	13	-	-	13	419
Bank charges	1,334	28	28	1,390	1,097
Depreciation	179	17	17	213	1,016
	<u>101,271</u>	<u>2,785</u>	<u>380</u>	<u>104,436</u>	<u>118,514</u>

Administrative expenses includes premises costs, office expenses and travel expenses which have been apportioned on a usage basis. Other costs within administrative expenses and staff costs are apportioned on a time basis.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

No remuneration was paid to the trustees. Four trustees were reimbursed a total of £572 for travel costs, which were incurred performing voluntary work for the charitable company (2019 - six trustees were reimbursed £2,124).

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administrative and support	1	1
Representatives	1	1
Management	3	3
Retired workers	5	5
	<u>10</u>	<u>10</u>

Employment costs

	2020 £	2019 £
Wages and salaries	145,551	129,603
Social security costs	12,244	11,290
Other pension costs	13,143	10,659
	<u>170,938</u>	<u>151,552</u>

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

12 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Revaluation of investments	120,127	154,580
Gain/(loss) on sale of investment properties	-	1,586,989
	<u>120,127</u>	<u>1,741,569</u>

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2020	29,525
Additions	899
Disposals	(18,017)
	<hr/>
At 31 December 2020	12,407
	<hr/>
Depreciation and impairment	
At 1 January 2020	28,736
Depreciation charged in the year	337
Eliminated in respect of disposals	(18,017)
	<hr/>
At 31 December 2020	11,056
	<hr/>
Carrying amount	
At 31 December 2020	1,351
	<hr/> <hr/>
At 31 December 2019	788
	<hr/> <hr/>

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	4,188	12,396
Prepayments and accrued income	13,343	13,878
	<hr/>	<hr/>
	17,531	26,274
	<hr/> <hr/>	<hr/> <hr/>

15 Current asset investments

	2020 £	2019 £
Listed investments	2,030,243	1,910,116
	<hr/> <hr/>	<hr/> <hr/>

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	4,114	3,090
Other creditors	150	31
Accruals and deferred income	2,454	7,572
	<hr/>	<hr/>
	6,718	10,693
	<hr/>	<hr/>

Included above in 2017 is deferred income of £6,850 relating to a bursary for the School of Biblical Studies and was released to income in the following year.

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to expenditure in respect of defined contribution schemes was £13,143 (2019 - £10,659). Costs are allocated between activities and funds in accordance with the assignment of employment activities and the accounting policy on expenditure detailed herein.

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

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

		Movement in funds				Movement in funds			
	Balance at 1 January 2019	Income	Expenses	Transfers	Balance at 1 January 2020	Income	Expenses	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£
Support of missionaries and personnel	10,140	198,661	(178,872)	(6,072)	23,857	205,061	(194,497)	(1,970)	32,451
Literature work in Europe	-	6,141	(6,141)	-	-	24,354	(24,354)	-	-
Church building	-	56,835	(56,835)	-	-	36,138	(36,138)	-	-
Beesley Memorial Trust	13,337	-	(6,111)	-	7,227	-	(7,227)	-	-
Small restricted funds	1,939	29,288	(29,564)	-	1,665	49,910	(34,940)	(1,664)	14,971
	<u>25,416</u>	<u>290,925</u>	<u>(277,523)</u>	<u>(6,072)</u>	<u>32,749</u>	<u>315,463</u>	<u>(297,156)</u>	<u>(3,634)</u>	<u>47,422</u>

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

(Continued)

Support of missionaries and personnel

These amounts represent the totals of numerous small funds created by donations received for the purpose of assisting with the support of particular missionaries and members of the charity's personnel. Funds received have been distributed in accordance with the donors' requirements. Details of the individual funds can be obtained from the Mission Office.

Literature work in Europe

This restricted fund represents donations received to provide funds for activities associated with the translation and publication of Christian literature in European languages.

Church building

The restricted fund was opened in order to receive donations for church building projects in Sines, Portugal and Wodzislaw, Poland.

Beesley Memorial Fund

This fund was originally set up in 1997 with a donation received from the estate of Mr Beesley. The purpose of the fund is to provide financial support for the training of foreign nationals for the work of the Gospel, for Christian literature work and church planting and evangelistic work.

Small restricted funds

These amounts represent the totals of various small funds created by donations for specific purposes. All funds are being distributed in accordance with the donors' requirements. Details of the individual funds can be obtained from the Mission Office.

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 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:

	Movement in funds			Movement in funds		
	Income	Expenses	Balance at 1 January 2020	Income	Expenses	Balance at 31 December 2020
	£	£	£	£	£	£
Training fund	19,880	(3,200)	16,680	30,513	(7,584)	39,609
	<u>19,880</u>	<u>(3,200)</u>	<u>16,680</u>	<u>30,513</u>	<u>(7,584)</u>	<u>39,609</u>

Training fund

This fund was established in 2019 to support potential studies in ministry training - particularly, though not exclusively, for a two year course through London Seminary.

20 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	1,351	-	1,351	788
Current assets/(liabilities)	2,537,272	47,422	2,584,694	2,321,613
	<u>2,538,623</u>	<u>47,422</u>	<u>2,586,045</u>	<u>2,322,401</u>

21 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	<u>6,282</u>	<u>6,282</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

EUROPEAN MISSIONARY FELLOWSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23	Cash generated from operations	2020 £	2019 £
	Surplus for the year	263,641	1,691,704
	Adjustments for:		
	Investment income recognised in statement of financial activities	(62,087)	(42,411)
	Gain on disposal of investment property	-	(1,586,989)
	Fair value gains and losses on investments	(120,127)	(154,580)
	Depreciation and impairment of tangible fixed assets	338	1,354
	Movements in working capital:		
	Decrease/(increase) in debtors	8,744	(18,090)
	(Decrease) in creditors	(3,975)	(47,381)
	Cash generated from/(absorbed by) operations	<u>86,534</u>	<u>(156,393)</u>
24	Analysis of changes in net funds		
	The charitable company had no debt during the year.		