# REACH TRUST

England & Wales · Charity number 1080638

## Details

| | |
|---|---|
| **Other names** | CONNECT, EAST MIDLANDS CHRISTIAN FELLOWSHIPS, EMMANUEL SCHOOL, HANDS TOGETHER, HANDS TOGETHER CONNECT, REACH CHURCH MINISTRIES, REACH CHURCHES MINISTRIES, REACH EASTWOOD, REACH MINISTRIES, REACH NOTTINGHAM, COMMUNITY CHURCH DERBY, REACH, REACH BELPER, REACH CENTRE, REACH CONFERENCE CENTRE, REACH DERBY, REACH LEICESTER, REACH MALAGA, REACH MED, REACH NORTH AFRICA, REACH ONLINE |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 03971567 |
| **Registered** | 2000-05-09 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Reach Trust<br>The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY |
| **Phone** | 01332332044 |
| **Email** | hello@reachonline.org |
| **Website** | www.reachonline.org |

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## Activities

**Objects:** THE OBJECTS OF THE CHARITY ARE, FOR THE PUBLIC BENEFIT, TO:(A) ADVANCE THE CHRISTIAN FAITH IN ACCORDANCE WITH THE STATEMENT OF BELIEFS APPEARING IN THE SCHEDULE;(B) RELIEVE PERSONS WHO ARE IN CONDITIONS OF NEED OR HARDSHIP OR WHO ARE AGED OR SICK AND TO RELIEVE THE DISTRESS CAUSED THEREBY;(C) PROMOTE SOCIAL INCLUSION BY PREVENTING PEOPLE FROM BECOMING SOCIALLY EXCLUDED, RELIEVING THE NEEDS OF THOSE PEOPLE WHO ARE SOCIALLY EXCLUDED AND ASSISTING THEM TO INTEGRATE INTO SOCIETY (AND FOR THE PURPOSE OF THIS CLAUSE “SOCIALLY EXCLUDED” MEANS BEING EXCLUDED FROM SOCIETY, OR PART OF SOCIETY, AS A RESULT OF BEING A MEMBER OF A SOCIALLY AND/OR ECONOMICALLY DEPRIVED COMMUNITY);(D) ADVANCE EDUCATION BY SUCH MEANS AS THE TRUSTEES MAY CONSIDER APPROPRIATE INCLUDING, WITHOUT LIMITATION, THE PROVISION OF LIFE SKILLS TRAINING FOR REFUGEES AND OTHERS, AND PARTNERING WITH OTHER EDUCATIONAL PROVIDERS TO HOST THEIR DISTANCE LEARNING FACILITIES;(E) PROMOTE AND FULFIL SUCH OTHER CHARITABLE PURPOSES AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT,IN EACH CASE (I) DIRECTLY AND/OR IN PARTNERSHIP WITH OTHER PEOPLE AND ORGANISATIONS WITH SIMILAR AIMS; (II) IN SUCH PARTS OF THE UNITED KINGDOM OR THE WORLD AS THE TRUSTEES MAY FROM TIME TO TIME THINK FIT; AND (III) IN A MANNER THAT SHALL BE CONSISTENT WITH THE DOCTRINAL DISTINCTIVES AND ETHICAL STATEMENTS AS MAY BE ADOPTED AND AMENDED BY THE CHARITY FROM TIME TO TIME.THE TRUSTEES SHALL NOT DO ANYTHING, OR AUTHORISE ANYTHING TO BE DONE, IN FURTHERANCE OF THE CHARITABLE PURPOSES SET OUT IN ARTICLES 2.1(B), (C), (D) AND (E) ABOVE THAT WOULD CONFLICT WITH THE CHARITABLE PURPOSE SET OUT IN ARTICLE 2.1(A) ABOVE.

**Activities:** The furtherance of the Christian faith through the running of local churches in and around the East Midlands and the Mediterranean. This includes social enterprise projects, such as Reach Community Grocery, to serve our local communities.

## Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Religious Activities
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- **Area of benefit:** WORLDWIDE
- Derbyshire
- Leicestershire
- Nottinghamshire

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## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-08-31 | £1,046,921 | £1,158,585 | £799,051 | 23 |
| 2024-08-31 | £992,791 | £1,112,462 | £799,051 | 21 |
| 2023-08-31 | £951,779 | £1,147,491 | £918,722 | 24 |
| 2022-08-31 | £909,436 | £977,376 | £1,114,433 | 42 |
| 2021-08-31 | £857,065 | £868,668 | £1,182,373 | 42 |
| 2020-08-31 | £1,114,613 | £1,094,948 | £1,193,976 | 42 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Andrew Smith** | Chair | 2024-10-26 |
| Graeme Ferguson | | 2026-01-19 |
| Henry Welgemoed | | 2026-01-19 |
| Lianna Norman | | 2024-10-26 |
| Richard Price | | 2024-03-04 |
| Trevor Wood | | 2024-10-26 |

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**REACH TRUST**

England & Wales - Charity number 1080638

# Accounts

# REACH Trust

Consolidated Financial Statements
For the Year Ended
31 August 2025

Charity Number: 1080638

Company Number: 03971567

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

**Group Trustees' Report for the Year Ended 31 August 2025**

## Report of the Trustees for the Year Ended 31 August 2025

The Trustees are pleased to present their annual Directors' report together with the consolidated financial statements of the Charity and its subsidiary for the year ended 31 August 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and reporting by Charities: Statement of Recommended Practice applicable to charities.

## Chair's Report

I am pleased to say that the finances of the church has now stabilised. Revenue is roughly the same as expenditure and the Church is living within its means. The reserves continued to decline in the first six months, which was both expected and budgeted for, but in the last two quarters have remained stable and within the limits set by trustees.

The community grocer has been expensive to run but following a change in charging structure and since becoming a Message Trust Franchise, it is beginning to feel sustainable. It is seen by both trustees and the congregation in general as a way of serving the people in Derby and now has 600 members and is having significant impact. Its activities are directly in line with our articles of association but is possible only because of sacrificial giving of time and finances by church members.

I remain grateful to all of the staff for their dedication and commitment and to those who volunteer faithfully week by week to support the activities of the Church. Whether paid or voluntary these are the ones who make a difference, who give of their time and energy so generously and who really do carry the presence of God with them,

Thankyou

Andy Smith
Chair of Directors

## PURPOSES AND ACTIVITIES

### Charitable Objectives

The Objects of the Charity are, for the public benefit, to:

(a) advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule;

(b) relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve the distress caused thereby;

(c) promote social inclusion by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society (and for the purpose of this clause "socially excluded" means being excluded from society, or part of society, as a result of being a member of a socially and/or economically deprived community);

(d) advance education by such means as the Trustees may consider appropriate including, without limitation, the provision of life skills training for refugees and others, and partnering with other educational providers to host their distance learning facilities;

(e) promote and fulfil such other charitable purposes as the Trustees may from time to time think fit.

### Principal Activities

The charitable company's principal activities continue to be the running of the churches known as Reach Derby, Reach Leicester, and Reach Nottingham, as well as fledgling start-ups in Malaga and North Africa.

### Review of the Activity, Achievements and Performance during the period

When planning the activities for the period the trustees have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion.

In its main activities of running churches the charity seeks to principally benefit Derby, Leicester, Nottingham and Eastwood with also a view to seeing how we are also able to impact further afield in the United Kingdom and abroad. This is with a view to helping us grow our churches and make an even more significant and positive contribution in and around the cities we are currently placed.

**Reach Leicester** - Weekly gatherings are taking place, either at Holy Apostles or at homes throughout the city. There is a particular emphasis on work with asylum seekers and refugees and gatherings are intentionally accessible, multilingual and including the use of Persian worship songs.

**Reach Derby** - The Church has continued to grow numerically and celebration gatherings have been introduced several times each year where people from across Reach gather together. Sundays also include active children's work and provision for the youth. Midweek events include 'powerhouse prayer' and 'Celebrate Recovery'. There is an over 50's group and a 12-18's Youth group meets weekly and recently took over 100 teenagers away for a fun-filled and spiritual few days in Staffordshire and a similar number to' Limitless Festival' in the summer. Other ministries continue to flourish – notably the work with church men and women where many are gathering regularly for focussed input and activity. The church continues to have an intentional Intercultural feel, especially with Iranian immigrants, and Hong Kong and South African expats. The Alpha course, which introduces people to Christian belief, had over 120 people attend the various courses we ran during the year.

**Reach Nottingham**- The new local team is now in place and has spent the year developing community groups around the city and meeting every Sunday in Beeston.

**Reach Eastwood** – Eastwood continues to meet on Sundays and has been growing steadily with some members of Reach Derby regularly attending Eastwood instead. Reach SLT and Derby Worship teams have supported Reach Eastwood in regular Sunday gatherings.

**Reach The Med. –** The team is now well established with a new core of people. It is growing. The Malaga team have been strengthened by the leadership of Adam and Karina Martin. The connection into North Africa continues to be strong and there is a growing community there too.

**Reach Centre & Reach Events** – Reach Conference Centre is functioning well and has developed into a high-quality corporate events business with the values of the Church at its core. New branding including an updated website with SEO optimisation has increased the visibility of the centre on the web which is bringing in regular new business. The revenue from Reach events allows the Church to meet its core objectives.

**Theological Education** - The charity continues in partnership with Westminster Theological College to provide a hub for higher education qualifications. 20 students currently meet every Monday evening at the Reach Conference Centre supported by Reach's part time East Midlands WTC Hub Director.

**Reach Response** - Reach Response is a Reach enterprise to partner with local Christian charities and initiatives and looks to see how we can promote them and release volunteers from within Reach to help serve with these organisations.

**Community Grocer** – The community grocers has been open for a year now and is continuing to serve a growing membership of around 600 people who are finding it hard to afford food and other basic with the ongoing cost of living crisis. The grocers is managed by a full-time member of staff, but the service is driven by a core of dedicated volunteers and supported by financial contributions from both local businesses and church members. The grocers will become a franchise of The Message Trust Community Grocery programme in 2025/26 which will mean our sales model will change slightly but will allow us to have more control over our pricing model which we hope will provide the project with financial sustainability.

**Statement of Public Benefit**

The Directors confirm that they have complied with their duties under section 17 of the Charities Act 2011, with regard to public benefit.

## FINANCIAL REVIEW

The principal funding sources of the charity in the year are as always the voluntary donations of its people and the gift from its trading company Riverside Event Management Limited.

For the year, Reach Trust, including its subsidiary, had income of £1,046,921 and expenditure of £1,158,585. This resulted in a net deficit of £111,665 for the year. The expenditure included depreciation charge of £83,261.

At the end of the Financial Year the Group's net asset position decreased by £111,664 to £687,387 (2024: £799,051).

### Reserves

Trustees are required to ensure that the charity maintains sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise. The trustees have identified that it is appropriate to have a reserves policy based on the risks associated with a shortfall in donation income and/or significant unanticipated costs. The trustees consider that it is likely to take three months for the charity to change its financial model in response to a marked decrease in income or increase in expenditure and therefore the free reserves (i.e. general fund net current assets) minimum target shall be based on the net sum of the following:

- Approximately three months of charitable expenditure.
- Less, 50% of three months of actual income from unrestricted donations, including a proportion of gift aid income.

Commercial trading activity is excluded from the calculation.

Based on the 2024/25 accounts, the Reserves required to meet the above criteria would equate to £158,781. Based on our budgeted and projected figures for the following year (2025/26), the minimum target is estimated to be the same.

The Trustees therefore consider that the Charity has sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise.

## PLANS FOR THE FUTURE

**Conclusion -** This next year we are expecting to see a steady development and growth of our core work, the development of healthy Christians in localities across the East Midlands and where we can, overseas in Spain & N. Africa.

**Reference and Administrative Details**

| | |
|---|---|
| **Charity Name:** | REACH Trust |
| **Charitable Status:** | The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638. |
| **Company Number:** | 03971567 |
| **Directors:** | D Park (resigned 13.10.25)<br>T J Wood (appointed 26.10.24)<br>G J Ferguson (appointed 19.01.26)<br>L L Norman (appointed 26.10.24)<br>T Stokes (resigned 30.09.24)<br>H E Welgemoed (appointed 19.01.26)<br>A D Smith (Chair) (appointed 26.10.24)<br>J M Leach (resigned 29.09.25)<br>R S Price |
| **Secretary:** | A Davies |
| **Directors:** | The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities. |
| **Registered Office:** | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY |
| **Bankers:** | Barclays Bank Plc<br>Nottingham and Derby Team<br>Level 4<br>1 Chapel Quarter<br>Maid Marion Way<br>Nottingham<br>NG1 6HQ |
| **Senior Statutory Auditors:** | TC Group<br>10 Stadium Business Court<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HP |

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

Reach Trust is a company limited by guarantee and governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

**Recruitment of Trustees**

The Trustees may appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees. (The number of Trustees shall be no less than three but shall not be subject to any maximum, unless determined by ordinary resolution). The Trustees are the members of the charity.

**Trustees' Induction and Training**

New directors receive half a day's overview of Reach Trust's organisational structure, decision-making processes, the recent financial performance of the charity, together with the budget and receive copies of the Memorandum and Articles of Association. Directors are referred to and encouraged to read appropriate information on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit.

**Related Parties and Cooperation with Other Organisations**

In addition to the trustees a related party of the charitable company is a trading company, Riverside Event Management Limited. The principal activity of this company is the provision of room hire and related facilities; further detail is given in note 24 to the accounts. The company is a wholly owned subsidiary of the Charity and Gift Aids all of its profits to the Charity.

**Pay Policy for Senior Staff**

The Trustees and the key management personnel of the charity are in charge of operating the charity on a day to day basis. Details of Trustee payments and related party transactions are disclosed in note 20 to the accounts.

The pay of senior staff is reviewed annually by the payroll subcommittee who present their report / recommendations to the board of trustees for approval.

**Risk Management**

The Operations and Policy sub-committee has oversight of Risk Management and other policies within Reach Trust. The sub-committee is made up of two Trustees (one of whom is the Chair), Head of Operations, Finance and Enterprise. Risk awareness and implementation of any required policies and practices is part of the terms of reference for this committee and as such actively looks to maintain a low-risk profile for the organisation as a whole.

The following areas are categories that are monitored and under which risks may fall:

A. Strategic & Legal

B. Operational

C. Property

D. Employment

E. Financial

The following were areas where major risks have been identified:

A. Strategic & Legal

a. Employment Legal Expertise Mitigation:

As per previous years we maintain our counsel of a HR Solicitor whom we have on a monthly retainer. This has once again proven to be invaluable as we have navigated some significant staffing changes in the year. In addition, we are also utilising legal expertise to complete the company/charity name change and also amend our Articles of Association.

B. Operational

a. Safeguarding Children and Adults Mitigation:

ThirtyOneEight (an external organisation specialising in Safeguarding) are Reach Trust's preferred supplier for DBS checks and expert advice and training. The organisation is used to carry out DBS checks and is used as a point of expertise for any questions arising within the organisation regarding safeguarding and legal obligations (or best practice). Creation and updating of policies and a database of all volunteers working with children, youth and vulnerable adults remains a priority with additional section to include training. A current focus which has gained more traction is to include more robust policies on vulnerable adults and safeguards against spiritual abuse.

b. IT Mitigation:

IT infrastructure continues to be a focus for Reach Trust. It already has in place secure database storage and processes (such as 2FA and virus scanning software) and encourages staff to be aware of fraudulent activities especially when it comes to spam emails. Reach Trust has also significantly upgraded the capacity and security of the internal network to reduce the cyber attack vector.

C. Property

a. Reach Centre and Bridge House

Reach Trust utilises our preferred insurance brokers and have completed an exercise to ensure that building, fabric and item values are up to date and records accurately reflect current assets.

D. Employment

a. Staffing and HR

As has been mentioned already Reach Trust utilise a legal expert in employment law to ensure that any risks are mitigated. This has been the case with the changes required within REM.

b. Systems

Reach Trust have also invested in an online HR system to (electronically) handle leave, sickness, objectives and meetings. This system has proven invaluable this year.

E. Financial

a. Income

Regular cashflow analysis remains in place to track the overall financial picture and take action as and where required.

b. Fraud

Reach Trust continues to reference Charity Commission's guidance in handling fraud and cyber crime (https://www.gov.uk/guidance/protect-your-charity-from-fraud#tackling-charity-fraud-8-guiding- principles)

**Statement of Directors' Responsibilities**

The Directors (who are also trustees of the charitable activities for the purposes of charity law) are responsible for preparing the directors report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 business.

The directors are responsible for keeping adequate 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 safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2025 was 6 (2024: 6).

TC Group were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint TC Group as auditors of the Company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on .....18/05/2026..... and signed on its behalf by:



..... A Smith (Director)

**Report of Independent Auditors to the Members of**
**Reach Trust**
**(A Charitable Company Limited by Guarantee)**

**Opinion**
We have audited the financial statements of Reach Trust (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2025 on pages twelve to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 August 2025 and of the group's incoming resources and application of resources 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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**
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**
The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

**Report of Independent Auditors to the Members of**
**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

**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 which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report included within 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 and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 from the requirement to prepare a Strategic Report or in preparing the Trustees report.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees Responsibilities set out on page 8, 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 groups and parent 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 group or parent charitable company or to cease operations, or has no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.

- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls. With a focus on entries made by unusual team members or entries made at unusual times or on unusual dates.

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

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with Charity Commission as well as employment and taxation laws and regulations.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud, or management override.

- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

.....
James Liptrott (Senior Statutory Auditor)
For and on behalf of TC Group, Statutory Auditor
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

## Consolidated Statement of Financial Activities
## (Incorporating an Income and Expenditure Account)
## for the Year Ended 31 August 2025

| | Notes | 2025 Unrestricted Funds £ | 2025 Restricted Funds £ | 2025 Total £ | 2024 Unrestricted Funds £ | 2024 Restricted Funds £ | 2024 Total £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Donations and legacies | | 482,375 | 1,165 | 483,540 | 437,411 | 99,297 | 536,708 |
| ***Income from Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | | 22,533 | 2,365 | 24,898 | 18,350 | 6,946 | 25,296 |
| Other Incoming Resources | 4 | 7,147 | 6,025 | 13,172 | 5,403 | - | 5,403 |
| **Income from Other Trading Activities** | | | | | | | |
| Commercial Trading Activities | | 457,786 | - | 457,786 | 419,399 | - | 419,399 |
| Income from Community Grocery | | - | 62,215 | 62,215 | - | - | - |
| Investment Income | 3 | 5,310 | - | 5,310 | 5,985 | - | 5,985 |
| | | 975,151 | 71,770 | 1,046,921 | 886,548 | 106,243 | 992,791 |
| **EXPENDITURE** | | | | | | | |
| ***Cost of Raising Funds*** | | | | | | | |
| Commercial Trading Costs | | 302,725 | - | 302,725 | 320,978 | - | 320,978 |
| Community Grocery Costs | | - | 97,044 | 97,044 | - | - | - |
| Fundraising costs | 5 | - | - | - | - | - | - |
| ***Expenditure on Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and Delivery of Mission | 6 | 718,811 | 12,866 | 731,677 | 689,627 | 74,842 | 764,469 |
| Support Costs | 7 | 27,139 | - | 27,139 | 27,015 | - | 27,015 |
| | | 1,048,675 | 109,910 | 1,158,585 | 1,037,620 | 74,842 | 1,112,462 |
| **Net Income/(Expenditure) Before Transfers** | | (73,524) | (38,140) | (111,664) | (151,072) | 31,401 | (119,671) |
| Transfers | | 3,544 | (3,544) | - | (1,625) | 1,625 | - |
| **Net income/(expenditure)** | | (69,980) | (41,684) | (111,664) | (152,697) | 33,026 | (119,671) |
| Taxation Charge | | - | - | - | - | - | - |
| **Net Movement in Funds** | | (69,980) | (41,684) | (111,664) | (152,697) | 33,026 | (119,671) |
| **Reconciliation of funds** | | | | | | | |
| Total funds brought forward | | 700,381 | 98,670 | 799,051 | 853,078 | 65,644 | 918,722 |
| **Total Funds Carried Forward** | | 630,401 | 56,986 | 687,387 | 700,381 | 98,670 | 799,051 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

**Consolidated and Charity Balance Sheet for the Year Ended 31 August 2025**

| | Notes | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Fixed Assets | 11 | 1,594,851 | 1,661,916 | 1,594,851 | 1,661,916 |
| Investments | 12 | - | - | 1 | 1 |
| **Total Fixed Assets** | | 1,594,851 | 1,661,916 | 1,594,852 | 1,661,917 |
| **CURRENT ASSETS** | | | | | |
| Debtors – Income Tax Refund | | 21,221 | 58,626 | 21,221 | 58,626 |
| Debtors | | 42,695 | 55,432 | 3,685 | 1,401 |
| Bank Accounts | | 113,488 | 27,327 | 29,793 | 5,661 |
| Deposit Accounts | | 74,361 | 115,640 | 74,361 | 115,640 |
| Restricted Fund Bank Accounts | | 57,956 | 98,670 | 57,956 | 98,670 |
| Petty Cash | | 4,976 | 1,619 | 4,241 | 1,318 |
| Prepayments and Accrued Income | | 5,342 | 7,512 | 4,611 | 7,512 |
| **TOTAL CURRENT ASSETS** | | 320,039 | 364,826 | 195,868 | 288,828 |
| **CREDITORS**: | | | | | |
| Amounts falling due within one year | 13 | (246,243) | (197,417) | (151,647) | (148,535) |
| **NET CURRENT ASSETS** | | 73,796 | 167,409 | 44,221 | 140,293 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 1,668,647 | 1,829,325 | 1,639,073 | 1,802,210 |
| **CREDITORS**: | | | | | |
| Amounts falling due after more than one year | 14 | (981,260) | (1,030,274) | (959,829) | (1,003,371) |
| **NET ASSETS** | | 687,387 | 799,051 | 679,244 | 798,839 |
| **THE FUNDS OF THE GROUP**: | | | | | |
| Restricted Funds | 17 | 56,986 | 98,670 | 56,986 | 98,670 |
| Unrestricted Funds: | | | | | |
| Subsidiary | | 8,143 | 212 | - | - |
| Designated | 18 | 61,100 | 59,564 | 61,100 | 59,564 |
| Balance of Unrestricted Funds | | 561,158 | 640,605 | 561,158 | 640,605 |
| | | 630,401 | 700,381 | 618,292 | 700,169 |
| **TOTAL CHARITY FUNDS** | 18 | 687,387 | 799,051 | 679,244 | 798,839 |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.



…… Approved by the Board: 18/05/2026 (Date)

Andy Smith - Director

The notes on pages 15 to 25 form part of these financial statements.

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

## Consolidated Cash Flow Statement as at 31 August 2025

| | | 2025 £ | 2024 £ |
|---|---|---|---|
| **Net Cash Flow from Operating Activities** | 25 | 139,865 | 7,061 |
| **Returns on Investments:** | | | |
| Interest Received | | 5,310 | 5,985 |
| Interest Paid | | (80,306) | (90,501) |
| | | 64,869 | (77,455) |
| Taxation | | - | - |
| Disposal of Fixed Assets | | - | - |
| **Capital Expenditure and Financial Investments:** | | | |
| Purchase of Tangible Fixed Assets | | (16,196) | (18,898) |
| | | 48,673 | (96,353) |
| **Financing:** | | | |
| Capital Element of Loan Repayments Made | | (41,148) | (22,617) |
| Capital Element of Loan Repayments Received | | - | - |
| **Net Cash Inflow/(Outflow)** | | 7,525 | (118,970) |
| Increase/(Decrease) in Cash in the Year | | 7,525 | (118,970) |
| Net Cash Resources at 31 August 2024 | | 243,256 | 362,226 |
| **Net Cash Resources at 31 August 2025** | | 250,781 | 243,256 |

| | At 1.9.24 £ | Cash flow £ | At 31.08.25 £ |
|---|---|---|---|
| **Net cash** | | | |
| Cash at bank | 243,256 | 7,525 | 250,781 |
| | 243,256 | 7,525 | 250,781 |
| **Debt** | | | |
| Bank loans | (1,060,979) | 41,148 | (1,019,831) |
| | (1,060,979) | 41,148 | (1,019,831) |
| **Total** | 817,723 | 48,673 | 769,050 |

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2025

**Statutory Information**
Reach Trust is a private Charitable Company, Limited by Guarantee, registered in England and Wales. The Charitable Company's registered number and registered office can be found on page 5.

1. **Accounting Policies**

i) **Basis of Preparation**
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 (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in sterling £1.

**Group Financial Statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Riverside Event Management Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Reach Trust meets the definition of a public benefit entity under FRS102.

**Going Concern**
The Trustees have assessed the charity's ability to continue as a going concern, taking into account the group's financial performance, reserves position, available banking facilities and future budgets. During the year ended 31 August 2025 the group reported a net deficit of £111,664. Notwithstanding this deficit, the group held total funds of £687,387 at the year end, including unrestricted funds of £630,401, and cash and deposit balances of £250,781. The Trustees note that this level of unrestricted reserves remains above the minimum level required under the charity's reserves policy

The Trustees have reviewed detailed budgets covering a period of at least 12 months from the date of approval of these financial statements. These forecasts have been prepared using prudent and reasonable assumptions regarding income from donations, trading activities and expenditure. The forecasts demonstrate that the charity is able to meet its liabilities as they fall due, including ongoing loan repayments. The Trustees have also considered the group's access to diversified income streams, including voluntary donations and income from its trading subsidiary, as well as the continued management of costs and regular monitoring of cash flow.

ii) **Depreciation and Fixed Assets**
Fixed assets are initially recognised at cost less accumulated depreciation.
Fixed assets costing less than £1,000 are not capitalised. Depreciation is provided on a straight-line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

| | | |
|---|---|---|
| Freehold Property | - | 2% and 10% per annum |
| Office Equipment | - | 10/33% per annum |
| Fixtures and Fittings | - | 10% per annum |

iii) **Donations and Offerings Received**
Voluntary income received by way of donations and gifts is accounted for when receivable. Any resultant gift aid tax claim is included as part of the income for the year.

iv) **Other Income**
Other income is accounted for on the accruals basis so far as is prudent to do so.
Investment income is included when receivable.

v) **Donated Services and Facilities**
Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

vi) **Expenditure and Irrecoverable VAT**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure is recognised on an accrual basis as the liability is incurred and includes VAT which cannot be recovered.

vii) **Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

viii) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the Statement of Financial Activities.

ix) **Limited by Guarantee**

The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £10. There are no shares of any class either authorised or allocated.

x) **Leases**

Rentals payable under operating leases are charged to resources expended on a straight-line basis over the period of the lease.

xi) **Investment in Subsidiary**

The investment in the subsidiary is included at cost.

xii) **Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

This accounting policy is relevant for the subsidiary only. As stated in note 10, Reach Trust is a registered Charity and is thus exempt from tax on income and gains.

xiii) **Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

xiii) **Creditors**

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

xv) **Financial Instruments**

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

xvi) **Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

2. **Income from Trading Subsidiary**

During the year the subsidiary company donated the majority of its profits to the charitable company as Gift Aid donations.

The income received from Riverside Event Management Limited during the year was as follows:-

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Rent and rates | 80,316 | 80,316 |
| Gift Aid Donation | 65,000 | 12,639 |
| | 145,316 | 92,955 |

3. **Investment Income**

| | Unrestricted Funds | Restricted Funds | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Interest received | 5,310 | - | 5,310 | 5,985 |

4. **Other Incoming Resources**

| | Unrestricted Funds | Restricted Funds | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Leader's gifts in | 2,940 | - | 2,940 | 4,325 |
| Events | 2,612 | - | 2,612 | 1,078 |
| WTC hub fees | 1,595 | 6,025 | 7,620 | - |
| | 7,147 | 6,025 | 13,172 | 5,403 |

5. **Fund raising trading: cost of goods and other costs**

| | Unrestricted Funds | Restricted Funds | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fund raising costs | - | - | - | - |

6. **Expenditure on Charitable Activities**

| | Unrestricted Funds £ | Restricted Funds £ | 2025 Total £ | 2024 Total £ |
|---|---|---|---|---|
| Pastoral Fees & Expenses | 314,758 | 2,400 | 317,158 | 342,251 |
| Ministry Costs | 144,171 | 10,466 | 154,637 | 147,086 |
| Property Costs | 147,860 | - | 147,860 | 141,161 |
| Office Costs | 31,716 | - | 31,716 | 43,470 |
| Mortgage and Finance Costs | 80,306 | - | 80,306 | 90,501 |
| | 718,811 | 12,866 | 731,677 | 764,469 |

7. **Support Costs**

| | Unrestricted Funds £ | Restricted Funds £ | 2025 Total £ | 2024 Total £ |
|---|---|---|---|---|
| Auditors Remuneration | 9,786 | - | 9,786 | 8,750 |
| Auditors Remuneration: non-audit | 440 | - | 440 | 1,200 |
| Accountancy Charges | 16,913 | - | 16,913 | 17,065 |
| | 27,139 | - | 27,139 | 27,015 |

8. **Net Incoming Resources for the Period**

| The net incoming resources are after charging:- | 2025 £ | 2024 £ |
|---|---|---|
| Depreciation of tangible fixed assets | 83,261 | 83,147 |
| Auditors remuneration: | | |
| Charitable Company | 9,250 | 8,750 |
| Other (accounts assistance) | 4,290 | 1,200 |
| Operating lease rentals | | - |

Reach Trust and Riverside Events Management Limited Directors giving in the financial year totalled £19,863 (2024: £26,056).

During the year the average number of staff employed by the group was 23 (2024: 21), the majority of staff are employed on a part time basis. No member of staff was paid in excess of £60,000.

| | 2025 £ | 2024 £ |
|---|---|---|
| Staff costs note: | | |
| Salaries | 440,547 | 407,896 |
| Pension costs | 22,143 | 19,928 |
| Social Security costs | 35,783 | 28,873 |
| | 498,473 | 456,697 |

9. **Trustee Remuneration and Related Party Transactions**

Other than in note 20, no emoluments were received by the board of trustees in their capacity as trustees.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee, directly or indirectly from the funds of the company or from the property of any situation or body corporate connected with the Charity.

10. **Taxation**

| | 2025 £ | 2024 £ |
|---|---|---|
| Corporation Tax | - | - |

Reach Trust is exempt on tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that they are applied to its charitable activities. No tax charges have arisen in the Charity.

11. **Analysis of Movement in Fixed Assets**

| **GROUP** | Freehold Property £ | Equipment and fittings £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 September 2024 | 2,260,599 | 454,107 | 2,714,706 |
| Additions | - | 16,196 | 16,196 |
| Disposals | - | - | - |
| At 31 August 2025 | 2,260,599 | 470,303 | 2,730,902 |
| **Accumulated Depreciation** | | | |
| At 1 September 2024 | 789,721 | 263,069 | 1,052,790 |
| Charge for the year | 47,573 | 35,688 | 83,261 |
| On disposal | - | - | - |
| At 31 August 2025 | 837,294 | 298,757 | 1,136,051 |
| **Net Book Value** | | | |
| At 31 August 2025 | 1,423,305 | 171,546 | 1,594,851 |
| At 31 August 2024 | 1,470,878 | 191,038 | 1,661,916 |

| **CHARITY** | Freehold Property £ | Equipment and fittings £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 September 2024 | 2,260,599 | 454,107 | 2,714,706 |
| Additions | - | 16,196 | 16,196 |
| Disposals | - | - | - |
| At 31 August 2025 | 2,260,599 | 470,303 | 2,730,902 |
| **Accumulated Depreciation** | | | |
| At 1 September 2024 | 789,721 | 263,069 | 1,052,790 |
| Charge for the year | 47,573 | 35,688 | 83,261 |
| On disposal | - | - | - |
| At 31 August 2025 | 837,294 | 298,757 | 1,136,051 |
| **Net Book Value** | | | |
| At 31 August 2025 | 1,423,305 | 171,546 | 1,594,851 |
| At 31 August 2024 | 1,470,878 | 191,038 | 1,661,916 |

12. **Investments**

| CHARITY | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Investment in Riverside Event Management Limited | 1 | 1 |
| | 1 | 1 |

The company owns 100% of the issued share capital of a trading company, Riverside Event Management Limited, whose principal activity is that of the provision of room hire and related facilities.

13. **Creditors: Amounts falling due within one year**

| | Group 2025 | Group 2024 | Charity 2025 | Charity 2024 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Lease Fixed Assets | - | 634 | - | 634 |
| Amount due to Subsidiary | - | - | 70,899 | 82,564 |
| Taxation and Social Security | 33,270 | 19,882 | 8,577 | 5,201 |
| Accruals | 174,402 | 146,196 | 39,072 | 34,903 |
| Bank Loans (Secured) | 27,627 | 19,761 | 27,627 | 19,761 |
| Bounce Back Loan | 10,944 | 10,944 | 5,472 | 5,472 |
| | 246,243 | 197,417 | 151,647 | 148,535 |

14. **Creditors: Amounts falling due after one year (Group and Charity)**

| | | Group 2025 | Group 2024 | Charity 2025 | Charity 2024 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| Bank Loans (Secured): | 2 to 5 years | 178,166 | 165,002 | 178,166 | 165,002 |
| | More than 5 years | 760,232 | 811,466 | 760,232 | 811,466 |
| Lease Fixed Assets: | 2 to 5 years | - | - | - | - |
| Bounce Back Loans: | 2 to 5 years | 42,862 | 43,774 | 21,431 | 21,887 |
| | More than 5 years | - | 10,032 | - | 5,016 |
| | | 981,260 | 1,030,274 | 959,829 | 1,003,371 |

The Bank Loans are secured by way of a fixed and floating charge over the property of the Charity. Interest is charged at 3.5% per annum over the Bank of England base rate prevailing.

The Bounce Back Loans are not secured and are repayable over 10 years at an interest rate of 2.5% per annum.

The leased asset is a hire purchase agreement (capital lease agreement), for the purchase of coffee machines.

15. **Summary of Funds – Group**

| | As at 31.8.24 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.25 £ | 2024 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 98,670 | 71,770 | 109,910 | (3,544) | 56,986 | 98,670 |
| Unrestricted Funds | 700,170 | 517,365 | 598,820 | 3,544 | 622,258 | 700,381 |
| Trading Subsidiary | 212 | 457,786 | 449,855 | - | 8,143 | 212 |
| | 799,051 | 1,046,921 | 1,158,585 | - | 687,387 | 799,051 |

16. **Summary of Funds – Group**

| | As at 31.8.23 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.24 £ | 2023 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 65,644 | 106,243 | 74,842 | 1,625 | 98,670 | 65,644 |
| Unrestricted Funds | 857,146 | 467,149 | 622,501 | (1,625) | 700,170 | 857,146 |
| Trading Subsidiary | (4,068) | 419,399 | 415,119 | - | 212 | (4,068) |
| | 918,722 | 992,791 | 1,112,462 | - | 799,051 | 918,722 |

17. **Analysis of Net Assets Between Funds**

| | General Fund £ | Restricted Funds £ | 2025 Total £ | General Fund £ | Restricted Funds £ | 2024 Total £ |
|---|---|---|---|---|---|---|
| Tangible fixed assets | 1,594,851 | - | 1,594,851 | 1,661,916 | - | 1,661,916 |
| Current assets | 263,053 | 56,986 | 320,039 | 266,156 | 98,670 | 364,826 |
| Current liabilities | (246,243) | - | (246,243) | (197,417) | - | (197,417) |
| Long term liabilities | (981,260) | - | (981,260) | (1,030,274) | - | (1,030,274) |
| | 630,401 | 56,986 | 687,387 | 700,381 | 98,670 | 799,051 |

18. **Restricted Funds**

The following are details of the charity's restricted funds:-

| | At 1.9.24 | Income | Expenditure | Transfers | At 31.8.25 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | 9,799 | - | 3,000 | - | 6,799 |
| Hong Kong | - | 1,020 | 1,008 | - | 12 |
| Missions Development | 4,751 | - | - | - | 4,751 |
| Crisis & Hardship Fund | 935 | 234 | 400 | - | 769 |
| Reach Response | 9,420 | - | 2,670 | - | 6,749 |
| Benevolent Fund | 5,230 | - | - | - | 5,231 |
| Open Doors | 683 | - | 683 | - | - |
| Reach Inspiration Fund | 6,385 | 1,345 | 1,592 | - | 6,138 |
| WTC | 8,662 | 6,025 | 202 | (5,824) | 8,661 |
| Alpha | - | 931 | 3,311 | 2,380 | - |
| Community Grocery | 52,705 | 62,215 | 97,044 | - | 17,876 |
| Synergy | 100 | - | - | (100) | - |
| | 98,670 | 71,770 | 109,910 | (3,544) | 56,986 |

| | At 1.9.23 | Income | Expenditure | Transfers | At 31.8.24 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | 10,500 | 2 | 703 | - | 9,799 |
| Hong Kong | 21,925 | 229 | 22,153 | - | - |
| Missions Development | 4,751 | - | - | - | 4,751 |
| Crisis & Hardship Fund | 1,726 | 297 | 1,088 | - | 935 |
| Reach Response | 10,809 | 1,009 | 2,398 | - | 9,420 |
| Benevolent Fund | 5,230 | - | - | - | 5,230 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Inspiration Fund | 6,532 | 702 | 849 | - | 6,385 |
| WTC | 3,488 | 5,804 | 630 | - | 8,662 |
| Alpha | - | 690 | 2,316 | 1,626 | - |
| Community Grocery | - | 97,410 | 44,705 | - | 52,705 |
| Synergy | - | 100 | - | - | 100 |
| | 65,644 | 106,243 | 74,842 | 1,626 | 98,670 |

Purposes of restricted funds:-

| | |
|---|---|
| Belper Youth | A legacy was received during the prior year for the work amongst the youth specifically in Belper, and wider within the Reach sphere of youth work. |
| Hong Kong | Reach Trust supports various overseas and homebased workers within the egis of the Reach Trust. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| Missions Development | Development to support overseas trips, people serving overseas and in the UK, providing support to refugees. |
| Alpha | The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions. |
| Sphere Money (Synergy) | This money is to support the administration of an initiative of a network of churches working together in the UK, named as 'Synergy', which will be registered as a charity in its own right in the near future. |
| Crisis & Hardship Fund | A special collection taken up by Belper to support individuals and families at a time when they are unable to support themselves, and to help through the difficult period. |
| Reach Response | A special collection was taken during the year to support the work of partners that Reach Trust has worked with over the years and whose aims and purposes align with Reach Trust's. During the year the money was disbursed to various partners, principally DCM, Storehouse, Upbeat Communities, Welcome Churches, Restore, Safe Families for Children, Saffires, Hope City Furniture, Shoulder to Shoulder and Talk It Over, which Reach Trust have supported over the years. |
| Benevolent Hardship-CCD | A special collection was taken during the Covid Pandemic to support the disadvantaged. The money was disbursed to various individuals facing financial difficulties during the crisis, identified by the Senior Leaders Team and Community Groups throughout Reach. The Benevolent Fund was amalgamated with the Covid Crisis Fund during the year. A fund set up to provide support to those in time of financial need at the discretion of the Reach Trust's leadership. |
| Open Doors | A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country |
| Reach Inspiration | The Fund was set up during the prior year to support the development of a ministry for the women within the members of the Church and the community |
| WTC | Reach Trust commenced work in partnership with the Westminster Theological College as a 'Hub Centre' in the Midlands to offer accredited courses in theology. A one off specific donation was received to support the provision of a digital library for the students enrolled on the WTC courses. |
| Community Grocery | Reach Community Grocery was established to support families and individuals in the region who are facing the difficult choice between heating and eating. This farm shop-style grocers aims to help those struggling to put food on the table amidst the current cost-of-living crisis. It also works to reduce food waste and support members through free courses and skills development. |

| | |
|---|---|
| **Designated Funds** | The designated funds are allocated for capital projects, and spiritual consultancy, the balance left aside being £61,100.<br><br>Reach also designate funds being received for Community Grocers whereby there isn't a specific restriction for use on this activity. Otherwise the amount is included in restricted funds. |

19. **Financial Commitments**

A photocopier lease commenced in January 2022 for a period of 5 years, quarterly payments of £545 are made against this liability. The total committed liability is £3,270 (2024: £5,449).

20. **Related Party Transactions**

No directors of the Charity had received remuneration during the period in their capacity as pastor or teacher.

There are no other related party transactions.

21. **Pension Commitment**

The Charity contributes to defined contribution pension schemes. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the Charity to the pension schemes and amounts to £22,143 (2024: £19,928).

22. **FRC Ethical Standard – Provisions Available for Small Entities**

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

23. **Capital Commitment**

At 31 August 2025 the Charity had no capital commitments (2024: NIL).

24. **Subsidiary Company**

**Riverside Event Management Limited -** The Charity owns 100% of the issued share capital of Riverside Event Management Limited ("REM"), a company registered in England and Wales (company number 04473452) the registered office is The Riverside Centre, Riverside Court, Pride Park, Derby, DE24 8HY. The subsidiary is used to further the overall objectives of the Charity by the provision of room hire and related facilities.

A proportion of their taxable profits is given as a charitable donation to the Charity by Gift Aid; the amount for 2025 was £65,000 (2024: £12,639). A summary of the results of the subsidiary is shown below:

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Turnover | 457,786 | 419,399 |
| Cost of Sales | (110,553) | (116,684) |
| Other Income | - | - |
| Gross Profit | 347,233 | 302,715 |
| Administrative Expenses | 339,302 | 298,434 |
| Net (Loss)/Profit Before Tax | 7,931 | 4,281 |
| Taxation | - | - |
| Net (Loss)/Profit After Tax | 7,931 | 4,281 |
| Net Profit | 7,931 | 4,281 |

25. **Cash Flow Statement**

Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Net incoming resources before taxation | (111,664) | (119,671) |
| Adjustments: | | |
| Interest paid | 80,306 | 90,501 |
| Investment income | (5,310) | (5,985) |
| Depreciation charges | 83,261 | 83,147 |
| (Increase)/decrease in debtors | 52,312 | (70,585) |
| Increase/(decrease) in creditors | 40,960 | 29,654 |
| | 139,865 | 7,061 |

**REACH TRUST**

England & Wales - Charity number 1080638

# Accounts

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**
**(Formally known as East Midlands Christian Fellowships)**

Consolidated Financial Statements
For the Year Ended
31 August 2024

Charity Number: 1080638

Company Number: 03971567

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

**Group Trustees' Report for the Year Ended 31 August 2024**

## Report of the Trustees for the Year Ended 31 August 2024

The Trustees are pleased to present their annual Directors' report together with the consolidated financial statements of the Charity and its subsidiary for the year ended 31 August 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller entities.

The charitable company passed a special resolution on 1 May 2024 changing its name from East Midlands Christian Fellowships to Reach Trust.

## Chair's Report

It has been a mixed year financially. It has been encouraging to see voluntary giving increase over the year, and in particular the generosity of so many in the church to support the community grocer has enabled the project to start and begin to meet the practical needs of so many in our community.

On a different note, the income from Reach Events has fallen significantly below what was expected. This is not because there is less activity, but a result of recognising that for several years we had taken more than was sensible out of the conferencing business. We therefore decided to change the accounting practices so that income for future events was not donated to the Church until the event had taken place and as a result less income was transferred to the Church. The reduction of this income and the planned investment into the Mediterranean, which was always intended to come out of reserves has reduced our reserves. The reserves do however remain healthy and within the limits set by both trustees and the covenant set by the bank.

There has been a continuous drive to improve the governance of the Church and this year, a significant step was made with the introduction of a new body of overseers. These are a group of men and women with independence, wisdom and experience who can consider the spiritual health of the Church and support the spiritual direction of the Church. It puts the governance of the Church on a much firmer footing with the Senior Leadership Team, the Trustees and Overseers, each with their respective roles and responsibilities, all working together to provide accountability and support for the leaders.

The mission of the Church remains clear. To '*bringing heaven to earth*' and to '*invest in Christ-centered communities that transform our world*' It aims to deliver this through the promotion of the Christian faith, through practical support of our communities with a particular heart for the vulnerable and an increasing regard for our environment. The largest gathering is in Derby where the buildings are used by the Church throughout the week but also serve the local business community through operating as a conference centre. Smaller gatherings in Nottingham, Leicester, Eastwood and beyond provide a local expression of the Church and reach out to vulnerable communities in those cities. The multicultural nature of the Church is both a challenge and a strength as we provide a home to many who have been displaced whilst we also benefit from their cultural richness and diversity.

There is much to be thankful for. I am grateful to all of the staff for their dedication and commitment and to those who volunteer faithfully week by week to support the activities of the Church. Whether paid or voluntary these are the ones who make the difference, who give of their time and energy so generously and who really do carry the presence of God with them.
Thankyou!

David Park
Chair of Directors

## PURPOSES AND ACTIVITIES

### Charitable Objectives

The Objects of the Charity are, for the public benefit, to:

(a) advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule;

(b) relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve the distress caused thereby;

(c) promote social inclusion by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society (and for the purpose of this clause "socially excluded" means being excluded from society, or part of society, as a result of being a member of a socially and/or economically deprived community);

(d) advance education by such means as the Trustees may consider appropriate including, without limitation, the provision of life skills training for refugees and others, and partnering with other educational providers to host their distance learning facilities;

(e) promote and fulfil such other charitable purposes as the Trustees may from time to time think fit.

### Principal Activities

The charitable company's principal activities continue to be the running of the churches known as Reach Derby, Reach Leicester, and Reach Nottingham, as well as fledgling start-ups in Malaga and North Africa.

### Review of the Activity, Achievements and Performance during the period

When planning the activities for the period the trustees have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion.
In its main activities of running churches the charity seeks to principally benefit Derby, Leicester, Nottingham and Eastwood with also a view to seeing how we are also able to impact further afield in the United Kingdom and abroad. This is with a view to helping us grow our churches and make an even more significant and positive contribution in and around the cities we are currently placed.

**Reach Leicester** has become more secure and established. Weekly gatherings take place, either at Holy Apostles or at homes throughout the city. There is a particular emphasis on work with asylum seekers and refugees and gatherings are intentionally accessible, multilingual and including the use of Persian worship songs.

**Reach Derby** leadership team is led by Ben Rook. The Church has continued to grow numerically and celebration gatherings have been introduced several times each year where people from across Reach gather together. Sundays also include active children's work and provision for the youth. Midweek events include 'powerhouse prayer' and 'Celebrate Recovery'. There is an over 50's group and the Young Adults group. The Youth group meets weekly and recently took over 100 teenagers away for a fun-filled and spiritual few days in Staffordshire and a similar number to' Limitless Festival' in the summer. Other ministries continue to flourish – notably the work with church men and women where many are gathering regularly for focussed input and activity. The church continues to have an intentional Intercultural feel and the leadership teams increasingly reflect this.

**Reach Nottingham** has had a turbulent year with a change of leadership. Ben Rook has stepped in to provide stability and a new structure and way of being has been established. A new local team is now in place led by Emmanuel Chiweshe and the team will be looking to see how new life can be breathed into the community in the coming year.

**Reach Eastwood** – Eastwood has been flourishing in recent times with growth and lots of life. The team is in flux and is being well supported by Ben Rook and the wider Reach Senior Leadership Team.

**Reach The Med. –** The team is now well established with a new core of people. It is growing. The Malaga team will be strengthened next year when Adam and Karina Martin move to the city to bring fresh leadership. The connection into North Africa continues to be strong and there is a growing community there too.

**Reach Centre & Reach Events** – Reach Events is functioning well and has developed into a high quality events business with the values of the Church at its core. There is an increasing emphasis on supporting local business and increasing environmental awareness. The revenue from Reach events allows the Church to meet its core objectives.

**Theological Education** - Starting September 2021, the charity continues in partnership with Westminster Theological College to provide a hub for higher education qualifications.

**Reach Response** - Reach Response is a Reach enterprise to partner with local Christian charities and initiatives and looks to see how we can promote them and release volunteers from within Reach to help serve with these organisations.

**Community Grocer** – Work on the community grocers has begun after fundraising achieved the setup figure agreed by the trustees. Work has begun to convert the downstairs space of Bridge House into a shop, store and community hub. The store manager and deputy manager have also been appointed in readiness for the opening. Work is ongoing to recruit a core of dedicated volunteers with the aim to open in September 2024.

**Statement of Public Benefit**

The Directors confirm that they have complied with their duties under section 17 of the Charities Act 2011, with regard to public benefit.

## FINANCIAL REVIEW

The principal funding sources of the charity in the year are as always the voluntary donations of its people and the gift from its trading company Riverside Event Management Limited.

For the year, Reach Trust, including its subsidiary, had income of £992,791 and expenditure of £1,112,462. This resulted in a net deficit of £119,671 for the year. The expenditure included depreciation charge of £83,147.

At the end of the Financial Year the Group's net asset position decreased by £119,671 to £799,051 (2023: £918,722).

### Reserves

Trustees are required to ensure that the charity maintains sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise. The trustees have identified that it is appropriate to have a reserves policy based on the risks associated with a shortfall in donation income and/or significant unanticipated costs. The trustees consider that it is likely to take three months for the charity to change its financial model in response to a marked decrease in income or increase in expenditure and therefore the free reserves (i.e. general fund net current assets) minimum target shall be based on the net sum of the following:

- Approximately three months of charitable expenditure.
- Less, 50% of three months of actual income from unrestricted donations, including a proportion of gift aid income.

Commercial trading activity is excluded from the calculation.

Based on the 2023/24 accounts, the Reserves required to meet the above criteria would equate to £115,644. Based on our budgeted and projected figures for the following year (2024/25), the minimum target is estimated to be the same.

There is, therefore, an excess of £7,000 between the Reserves Policy level and the actual Free Reserves available. Based on the budgeted figures for the following year, the excess is estimated to be the same

The Trustees therefore consider that the Charity has sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise.

## PLANS FOR THE FUTURE

**Conclusion** - This next year we are expecting to see a steady development and growth of our core work, the development of healthy Christians in localities across the East Midlands and where we can, overseas in Spain & N. Africa.

## Reference and Administrative Details

| | |
|---|---|
| **Charity Name:** | REACH Trust |
| **Charitable Status:** | The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638. |
| **Company Number:** | 03971567 |
| **Directors:** | D Park (Chair)<br>T J Wood (appointed 26.10.24)<br>J R M Abraham (resigned 24.6.24)<br>A D Smith (appointed 26.10.24)<br>L L Norman (appointed 26.10.24)<br>T Stokes (resigned 30.9.24)<br>J M Wright (resigned 24.6.24)<br>J M Leach (appointed 4.3.24)<br>R S Price (appointed 4.3.24) |
| **Secretary:** | K C Parmar (resigned 4.3.24)<br>A Davies (appointed 5.3.24) |
| **Directors:** | The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities. |
| **Registered Office:** | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY |
| **Bankers:** | Barclays Bank Plc<br>Nottingham and Derby Team<br>Level 4<br>1 Chapel Quarter<br>Maid Marion Way<br>Nottingham<br>NG1 6HQ |
| **Senior Statutory Auditors:** | TC Group<br>10 Stadium Business Court<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HP |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

Reach Trust is a company limited by guarantee and governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

**Recruitment of Trustees**

The Trustees may appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees. (The number of Trustees shall be no less than three but shall not be subject to any maximum, unless determined by ordinary resolution). The Trustees are the members of the charity.

**Trustees' Induction and Training**

New directors receive half a day's overview of Reach Trust's organisational structure, decision-making processes, the recent financial performance of the charity, together with the budget and receive copies of the Memorandum and Articles of Association. Directors are referred to and encouraged to read appropriate information on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit.

**Related Parties and Cooperation with Other Organisations**

In addition to the trustees a related party of the charitable company is a trading company, Riverside Event Management Limited. The principal activity of this company is the provision of room hire and related facilities; further detail is given in note 24 to the accounts. The company is a wholly owned subsidiary of the Charity and Gift Aids all of its profits to the Charity.

**Pay Policy for Senior Staff**

The Trustees and the key management personnel of the charity are in charge of operating the charity on a day to day basis. Details of Trustee payments and related party transactions are disclosed in note 20 to the accounts.

The pay of senior staff is reviewed annually by the payroll subcommittee who present their report / recommendations to the board of trustees for approval.

**Risk Management**

The Operations and Policy sub-committee has oversight of Risk Management and other policies within Reach Trust. The sub-committee is made up of two Trustees (one of whom is the Chair), Head of Operations, Finance and Enterprise. Risk awareness and implementation of any required policies and practices is part of the terms of reference for this committee and as such actively looks to maintain a low-risk profile for the organisation as a whole.

The following areas are categories that are monitored and under which risks may fall:

A. Strategic & Legal

B. Operational

C. Property

D. Employment

E. Financial

The following were areas where major risks have been identified:

A. Strategic & Legal

a. Employment Legal Expertise Mitigation:

As per previous years we maintain our counsel of a HR Solicitor whom we have on a monthly retainer. This has once again proven to be invaluable as we have navigated some significant staffing changes in the year. In addition, we are also utilising legal expertise to complete the company/charity name change and also amend our Articles of Association.

B. Operational

a. Safeguarding Children and Adults Mitigation:

ThirtyOneEight (an external organisation specialising in Safeguarding) are Reach Trust's preferred supplier for DBS checks and expert advice and training. The organisation is used to carry out DBS checks and is used as a point of expertise for any questions arising within the organisation regarding safeguarding and legal obligations (or best practice). Creation and updating of policies and a database of all volunteers working with children, youth and vulnerable adults remains a priority with additional section to include training. A current focus which has gained more traction is to include more robust policies on vulnerable adults and safeguards against spiritual abuse.

b. IT Mitigation:

IT infrastructure continues to be a focus for Reach Trust. It already has in place secure database storage and processes (such as 2FA and virus scanning software) and encourages staff to be aware of fraudulent activities especially when it comes to spam emails. Reach Trust has also significantly upgraded the capacity and security of the internal network to reduce the cyber attack vector.

C. Property

a. Reach Centre and Bridge House

Reach Trust utilises our preferred insurance brokers and have completed an exercise to ensure that building, fabric and item values are up to date and records accurately reflect current assets.

D. Employment

a. Staffing and HR

As has been mentioned already Reach Trust utilise a legal expert in employment law to ensure that any risks are mitigated. This has been the case with the changes required within REM.

b. Systems

Reach Trust have also invested in an online HR system to (electronically) handle leave, sickness, objectives and meetings. This system has proven invaluable this year.

E. Financial

a. Income

Regular cashflow analysis remains in place to track the overall financial picture and take action as and where required.

b. Fraud

Reach Trust continues to reference Charities Commissions Guidance in handling fraud and cyber crime (https://www.gov.uk/guidance/protect-your-charity-from-fraud#tackling-charity-fraud-8-guiding- principles)

**Statement of Directors' Responsibilities**

The Directors (who are also trustees of the charitable activities for the purposes of charity law) are responsible for preparing the directors report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 business.

The directors are responsible for keeping adequate 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 safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2024 was 6 (2023: 6).

TC Group were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint TC Group as auditors of the Company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 23/05/2025 and signed on its behalf by:

..... D Park (Director)

## Report of Independent Auditors to the Members of Reach Trust (A Charitable Company Limited by Guarantee)

### Opinion

We have audited the financial statements of Reach Trust (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2024 on pages twelve to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 August 2024 and of the groups incoming resources and application of resources 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

**Report of Independent Auditors to the Members of**
**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

**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 which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report included within 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 and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 from the requirement to prepare a Strategic Report or in preparing the Trustees report.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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 groups and parent 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 group or parent charitable company or to cease operations, or has no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.

- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls. With a focus on entries made by unusual team members or entries made at unusual times or on unusual dates.

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

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with Charity Commission as well as employment and taxation laws and regulations.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud, or management override.

- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

.....

James Liptrott FCA BSC (Senior Statutory Auditor)
For and on behalf of TC Group
Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date 27/5/16

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

## Consolidated Statement of Financial Activities
## (Incorporating an Income and Expenditure Account)
## for the Year Ended 31 August 2024

| | Notes | 2024 Unrestricted Funds £ | 2024 Restricted Funds £ | 2024 Total £ | 2023 Unrestricted Funds £ | 2023 Restricted Funds £ | 2023 Total £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Donations and Legacies | | 437,411 | 99,297 | 536,708 | 426,453 | 14,256 | 440,709 |
| ***Income from Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | | 18,350 | 6,946 | 25,296 | - | 27,149 | 27,149 |
| Other Incoming Resources | 4 | 5,403 | - | 5,403 | 52,779 | - | 52,779 |
| ***Income from Other Trading Activities*** | | | | | | | |
| Commercial Trading Activities | | 419,399 | - | 419,399 | 429,888 | - | 429,888 |
| Income from Other Activities | | - | - | - | - | - | - |
| Investment Income | 3 | 5,985 | - | 5,985 | 1,253 | - | 1,253 |
| | | 886,548 | 106,243 | 992,791 | 910,373 | 41,405 | 951,779 |
| **EXPENDITURE** | | | | | | | |
| ***Cost of Raising Funds*** | | | | | | | |
| Commercial Trading Costs | | 320,978 | - | 320,978 | 318,886 | - | 318,886 |
| Fundraising Costs | 5 | - | - | - | - | - | - |
| ***Expenditure on Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | 6 | 689,627 | 74,842 | 764,469 | 788,437 | 30,697 | 819,134 |
| Support Costs | 7 | 27,015 | - | 27,015 | 9,470 | - | 9,470 |
| | | 1,037,620 | 74,842 | 1,112,462 | 1,116,794 | 30,697 | 1,147,491 |
| **Net Income/(Expenditure) Before Transfers** | | (151,072) | 31,401 | (119,671) | (206,420) | 10,709 | (195,712) |
| Transfers | | (1,625) | 1,625 | - | 2,000 | (2,000) | - |
| **Net Income/(Expenditure)** | | (152,697) | 33,026 | (119,671) | (204,420) | 8,709 | (195,712) |
| Taxation Charge | | - | - | - | - | - | - |
| **Net Movement in Funds** | | (152,697) | 33,026 | (119,671) | (204,420) | 8,709 | (195,712) |
| **Reconciliation of Funds** | | | | | | | |
| Total Funds Brought Forward | 15 | 853,078 | 65,644 | 918,722 | 1,057,497 | 56,936 | 1,114,433 |
| Total Funds Carried Forward | 15 | 700,381 | 98,670 | 799,051 | 853,078 | 65,644 | 918,722 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

## Consolidated and Charity Balance Sheet for the Year Ended 31 August 2024

| | Notes | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Fixed Assets | 11 | 1,661,916 | 1,726,164 | 1,661,916 | 1,726,164 |
| Investments | 12 | - | - | 1 | 1 |
| **Total Fixed Assets** | | 1,661,916 | 1,726,164 | 1,661,917 | 1,726,165 |
| **CURRENT ASSETS** | | | | | |
| Debtors – Income Tax Refund | | 58,626 | 15,689 | 58,626 | 15,689 |
| Debtors | | 55,432 | 34,837 | 1,401 | (762) |
| Bank Accounts | | 27,327 | 176,500 | 5,661 | 127,991 |
| Deposit Accounts | | 115,640 | 119,074 | 115,640 | 119,074 |
| Restricted Fund Bank Accounts | | 98,670 | 65,644 | 98,670 | 65,644 |
| Petty Cash | | 1,619 | 1,008 | 1,318 | 808 |
| Prepayments and Accrued Income | | 7,512 | 459 | 7,512 | 459 |
| Intercompany | | - | - | - | 3,003 |
| **TOTAL CURRENT ASSETS** | | 364,826 | 413,211 | 288,828 | 331,906 |
| **CREDITORS**: | | | | | |
| Amounts falling due within one year | 13 | (197,417) | (176,748) | (148,535) | (123,750) |
| **NET CURRENT ASSETS** | | 167,409 | 236,463 | 140,293 | 208,156 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 1,829,325 | 1,962,627 | 1,802,210 | 1,934,321 |
| **CREDITORS**: | | | | | |
| Amounts falling due after more than one year | 14 | (1,030,274) | (1,043,905) | (1,003,371) | (1,011,531) |
| **NET ASSETS** | | 799,051 | 918,722 | 798,839 | 922,790 |
| **THE FUNDS OF THE GROUP**: | | | | | |
| Restricted Funds | 17 | 98,670 | 65,644 | 98,670 | 65,644 |
| Unrestricted Funds: | | | | | |
| Subsidiary | | 212 | (4,068) | - | - |
| Designated | 18 | 59,564 | 57,177 | 59,564 | 57,177 |
| Balance of Unrestricted Funds | | 640,605 | 799,969 | 640,605 | 799,969 |
| | | 700,381 | 853,077 | 700,169 | 857,146 |
| **TOTAL CHARITY FUNDS** | 18 | 799,051 | 918,722 | 798,839 | 922,790 |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

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Approved by the Board: 23/05/2025 (Date)

The notes on pages 15 to 25 form part of these financial statements.

**REACH Trust**
**(A Charitable Company Limited by Guarantee)**

## Consolidated Cash Flow Statement as at 31 August 2024

| | | 2024 £ | 2023 £ |
|---|---|---|---|
| **Net Cash Flow from Operating Activities** | 25 | 7,061 | 20,242 |
| **Returns on Investments:** | | | |
| Interest Received | | 5,985 | 1,253 |
| Interest Paid | | (90,501) | (73,569) |
| | | (77,455) | (52,074) |
| Taxation | | - | - |
| Disposal of Fixed Assets | | - | - |
| **Capital Expenditure and Financial Investments:** | | | |
| Purchase of Tangible Fixed Assets | | (18,898) | (16,146) |
| | | (96,353) | (68,220) |
| **Financing:** | | | |
| Capital Element of Loan Repayments Made | | (22,617) | (45,488) |
| Capital Element of Loan Repayments Received | | - | - |
| **Net Cash Inflow/(Outflow)** | | (118,970) | (113,708) |
| Increase/(Decrease) in Cash in the Year | | (118,970) | (113,708) |
| Net Cash Resources at 31 August 2024 | | 362,226 | 475,934 |
| **Net Cash Resources at 31 August 2024** | | 243,256 | 362,226 |

| | At 1.9.23 £ | Cash flow £ | At 31.08.24 £ |
|---|---|---|---|
| **Net cash** | | | |
| Cash at bank | 362,226 | (118,970) | 243,256 |
| | 362,226 | (118,970) | 243,256 |
| **Debt** | | | |
| Bank loans | (1,083,596) | 22,617 | (1,060,979) |
| | (1,083,596) | 22,617 | (1,060,979) |
| **Total** | 721,370 | 96,353 | 817,723 |

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2024

**Statutory Information**
Reach Trust is a private Charitable Company, Limited by Guarantee, registered in England and Wales. The Charitable Company's registered number and registered office can be found on page five.

1. **Accounting Policies**

i) **Basis of Preparation**
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 (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling £1.

**Group Financial Statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Riverside Event Management Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Reach Trust meets the definition of a public benefit entity under FRS102.

**Going Concern**
The Trustees have reviewed the charity's financial position, including its reserves and future budgets, as part of their assessment of the charity's ability to continue as a going concern. Although the charity has reported a deficit for the current financial year, it holds significant cash reserves that are sufficient to cover operational costs for the foreseeable future and maintain its cash reserve policy.

The budgets have been prepared with reasonable assumptions regarding income and expenditure. Based on these reviews, the Trustees are confident that the charity has adequate resources to meet its liabilities as they fall due for a period of at least 12 months from the date of signing the financial statements.

ii) **Depreciation and Fixed Assets**
Fixed assets costing less than £1,000 are not capitalised. Depreciation is provided on a straight-line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

| | | |
|---|---|---|
| Freehold Property | - | 2% and 10% per annum |
| Office Equipment | - | 10/33% per annum |
| Fixtures and Fittings | - | 10% per annum |

iii) **Donations and Offerings Received**
Voluntary income received by way of donations and gifts is accounted for when receivable. Any resultant gift aid tax claim is included as part of the income for the year.

iv) **Other Income**
Other income is accounted for on the accruals basis so far as is prudent to do so.
Investment income is included when receivable.

v) **Donated Services and Facilities**
Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

vi) **Expenditure and Irrecoverable VAT**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure is recognised on an accrual basis as the liability is incurred and includes VAT which cannot be recovered.

vii) **Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

viii) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the Statement of Financial Activities.

ix) **Limited by Guarantee**

The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £10. There are no shares of any class either authorised or allocated.

x) **Leases**

Rentals payable under operating leases are charged to resources expended on a straight-line basis over the period of the lease.

xi) **Investment in Subsidiary**

The investment in the subsidiary is included at cost.

xii) **Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

This accounting policy is relevant for the subsidiary only. As stated in note 10, Reach Trust is a registered Charity and is thus exempt from tax on income and gains.

xiii) **Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

xiii) **Creditors**

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

xv) **Financial Instruments**

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

xvi) **Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

2. **Income from Trading Subsidiary**

During the year the subsidiary company donated the majority of its profits to the charitable company as Gift Aid donations.

The income received from Riverside Event Management Limited during the year was as follows:-

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Rent and rates | 80,316 | 73,356 |
| Gift Aid Donation | 12,639 | 30,000 |
| | 92,955 | 103,356 |

3. **Investment Income**

| | Unrestricted Funds | Restricted Funds | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Interest received | 5,985 | - | 5,985 | 1,253 |

4. **Other Incoming Resources**

| | Unrestricted Funds | Restricted Funds | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Other | 5,403 | - | 5,403 | 52,779 |
| | 5,403 | - | 5,403 | 52,779 |

5. **Fund raising trading: cost of goods and other costs**

| | Unrestricted Funds | Restricted Funds | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fund raising costs | - | - | - | - |

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2024 - continued**

6. **Expenditure on Charitable Activities**

| | Unrestricted Funds £ | Restricted Funds £ | 2024 Total £ | 2023 Total £ |
|---|---|---|---|---|
| Pastoral Fees & Expenses | 342,251 | - | 342,251 | 401,077 |
| Ministry Costs | 72,244 | 74,842 | 147,086 | 163,763 |
| Property Costs | 141,161 | - | 141,161 | 138,185 |
| Office Costs | 43,470 | - | 43,470 | 35,883 |
| Mortgage and Finance Costs | 90,501 | - | 90,501 | 73,569 |
| Other Expense | - | - | - | 400 |
| Event Costs | - | - | - | 6,257 |
| | 689,627 | 74,842 | 764,469 | 819,134 |

7. **Support Costs**

| | Unrestricted Funds £ | Restricted Funds £ | 2024 Total £ | 2023 Total £ |
|---|---|---|---|---|
| Auditors Remuneration | 8,750 | - | 8,750 | 4,394 |
| Auditors Remuneration: non-audit | 1,200 | - | 1,200 | 1,188 |
| Accountancy Charges | 17,065 | - | 17,065 | 3,888 |
| | 27,015 | - | 27,015 | 9,470 |

8. **Net Incoming Resources for the Period**

| The net incoming resources are after charging:- | 2024 £ | 2023 £ |
|---|---|---|
| Depreciation of tangible fixed assets | 83,147 | 83,039 |
| Auditors remuneration: | | |
| Charitable Company | 8,750 | 4,394 |
| Other (accounts assistance) | 1,200 | 1,188 |
| Operating lease rentals | | - |

Reach Trust and Riverside Events Management Limited Directors giving in the financial year totalled £26,056 (2023: £282).

During the year the average number of staff employed by the group was 21 (2023: 24), the majority of staff are employed on a part time basis. No member of staff was paid in excess of £60,000.

| | 2024 £ | 2023 £ |
|---|---|---|
| Staff costs note: | | |
| Salaries | 407,896 | 475,538 |
| Pension costs | 19,928 | 21,641 |
| Social Security costs | 28,873 | 35,944 |
| | 456,697 | 533,123 |

9. **Trustee Remuneration and Related Party Transactions**

Other than in note 20, no emoluments were received by the board of trustees in their capacity as trustees.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee, directly or indirectly from the funds of the company or from the property of any situation or body corporate connected with the Charity.

## 10. Taxation

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Corporation Tax | - | - |

Reach Trust is exempt on tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that they are applied to its charitable activities. No tax charges have arisen in the Charity.

## 11. Analysis of Movement in Fixed Assets

| GROUP | Freehold Property | Equipment and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 September 2023 | 2,257,323 | 447,172 | 2,704,495 |
| Additions | 3,276 | 15,622 | 18,898 |
| Disposals | - | 8,687 | 8,687 |
| At 31 August 2024 | 2,260,599 | 454,107 | 2,714,706 |
| **Accumulated Depreciation** | | | |
| At 1 September 2023 | 742,170 | 236,160 | 978,330 |
| Charge for the year | 47,551 | 35,596 | 83,147 |
| On disposal | - | 8,687 | 8,687 |
| At 31 August 2024 | 789,721 | 263,069 | 1,052,790 |
| **Net Book Value** | | | |
| At 31 August 2024 | 1,470,878 | 191,038 | 1,661,916 |
| At 31 August 2023 | 1,515,153 | 211,012 | 1,726,165 |

| CHARITY | Freehold Property | Equipment and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 September 2023 | 2,257,302 | 438,506 | 2,695,808 |
| Additions | 3,276 | 15,622 | 18,898 |
| Disposals | - | - | - |
| At 31 August 2024 | 2,260,578 | 454,128 | 2,714,706 |
| **Accumulated Depreciation** | | | |
| At 1 September 2023 | 742,170 | 227,473 | 969,643 |
| Charge for the year | 47,551 | 35,596 | 83,147 |
| On disposal | - | - | - |
| At 31 August 2024 | 789,721 | 263,069 | 1,052,790 |
| **Net Book Value** | | | |
| At 31 August 2024 | 1,470,857 | 191,059 | 1,661,916 |
| At 31 August 2023 | 1,515,132 | 211,033 | 1,726,165 |

## 12. Investments

| CHARITY | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Investment in Riverside Event Management Limited | 1 | 1 |
| | 1 | 1 |

The company owns 100% of the issued share capital of a trading company, Riverside Event Management Limited, whose principle activity is that of the provision of room hire and related facilities.

## 13. Creditors: Amounts falling due within one year

| | Group 2024 | Group 2023 | Charity 2024 | Charity 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Lease Fixed Assets | 634 | 5,450 | 634 | 5,450 |
| Amount due to Subsidiary | - | - | 82,564 | 50,000 |
| Taxation and Social Security | 19,882 | 14,656 | 5,201 | 8,968 |
| Accruals | 146,196 | 116,317 | 34,903 | 24,478 |
| Bank Loans (Secured) | 19,761 | 29,382 | 19,761 | 29,382 |
| Bounce Back Loan | 10,944 | 10,943 | 5,472 | 5,472 |
| | 197,417 | 176,748 | 148,535 | 123,750 |

## 14. Creditors: Amounts falling due after one year (Group and Charity)

| | | Group 2024 | Group 2023 | Charity 2024 | Charity 2023 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| Bank Loans (Secured): | 2 to 5 years | 165,002 | 117,529 | 165,002 | 117,529 |
| | More than 5 years | 811,466 | 860,994 | 811,466 | 860,994 |
| Lease Fixed Assets: | 2 to 5 years | - | 634 | - | 634 |
| Bounce Back Loans: | 2 to 5 years | 43,774 | 43,773 | 21,887 | 21,887 |
| | More than 5 years | 10,032 | 20,975 | 5,016 | 10,487 |
| | | 1,030,274 | 1,043,905 | 1,003,371 | 1,011,531 |

The Bank Loans are secured by way of a fixed and floating charge over the property of the Charity. Interest is charged at 3.5% per annum over the Bank of England base rate prevailing.

The Bounce Back Loans are not secured and are repayable over 10 years at an interest rate of 2.5% per annum.

The leased asset is a hire purchase agreement (capital lease agreement), for the purchase of coffee machines.

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2024 - continued

### 15. Summary of Funds – Group

| | As at 31.8.23 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.24 £ | 2023 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 65,644 | 106,243 | 74,842 | 1,625 | 98,670 | 65,644 |
| Unrestricted Funds | 857,146 | 467,149 | 622,501 | (1,625) | 700,170 | 857,146 |
| Trading Subsidiary | (4,068) | 419,399 | 415,119 | - | 212 | (4,068) |
| | 918,722 | 992,791 | 1,112,462 | - | 799,051 | 918,722 |

### 16. Summary of Funds – Group

| | As at 31.8.22 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.23 £ | 2022 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 56,936 | 41,405 | 30,697 | (2,000) | 65,644 | 56,936 |
| Unrestricted Funds | 1,062,574 | 589,290 | 796,720 | 2,000 | 857,146 | 1,062,574 |
| Trading Subsidiary | (5,077) | 321,083 | 320,074 | - | (4,068) | (5,077) |
| | 1,114,433 | 951,779 | 1,147,491 | - | 918,722 | 1,114,433 |

### 17. Analysis of Net Assets Between Funds

| | General Fund £ | Restricted Funds £ | 2024 Total £ | General Fund £ | Restricted Funds £ | 2023 Total £ |
|---|---|---|---|---|---|---|
| Tangible fixed assets | 1,661,916 | - | 1,661,916 | 1,726,164 | - | 1,726,164 |
| Investments | - | - | - | - | - | - |
| Current assets | 266,156 | 98,670 | 364,826 | 346,168 | 65,644 | 411,812 |
| Current liabilities | (197,417) | - | (197,417) | (175,350) | - | (175,350) |
| Long term liabilities | (1,030,274) | - | (1,030,274) | (1,043,905) | - | (1,043,905) |
| | 700,381 | 98,670 | 799,051 | 853,077 | 65,644 | 918,722 |

## 18. Restricted Funds

The following are details of the charity's restricted funds:-

| | At 1.9.23 | Income | Expenditure | Transfers | At 31.8.24 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | 10,500 | 2 | 703 | - | 9,799 |
| Hong Kong | 21,925 | 229 | 22,153 | - | - |
| Missions Development | 4,751 | - | - | - | 4,751 |
| BCC Hardship Fund | 1,726 | 297 | 1,088 | - | 935 |
| Reach Response | 10,809 | 1,009 | 2,398 | - | 9,420 |
| Benevolent Fund | 5,230 | - | - | - | 5,230 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Inspiration Fund | 6,532 | 702 | 849 | - | 6,385 |
| WTC | 3,488 | 5,804 | 630 | - | 8,662 |
| Alpha | - | 690 | 2,316 | 1,626 | - |
| Community Grocers | - | 97,410 | 44,705 | - | 52,705 |
| Synergy | - | 100 | - | - | 100 |
| | 65,644 | 106,243 | 74,842 | 1,626 | 98,670 |

| | At 1.9.22 | Income | Expenditure | Transfers | At 31.8.23 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | 12,500 | - | - | (2,000) | 10,500 |
| Hong Kong | - | 22,840 | 915 | - | 21,925 |
| Harper | 155 | - | 155 | - | - |
| Missions Development | 4,751 | - | - | - | 4,751 |
| Alpha | 2,206 | 4,559 | 6,765 | - | - |
| Sphere Money (Synergy) | 2,850 | 1,000 | 3,850 | - | - |
| BCC Hardship Fund | 1,834 | - | 108 | - | 1,726 |
| Reach Response | 10,688 | 8,320 | 8,199 | - | 10,809 |
| Benevolent Fund | 8,617 | 2,704 | 6,091 | - | 5,230 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | 2,083 | 175 | 2,258 | - | - |
| Reach Inspiration Fund | 7,081 | 1,807 | 2,356 | - | 6,532 |
| ICUK | - | - | - | - | - |
| WTC | 3,488 | - | - | - | 3,488 |
| | 56,936 | 41,405 | 30,697 | (2,000) | 65,644 |

Purposes of restricted funds:-

| | |
|---|---|
| Belper Youth | A legacy was received during the prior year for the work amongst the youth specifically in Belper, and wider within the Reach sphere of youth work. |
| Harper | Reach Trust supports various overseas and homebased workers within the egis of the Reach Trust. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| Missions Development | Development to support overseas trips, people serving overseas and in the UK, providing support to refugees. |
| Alpha | The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions. |
| Sphere Money (Synergy) | This money is to support the administration of an initiative of a network of churches working together in the UK, named as 'Synergy', which will be registered as a charity in its own right in the near future. |
| BCC Hardship Fund | A special collection taken up by Belper to support individuals and families at a time when they are unable to support themselves, and to help through the difficult period. |
| Reach Response | A special collection was taken during the year to support the work of partners that Reach Trust has worked with over the years and whose aims and purposes align with Reach Trust's. During the year the money was disbursed to various partners, principally DCM, Storehouse, Upbeat Communities, Welcome Churches, Restore, Safe Families for Children, Saffires, Hope City Furniture, Shoulder to Shoulder and Talk It Over, which Reach Trust have supported over the years. |
| Benevolent Hardship-CCD | A special collection was taken during the Covid Pandemic to support the disadvantaged. The money was disbursed to various individuals facing financial difficulties during the crisis, identified by the Senior Leaders Team and Community Groups throughout Reach. The Benevolent Fund was amalgamated with the Covid Crisis Fund during the year. A fund set up to provide support to those in time of financial need at the discretion of the Reach Trust's leadership. |
| Open Doors | A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country |
| Reach Planting | A special collection was taken during the year to support the Reach Trust members and partners to plant churches in East Midlands, the rest of UK and overseas. |
| Reach Inspiration | The Fund was set up during the prior year to support the development of a ministry for the women within the members of the Church and the community |
| ICUK | This money is held on behalf of ICUK (Inter Cultural UK), to support the administration of an initiative which will promote the vision and values of intercultural church to Christian groups in the UK. ICUK was registered as a charity in its own right in the year. |
| WTC | During the Year Reach Trust commenced work in partnership with the Westminster Theological College as a 'Hub Centre' in the Midlands to offer accredited courses in theology. A one off specific donation was received to support the provision of a digital library for the students enrolled on the WTC courses. |
| Community Grocers | Reach Community Grocers was established to support families and individuals in the region who are facing the difficult choice between heating and eating. This farm shop-style grocers aims to help those struggling to put food on the table amidst the current cost-of-living crisis. It also works to reduce food waste and support members through free courses and skills development. The grocers opened in September 2025, with funding spent in late July & August 2025 mainly on staffing and fixtures & fittings. |

| | |
|---|---|
| **Designated Funds** | The designated funds are allocated for capital projects and spiritual consultancy, the balance left aside being £59,564 |

19. **Financial Commitments**

A photocopier lease commenced in January 2022 for a period of 5 years, quarterly payments of £545 are made against this liability.

20. **Related Party Transactions**

No directors of the Charity had received remuneration during the period in their capacity as pastor or teacher.

There are no other related party transactions.

21. **Pension Commitment**

The Charity contributes to defined contribution pension schemes. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the Charity to the pension schemes and amounts to £19,928 (2023: £21,641).

22. **FRC Ethical Standard – Provisions Available for Small Entities**

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

23. **Capital Commitment**

At 31 August 2024 the Charity had no capital commitments (2023: NIL).

24. **Subsidiary Company**

**Riverside Event Management Limited** - The Charity owns 100% of the issued share capital of Riverside Event Management Limited ("REM"), a company registered in England and Wales (company number 04473452) the registered office is The Riverside Centre, Riverside Court, Pride Park, Derby, DE24 8HY. The subsidiary is used to further the overall objectives of the Charity by the provision of room hire and related facilities.

A proportion of their taxable profits is given as a charitable donation to the Charity by Gift Aid; the amount for 2024 was £12,639 (2023: £30,000). A summary of the results of the subsidiary is shown below:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Turnover | 419,399 | 424,439 |
| Cost of Sales | (116,684) | (157,927) |
| Other Income | - | - |
| Gross Profit | 302,715 | 266,512 |
| Administrative Expenses | 298,434 | 266,503 |
| Net (Loss)/Profit Before Tax | 4,281 | 1,009 |
| Taxation | - | - |
| Net (Loss)/Profit After Tax | 4,281 | 1,009 |
| Net Assets | 4,281 | 1,009 |

25. **Cash Flow Statement**

Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Net incoming resources before taxation | (119,671) | (195,712) |
| Adjustments: | | |
| Interest paid | 90,501 | 73,569 |
| Investment income | (5,985) | (1,253) |
| Depreciation charges | 83,147 | 83,039 |
| (Increase)/decrease in debtors | (70,585) | (10,453) |
| Increase/(decrease) in creditors | 29,654 | 71,052 |
| | 7,061 | 20,243 |

**REACH TRUST**

England & Wales - Charity number 1080638

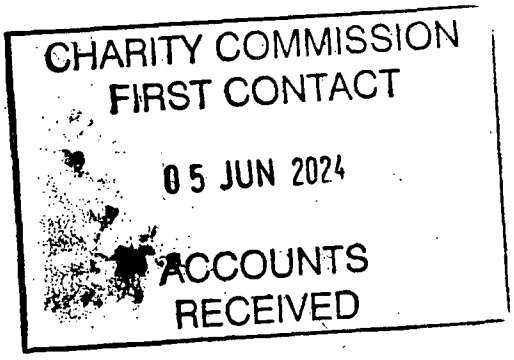
# Accounts

**Reach Churches Ministries Limited**
**(A Charitable Company Limited by Guarantee)**

Consolidated Financial Statements
For the Year Ended
31 August 2023

Charity Number: 1080638

Company Number: 03971567



**Reach Churches Ministries Limited**
**(A Charitable Company Limited by Guarantee)**

**Group Trustees' Report for the Year Ended 31 August 2023**

## Report of the Trustees for the Year Ended 31 August 2023

The Trustees are pleased to present their annual Directors' report together with the consolidated financial statements of the Charity and its subsidiary for the year ended 31 August 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller entities.

## Chair's Report

Following the year end, 'East Midland Christian Fellowships' officially changed its name to 'Reach Churches Ministries'. This name change will have had little impact on the Church as it has been known locally as Reach since 2018 when there was a recognition that its impact has reached far beyond the East Midlands. The name also brings into focus the mission of the Church of 'bringing heaven to earth' which it delivers through promotion of the Christian faith, through practical support of our communities with a particular heart for the vulnerable and an increasing regard for our environment.

The largest gathering is in Derby where the buildings are used by the Church throughout the week but also serve the local business community through operating as a conference centre. There are also plans to set up a community grocer to support families who are struggling financially. Smaller gatherings in Nottingham and Leicester and beyond provide a local expression of the Church and reach out to vulnerable communities in those cities. The multicultural nature of the Church is both a challenge and a strength as we provide a home to many who have been displaced whilst we also benefit from their cultural richness and diversity.

The deficit in the financial report is the result of an accounting change with how revenue is recognised for Reach events – previously when events were booked the revenue was recognised immediately but after seeking third party financial advice we have changed to recognising the revenue once the event has been fulfilled. This deferred income accounts for the apparent deficit and the reality is that the Church is financially stable, and has significant reserves. There is much to be thankful for.

I am grateful to all of the staff for their dedication and commitment and to those who volunteer faithfully week by week to support the activities of the Church. Whether paid or voluntary these are the ones who make the difference, who give of their time and energy so generously and who really do carry the presence of God with them. Thankyou!

David Park
Chair of Directors

## PURPOSES AND ACTIVITIES

### Charitable Objectives

The Objects of the Charity are, for the public benefit, to:

(a) advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule;

(b) relieve persons who are in conditions of need or hardship or who are aged or sick and to relieve the distress caused thereby;

(c) promote social inclusion by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society (and for the purpose of this clause "socially excluded" means being excluded from society, or part of society, as a result of being a member of a socially and/or economically deprived community);

(d) advance education by such means as the Trustees may consider appropriate including, without limitation, the provision of life skills training for refugees and others, and partnering with other educational providers to host their distance learning facilities;

(e) promote and fulfil such other charitable purposes as the Trustees may from time to time think fit.

### Principal Activities

The charitable company's principal activities continue to be the running of the churches known as Reach Derby, Reach Leicester, and Reach Nottingham, as well as fledgling start-ups in Malaga and North Africa.

### Review of the Activity, Achievements and Performance during the period

When planning the activities for the period the trustees have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion.

In its main activities of running churches the charity seeks to principally benefit Derby, Leicester, and Nottingham with also a view to seeing how we are also able to impact further afield in the United Kingdom and abroad. During the year whilst we have continued our involvement in local communities with the various projects and events we run across the East Midlands, we have also started to look at intentionally building systems and processes to help bring a strategic element to how we can impact the communities and cities we are in. This is with a view to helping us grow our churches and make an even more significant and positive contribution in and around the cities we are currently placed.

**Reach Leicester** has become more secure and established. Weekly gatherings take place, either at Holy Apostles or at homes throughout the city. There is a particular emphasis on work with asylum seekers and refugees and gatherings are intentionally accessible, multilingual and including the use of Persian worship songs. A youth intern was appointed in Sept 2023 and as a result a youth group was established, shared between Ayleston Baptist Church and Reach Leicester as neither church was big enough to establish a viable youth group on their own. This partnership has worked well and families, youth and children from both churches have benefited.

**Reach Derby** leadership team is led by Ben Rook who has now fully recovered from Long Covid, and Chipper Betts. The Church has continued to grow numerically and celebration gatherings have been introduced several times each year where people from across Reach gather together. Sundays also include active children's work and provision for the youth.

Midweek events include 'powerhouse prayer' and 'Celebrate Recovery'. There is an over 50's group and the Young Adults group. The Youth group meets weekly and recently took 90 teenagers away for a fun-filled and spiritual few days in Staffordshire and a similar number to' Limitless Festival' in the summer. Other ministries continue to flourish – notably the work with church men and women where many are gathering regularly for focussed input and activity. The Hong Kong community in the church has become embedded and the intercultural feel overall is now the norm. We also had a successful Youth Mission with our partners the Message Trust in September 2022, culminating in an event for 500 unchurched teenagers. There are regular gatherings for Asylum seekers to offer support as they integrate into the UK and discipleship to help them grow in their Christian faith.

**Reach Nottingham** has had a turbulent year with a change of leadership. Ben Rook has stepped in to provide stability and a new structure and way of being has been established. Whilst the Church has lost some members, it's core sense of purpose has not been altered and there are early indications of growth into the new year.

**Reach Malaga & Reach North Africa** RNA is now well established with a new core of people. It is growing. The Malaga team were strengthened by a visit of some 10 people from Reach in December 2021. New possibilities to strengthen the work together across this part of the world are being explored.

**Reach Centre & Reach Events** – Reach Events is functioning well and has developed into an events business with the values of the Church at its core. There is an increasing emphasis on supporting local business and increasing environmental awareness. Revenue from Reach events increased which has allowed the Church to meet its core objectives.

**Theological Education** - Starting September 2021, the charity has established a theological education partnership with Westminster Theological College to provide a hub for higher education qualifications. We were pleased to see 14 students sign up and we are committed to theological training for leaders across the region as a necessary part of their development.

**Reach Response** - Reach Response is a Reach enterprise to partner with local Christian charities and initiatives and looks to see how we can promote them and release volunteers from within Reach to help serve with these organisations. We supported 11 partner charities financially and with approximately 150 volunteers. We continue to actively engage in Derby City Mission's Derby City Street Pastors' project, and 'Talk it Over', a pregnancy options and loss support service. Also, the Derby Chaplaincy project offers support to people working in the shops in the town and for the businesses on Pride Park.

**Statement of Public Benefit**

The Directors confirm that they have complied with their duties under section 17 of the Charities Act 2011, with regard to public benefit.

## FINANCIAL REVIEW

The principal funding sources of the charity in the year are as always the voluntary donations of its people and the gift from its trading company Riverside Event Management Limited.

For the year, Reach Churches Ministries Limited ('RCML'), including its subsidiary, had income of £951,779 and expenditure of £1,147,491. This resulted in a net deficit of £195,712 for the year. The expenditure included depreciation charge of £83,039.

This being the first year of 'normal' trading since the covid lockdown period, the Subsidiary, Riverside Event Management Limited's (REM) trading turnover increased by £234,757 to £424,439 (2022: £189,682).

At the end of the Financial Year the Group's net asset position decreased by £195,712 to £918,722 (2022: £1,114,433).

### Reserves

Trustees are required to ensure that the charity maintains sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise. The trustees have identified that it is appropriate to have a reserves policy based on the risks associated with a shortfall in donation income and/or significant unanticipated costs. The trustees consider that it is likely to take three months for the charity to change its financial model in response to a marked decrease in income or increase in expenditure and therefore the free reserves (i.e. general fund net current assets) minimum target shall be based on the net sum of the following:

- Approximately three months of charitable expenditure.
- Less, 50% of three months of actual income from unrestricted donations, including a proportion of gift aid income.

Commercial trading activity is excluded from the calculation.

Based on the 2022/23 accounts, the Reserves required to meet the above criteria would equate to £144,300. Based on our budgeted and projected figures for the following year (2023/24), the minimum target is estimated to be £131,800

As at 31st August 2023, the actual Free Reserves available to the Charity were £152,700, which includes the proceeds from the sale of Juniper Lodge last year.

There is, therefore, an excess of £8,400 between the Reserves Policy level and the actual Free Reserves available. Based on the budgeted figures for the following year, the excess is estimated to be £20,900.

The Trustees therefore consider that the Charity has sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise.

## PLANS FOR THE FUTURE

**Conclusion** - This next year we are expecting to see a steady development and growth of our core work, the development of healthy Christians in localities across the East Midlands and where we can, overseas in Spain & N. Africa.

## Reference and Administrative Details

| | |
|---|---|
| **Charity Name:** | Reach Churches Ministries Limited |
| **Charitable Status:** | The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638. |
| **Company Number:** | 03971567 |
| **Directors:** | D Park (Chair)<br>D Cavanagh (resigned 22.06.23)<br>J Abraham<br>E L A Jones (resigned 31.12.22)<br>L So (resigned 25.9.22)<br>T Stokes (appointed 12.7.23)<br>J M Wright (appointed 12.7.23)<br>J M Leach (appointed 4.3.24)<br>R S Price (appointed 4.3.24) |
| **Secretary:** | K C Parmar (resigned 4.3.24)<br>A Davies (appointed 5.3.24) |
| **Directors:** | The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities. |
| **Registered Office:** | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY |
| **Bankers:** | Barclays Bank Plc<br>Nottingham and Derby Team<br>Level 4<br>1 Chapel Quarter<br>Maid Marion Way<br>Nottingham<br>NG1 6HQ |
| **Senior Statutory Auditors:** | Haines Watts (East Midlands) Ltd<br>10 Stadium Business Court<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HP |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

Reach Churches Ministries Limited is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 1 March 2000. It is registered as a charity with the Charity Commission.

**Recruitment of Trustees**

The Trustees may appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees. (The number of Trustees shall be no less than three but shall not be subject to any maximum, unless determined by ordinary resolution). The Trustees are the members of the charity.

**Trustees' Induction and Training**

New directors receive half a day's overview of Reach Churches Ministries Limited organisational structure, decision-making processes, the recent financial performance of the charity, together with the budget and receive copies of the Memorandum and Articles of Association. Directors are referred to and encouraged to read appropriate information on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit.

**Related Parties and Cooperation with Other Organisations**

In addition to the trustees a related party of the charitable company is a trading company, Riverside Event Management Limited. The principal activity of this company is the provision of room hire and related facilities; further detail is given in note 24 to the accounts. The company is a wholly owned subsidiary of the Charity and Gift Aids all of its profits to the Charity.

Upbeat Communities, Welcome Churches and Derby City Mission are also a related party as a number of our people are on their Board of Directors or Chief Executives, and we work closely with them on a number of projects.

**Pay Policy for Senior Staff**

The Trustees and the key management personnel of the charity are in charge of operating the charity on a day to day basis. Details of Trustee payments and related party transactions are disclosed in note 20 to the accounts.

The pay of senior staff is reviewed annually by the payroll subcommittee who present their report / recommendations to the board of trustees for approval.

**Risk Management**

The Operations and Policy sub-committee has oversight of Risk Management and other policies within EMCF. The sub-committee is made up of two Trustees (one of whom is the Chair), Head of Finance and Operations and the Operations Manager. Risk awareness and implementation of any required policies and practices is part of the terms of reference for this committee and as such actively looks to maintain a low-risk profile for the organisation as a whole.

The following areas are categories that are monitored and under which risks may fall:

A. Strategic & Legal

B. Operational

C. Property

D. Employment

E. Financial

The following were areas where major risks have been identified:

A. Strategic & Legal

a. Employment Legal Expertise Mitigation:

As per previous years we maintain our counsel of a HR Solicitor whom we have on a monthly retainer. This has once again proven to be invaluable as we have navigated some significant staffing changes in the year. In addition, we are also utilising legal expertise as we approach amending our Articles of Association.

B. Operational

a. Safeguarding Children and Adults Mitigation:

ThirtyOneEight (an external organisation specialising in Safeguarding) are EMCF's preferred supplier for DBS checks and expert advice and training. The organisation is used to carry out DBS checks and is used as a point of expertise for any questions arising within the organisation regarding safeguarding and legal obligations (or best practice). Creation and updating of policies and a database of all volunteers working with children, youth and vulnerable adults remains a priority with additional section to include training. A current focus which has gained more traction is to include more robust policies on vulnerable adults and safeguards against spiritual abuse.

b. IT Mitigation:

IT infrastructure continues to be a focus for EMCF. It already has in place secure database storage and processes (such as 2FA and virus scanning software) and encourages staff to be aware of fraudulent activities especially when it comes to spam emails. EMCF also continues to use 3rd Party IT contractors to assist in more complex problem solving and safety issues.

C. Property

a. Reach Centre and Bridge House

EMCF utilises our preferred insurance brokers and have completed an exercise to ensure that building, fabric and item values are up to date and records accurately reflect current assets.

D. Employment

a. Staffing and HR

As has been mentioned already EMCF utilise a legal expert in employment law to ensure that any risks are mitigated. This has been the case with the changes required within REM.

b. Systems

EMCF have also invested in an online HR system to (electronically) handle leave, sickness, objectives and meetings. Whilst the system has not been launched (yet) this remains a priority to implement in the new financial year.

E. Financial

a. Income

Regular cashflow analysis remains in place to track the overall financial picture and tke action as and where required.

b. Fraud

EMCF continues to reference Charities Commissions Guidance in handling fraud and cyber crime (https://www.gov.uk/guidance/protect-your-charity-from-fraud#tackling-charity-fraud-8-guiding-principles)

## Group Trustees' Report for the Year Ended 31 August 2023 - continued

### Statement of Directors' Responsibilities

The Directors (who are also trustees of the charitable activities for the purposes of charity law) are responsible for preparing the directors report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 business.

The directors are responsible for keeping adequate 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 safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2023 was 6 (2022: 5).

Haines Watts were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint Haines Watts as auditors of the Company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 4/3/24 and signed on its behalf by:

D Park (Director)

## Report of Independent Auditors to the Members of Reach Churches Ministries Limited (A Charitable Company Limited by Guarantee)

**Opinion**

We have audited the financial statements of Reach Churches Ministries Limited (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2023 on pages twelve to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 August 2023 and of the groups incoming resources and application of resources 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

**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 which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report included within 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 and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 from the requirement to prepare a Strategic Report or in preparing the Trustees report.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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 group's and parent 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 group or parent charitable company or to cease operations, or has no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.

- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls. With a focus on entries made by unusual team members or entries made at unusual times or on unusual dates.

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

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with Charity Commission as well as employment and taxation laws and regulations.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud, or management override.

- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

A Butterfield

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Alexander Butterfield – Senior Statutory Auditor
For and on behalf of Haines Watts (East Midlands) Ltd
Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date 28/5/24.

**Reach Churches Ministries Limited**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Statement of Financial Activities**
**(Incorporating an Income and Expenditure Account)**
**for the Year Ended 31 August 2023**

| | Notes | 2023 Unrestricted Funds £ | 2023 Restricted Funds £ | 2023 Total £ | 2022 Unrestricted Funds £ | 2022 Restricted Funds £ | 2022 Total £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Donations and Legacies | | 426,453 | 14,256 | 440,709 | 607,856 | 34,624 | 642,480 |
| ***Income from Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | | - | 27,149 | 27,149 | - | 11,957 | 11,957 |
| Other Incoming Resources | 4 | 52,779 | - | 52,779 | 45,891 | - | 45,891 |
| ***Income from Other Trading Activities*** | | | | | | | |
| Commercial Trading Activities | | 429,888 | - | 429,888 | 208,989 | - | 208,989 |
| Income from Other Activities | | - | - | - | - | - | - |
| Investment Income | 3 | 1,253 | - | 1,253 | 119 | - | 119 |
| | | 910,373 | 41,405 | 951,779 | 862,855 | 46,581 | 909,436 |
| **EXPENDITURE** | | | | | | | |
| ***Cost of Raising Funds*** | | | | | | | |
| Commercial Trading Costs | | 318,886 | - | 318,886 | 169,957 | - | 169,957 |
| Fundraising Costs | 5 | - | - | - | - | - | - |
| ***Expenditure on Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | 6 | 788,437 | 30,697 | 819,134 | 747,847 | 53,992 | 801,839 |
| Support Costs | 7 | 9,470 | - | 9,470 | 5,580 | - | 5,580 |
| | | 1,116,794 | 30,697 | 1,147,491 | 923,384 | 53,992 | 977,376 |
| **Net Income/(Expenditure) Before Transfers** | | (206,420) | 10,709 | (195,712) | (60,529) | (7,411) | (67,940) |
| Transfers | | 2,000 | (2,000) | - | (4,129) | 4,129 | - |
| **Net Income/(Expenditure)** | | (204,420) | 8,709 | (195,712) | (64,658) | (3,282) | (67,940) |
| Taxation Charge | | - | - | - | - | - | - |
| **Net Movement in Funds** | | (204,420) | (8,709) | (195,712) | (64,658) | (3,282) | (67,940) |
| **Reconciliation of Funds** | | | | | | | |
| Total Funds Brought Forward | 15 | 1,057,497 | 56,936 | 1,114,433 | 1,122,155 | 60,218 | 1,182,373 |
| Total Funds Carried Forward | 15 | 853,077 | 65,645 | 918,721 | 1,057,4976 | 56,936 | 1,114,433 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements

**Reach Churches Ministries Limited**
**(A Charitable Company Limited by Guarantee)**

## Consolidated and Charity Balance Sheet for the Year Ended 31 August 2023

| | Notes | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Fixed Assets | 11 | 1,726,164 | 1,793,058 | 1,726,164 | 1,793,058 |
| Investments | 12 | - | - | 1 | 1 |
| **Total Fixed Assets** | | 1,726,164 | 1,793,058 | 1,726,165 | 1,793,059 |
| **CURRENT ASSETS** | | | | | |
| Debtors – Income Tax Refund | | 15,689 | 12,741 | 15,689 | 12,741 |
| Debtors | | 34,837 | 31,384 | (762) | 843 |
| Bank Accounts | | 176,500 | 71,333 | 127,991 | 67,587 |
| Deposit Accounts | | 119,074 | 347,034 | 119,074 | 347,034 |
| Restricted Fund Bank Accounts | | 65,644 | 56,935 | 65,644 | 56,935 |
| Petty Cash | | 1,008 | 632 | 808 | 579 |
| Prepayments and Accrued Income | | 459 | - | 459 | - |
| Intercompany | | - | - | 3,003 | - |
| **TOTAL CURRENT ASSETS** | | 413,211 | 520,059 | 331,906 | 485,719 |
| **CREDITORS**: | | | | | |
| Amounts falling due within one year | 13 | (176,748) | (107,844) | (123,750) | (106,274) |
| **NET CURRENT ASSETS** | | 236,463 | 412,215 | 208,156 | 379,445 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 1,962,627 | 2,205,273 | 1,934,321 | 2,172,504 |
| **CREDITORS**: | | | | | |
| Amounts falling due after more than one year | 14 | (1,043,905) | (1,090,840) | (1,011,531) | (1,052,994) |
| **NET ASSETS** | | 918,722 | 1,114,433 | 922,790 | 1,119,510 |
| **THE FUNDS OF THE GROUP**: | | | | | |
| Restricted Funds | 17 | 65,644 | 56,936 | 65,644 | 56,935 |
| Unrestricted Funds: | | | | | |
| Subsidiary | | (4,068) | (5,077) | - | - |
| Designated | 18 | 57,177 | 57,177 | 57,177 | 57,177 |
| Balance of Unrestricted Funds | | 799,969 | 1,005,397 | 799,969 | 1,005,397 |
| | | 853,077 | 1,057,497 | 857,146 | 1,062,575 |
| **TOTAL CHARITY FUNDS** | 18 | 918,722 | 1,114,433 | 922,790 | 1,119,510 |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

D Park - Director

Approved by the Board: 4/3/24 (Date)

The notes on pages 15 to 25 form part of these financial statements.

**Reach Churches Ministries Limited**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Cash Flow Statement as at 31 August 2023**

| | | 2023 | 2022 |
|---|---|---|---|
| | | £ | £ |
| **Net Cash Flow from Operating Activities** | 25 | 20,242 | 153,377 |
| **Returns on Investments:** | | | |
| Interest Received | | 1,253 | 119 |
| Interest Paid | | (73,569) | (47,838) |
| | | (52,074) | 105,658 |
| Taxation | | - | - |
| Disposal of Fixed Assets | | - | - |
| **Capital Expenditure and Financial Investments:** | | | |
| Purchase of Tangible Fixed Assets | | (16,146) | (322,590) |
| | | (68,220) | (216,932) |
| **Financing:** | | | |
| Capital Element of Loan Repayments Made | | (45,488) | 163,912 |
| Capital Element of Loan Repayments Received | | - | - |
| **Net Cash Inflow/(Outflow)** | | (113,708) | (53,020) |
| Increase/(Decrease) in Cash in the Year | | (113,708) | (53,020) |
| Net Cash Resources at 1 September 2021 | | 475,934 | 528,954 |
| **Net Cash Resources at 31 August 2022** | | 362,226 | 475,934 |

**Statutory Information**
Reach Churches Ministries Limited is a private Charitable Company, Limited by Guarantee, registered in England and Wales. The Charitable Company's registered number and registered office can be found on page five.

1. **Accounting Policies**

i) **Basis of Preparation**
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 (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Group Financial Statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Riverside Event Management Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

Reach Churches Ministries Limited meets the definition of a public benefit entity under FRS102.

**Going Concern**
The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling £1.

ii) **Depreciation and Fixed Assets**
Fixed assets costing less than £1,000 are not capitalised. Depreciation is provided on a straight line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

| | | |
|---|---|---|
| Freehold Property | - | 2% and 10% per annum |
| Office Equipment | - | 10/33% per annum |
| Fixtures and Fittings | - | 10% per annum |

iii) **Donations and Offerings Received**
Voluntary income received by way of donations and gifts is accounted for when receivable. Any resultant gift aid tax claim is included as part of the income for the year.

iv) **Other Income**
Other income is accounted for on the accruals basis so far as is prudent to do so.

Investment income is included when receivable.

v) **Donated Services and Facilities**
Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

vi) **Expenditure and Irrecoverable VAT**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure is recognised on an accrual basis as the liability is incurred and includes VAT which cannot be recovered.

vii) **Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

viii) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the Statement of Financial Activities.

ix) **Limited by Guarantee**

The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £10. There are no shares of any class either authorised or allocated.

x) **Leases**

Rentals payable under operating leases are charged to resources expended on a straight line basis over the period of the lease.

xi) **Investment in Subsidiary**

The investment in the subsidiary is included at cost.

xii) **Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

This accounting policy is relevant for the subsidiary only. As stated in note 10, Reach Churches Ministries Limited is a registered Charity and is thus exempt from tax on income and gains.

xiii) **Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

xiii) **Creditors**

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

xv) **Financial Instruments**

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

xvi) **Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

2. **Income from Trading Subsidiary**

During the year the subsidiary company donated the majority of its profits to the charitable company as Gift Aid donations.

The income received from Riverside Event Management Limited during the year was as follows:-

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Rent and rates | 73,356 | 33,333 |
| Gift Aid Donation | 30,000 | 13,000 |
| | 103,356 | 46,333 |

3. **Investment Income**

| | Unrestricted Funds | Restricted Funds | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Interest received | 1,253 | - | 1,253 | 119 |

4. **Other Incoming Resources**

| | Unrestricted Funds | Restricted Funds | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Other | 52,779 | - | 52,779 | 45,891 |
| | 52,779 | - | 52,779 | 45,891 |

5. **Fund raising trading: cost of goods and other costs**

| | Unrestricted Funds | Restricted Funds | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fund raising costs | - | - | - | - |

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2023 - continued**

## 6. Expenditure on Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | 2023 Total £ | 2022 Total £ |
|---|---|---|---|---|
| Redundancy Costs | - | - | - | 7,500 |
| Staff Costs, | | | | |
| Pastoral Fees & Expenses | 400,162 | 915 | 401,077 | 396,937 |
| Ministry Costs | 134,381 | 29,382 | 163,763 | 139,080 |
| Property Costs | 138,185 | - | 138,185 | 152,308 |
| Office Costs * | 35,883 | - | 35,883 | 35,063 |
| Mortgage and Finance Costs | 73,569 | - | 73,569 | 47,838 |
| Other Expenses | - | 400 | 400 | 23,113 |
| Inter account transfers | 6,257 | - | 6,257 | - |
| | 788,437 | 30,697 | 819,134 | 801,839 |

## 7. Support Costs

| | Unrestricted Funds £ | Restricted Funds £ | 2023 Total £ | 2022 Total £ |
|---|---|---|---|---|
| Auditors Remuneration | 4,394 | - | 4,394 | 4,430 |
| Auditors Remuneration: non-audit | 1,188 | - | 1,188 | 1,150 |
| Accountancy Charges | 3,888 | | 3,888 | |
| | 9,470 | - | 9,470 | 5,580 |

## 8. Net Incoming Resources for the Period

| The net incoming resources are after charging:- | 2023 £ | 2022 £ |
|---|---|---|
| Depreciation of tangible fixed assets | 83,039 | 82,681 |
| Auditors remuneration: | | |
| Charitable Company | 4,394 | 4,430 |
| Other (accounts assistance) | 1,188 | 1,150 |
| Operating lease rentals | - | 2,276 |

Reach Churches Ministries Limited and Riverside Events Management Limited Directors giving in the financial year totalled £282 (2022: £7,825).

During the year the average number of staff employed by the group was 24 (2022: 42), the majority of staff are employed on a part time basis. No member of staff was paid in excess of £60,000.

| | 2023 £ | 2022 £ |
|---|---|---|
| Staff costs note: | | |
| Salaries | 475,538 | 423,808 |
| Pension costs' | 21,641 | 19,646 |
| Social Security costs | 35,944 | 35,126 |
| | 533,123 | 478,580 |

## 9. Trustee Remuneration and Related Party Transactions

Other than in note 20, no emoluments were received by the board of trustees in their capacity as trustees.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee, directly or indirectly from the funds of the company or from the property of any situation or body corporate connected with the Charity.

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2023 - continued**

10. **Taxation**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Corporation Tax | - | - |

Reach Churches Ministries Limited is exempt on tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that they are applied to its charitable activities. No tax charges have arisen in the Charity.

11. **Analysis of Movement in Fixed Assets**

| GROUP | Freehold Property | Equipment and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 September 2022 | 2,243,241 | 445,108 | 2,688,349 |
| Additions | 14,082 | 2,064 | 16,146 |
| Disposals | - | - | - |
| At 31 August 2023 | 2,257,323 | 447,172 | 2,704,495 |
| **Accumulated Depreciation** | | | |
| At 1 September 2022 | 694,663 | 200,628 | 895,291 |
| Charge for the year | 47,507 | 35,532 | 83,039 |
| On disposal | - | - | - |
| At 31 August 2023 | 742,170 | 236,160 | 978,330 |
| **Net Book Value** | | | |
| At 31 August 2023 | 1,515,153 | 211,012 | 1,726,165 |
| At 31 August 2022 | 1,548,578 | 244,480 | 1,793,058 |

| CHARITY | Freehold Property | Equipment and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 September 2022 | 2,243,220 | 436,442 | 2,679,662 |
| Additions | 14,082 | 2,064 | 16,146 |
| Disposals | - | - | - |
| At 31 August 2023 | 2,257,302 | 438,506 | 2,695,808 |
| **Accumulated Depreciation** | | | |
| At 1 September 2022 | 694,663 | 191,941 | 886,604 |
| Charge for the year | 47,507 | 35,532 | 83,039 |
| On disposal | - | - | - |
| At 31 August 2023 | 742,170 | 227,473 | 969,643 |
| **Net Book Value** | | | |
| At 31 August 2023 | 1,515,132 | 211,033 | 1,726,165 |
| At 31 August 2022 | 1,548,557 | 244,501 | 1,793,058 |

12. **Investments**

| CHARITY | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Investment in Riverside Event Management Limited | 1 | 1 |
| | 1 | 1 |

The company owns 100% of the issued share capital of a trading company, Riverside Event Management Limited, whose principle activity is that of the provision of room hire and related facilities.

13. **Creditors: Amounts falling due within one year**

| | Group 2023 | Group 2022 | Charity 2023 | Charity 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Lease Fixed Assets | 5,450 | 5,450 | 5,450 | 5,450 |
| Amount due to Subsidiary | - | - | 50,000 | 30,000 |
| Taxation and Social Security | 14,656 | 22,796 | 8,968 | 18,519 |
| Accruals | 116,317 | 40,719 | 24,478 | 18,897 |
| Bank Loans (Secured) | 29,382 | 27,936 | 29,382 | 27,936 |
| Bounce Back Loan | 10,943 | 10,943 | 5,472 | 5,472 |
| | 176,748 | 107,844 | 123,750 | 106,274 |

14. **Creditors: Amounts falling due after one year (Group and Charity)**

| | | Group 2023 | Charity 2023 | Group 2022 | Charity 2022 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| Bank Loans (Secured): | 2 to 5 years | 117,529 | 117,529 | 117,529 | 117,529 |
| | More than 5 years | 860,994 | 860,994 | 891,535 | 891,535 |
| Lease Fixed Assets: | 2 to 5 years | 634 | 634 | 6,084 | 6,084 |
| Bounce Back Loans: | 2 to 5 years | 43,773 | 21,887 | 43,773 | 21,887 |
| | More than 5 years | 20,975 | 10,487 | 31,919 | 15,909 |
| | | 1,043,905 | 1,011,531 | 1,090,840 | 1,052,994 |

The Bank Loans are secured by way of a fixed and floating charge over the property of the Charity. Interest is charged at 3.5% per annum over the Bank of England base rate prevailing.

The Bounce Back Loans are not secured and are repayable over 10 years at an interest rate of 2.5% per annum.

The leased asset is a hire purchase agreement (capital lease agreement), for the purchase of coffee machines. RCML have exercised the option to purchase the asset and it has therefore been capitalised as an asset.

15. **Summary of Funds – Group**

| | As at 31.8.22 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.23 £ | 2022 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 56,936 | 41,405 | 30,697 | (2,000) | 65,645 | 56,936 |
| Unrestricted Funds | 1,062,574 | 589,290 | 796,720 | 2,000 | 857,144 | 1,062,574 |
| Trading Subsidiary | (5,077) | 321,083 | 320,074 | - | (4,068) | (5,077) |
| | 1,114,433 | 951,779 | 1,147,491 | - | 918,721 | 1,114,433 |

16. **Summary of Funds – Group**

| | As at 31.8.21 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.22 £ | 2021 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 60,218 | 46,581 | 53,992 | 4,129 | 56,936 | 60,218 |
| Unrestricted Funds | 1,118,781 | 653,866 | 705,944 | (4,129) | 1,062,574 | 1,118,781 |
| Trading Subsidiary | 3,374 | 208,989 | 217,440 | - | (5,077) | 3,374 |
| | 1,182,373 | 909,436 | 977,376 | - | 1,114,433 | 1,182,373 |

17. **Analysis of Net Assets Between Funds**

| | General Fund £ | Restricted Funds £ | 2023 Total £ | General Fund £ | Restricted Funds £ | 2022 Total £ |
|---|---|---|---|---|---|---|
| Tangible fixed assets | 1,726,165 | - | 1,726,165 | 1,793,058 | - | 1,793,058 |
| Investments | - | - | - | - | - | - |
| Current assets | 288,989 | 65,645 | 411,811 | 463,124 | 59,936 | 520,059 |
| Current liabilities | (175,350) | - | (175,350) | (107,844) | - | (107,844) |
| Long term liabilities | (1,043,905) | - | (1,043,905) | (1,090,840) | - | (1,090,840) |
| | 795,898 | 65,645 | 918,720 | 1,057,497 | 59,936 | 1,114,433 |

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2023 – continued**

## 18. Restricted Funds

The following are details of the charity's restricted funds:-

| | At 1.9.22 | Income | Expenditure | Transfers | At 31.8.23 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | 12,500 | - | - | (2,000) | 10,500 |
| Hong Kong | - | 22,840 | 915 | - | 21,925 |
| Harper | 155 | - | 155 | - | - |
| Missions Development | 4,751 | - | - | - | 4,751 |
| Alpha | 2,206 | 4,559 | 6,765 | - | - |
| Sphere Money (Synergy) | 2,850 | 1,000 | 3,850 | - | - |
| BCC Hardship Fund | 1,834 | - | 108 | - | 1,726 |
| Reach Response | 10,688 | 8,320 | 8,199 | - | 10,809 |
| Benevolent Fund | 8,617 | 2,704 | 6,091 | - | 5,230 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | 2,083 | 175 | 2,258 | - | - |
| Reach Inspiration Fund | 7,081 | 1,807 | 2,356 | - | 6,532 |
| ICUK | - | - | - | - | - |
| WTC | 3,488 | - | - | - | 3,488 |
| | 56,936 | 41,405 | 30,697 | (2,000) | 65,644 |

| | At 1.9.21 | Income | Expenditure | Transfers | At 31.8.22 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | - | 12,500 | - | - | 12,500 |
| Ukraine | - | 11,436 | 11,601 | 165 | - |
| Harper | 155 | - | - | - | 155 |
| Missions Development | 1,642 | 2,145 | 3,000 | 3,964 | 4,751 |
| Alpha | 1,606 | 600 | - | - | 2,206 |
| Sphere Money (Synergy) | 960 | 1,890 | - | - | 2,850 |
| BCC Hardship Fund | 1,974 | - | 140 | - | 1,834 |
| Reach Response | 14,033 | 63 | 3,408 | - | 10,688 |
| Benevolent Fund | 9,736 | 275 | 1,394 | - | 8,617 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | 10,527 | 100 | 8,544 | - | 2,083 |
| Reach Inspiration Fund | 225 | 8,192 | 1,336 | - | 7,081 |
| ICUK | 15,677 | 7,436 | 23,113 | - | - |
| WTC | 3,000 | 1,944 | 1,456 | - | 3,488 |
| | 60,218 | 46,581 | 53,992 | 4,129 | 56,936 |

Purposes of restricted funds:-

| | |
|---|---|
| Belper Youth | A legacy was received during the prior year for the work amongst the youth specifically in Belper, and wider within the Reach (EMCF) sphere of youth work. |
| Hong Kong | During the year, a special collection was provided by a government fund to support the integration of Hong Kong BNO Visa holders into the local community. |
| Harper | EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| Missions Development | Development to support overseas trips, people serving overseas and in the UK, providing support to refugees. |
| Alpha | The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions. |
| Sphere Money (Synergy) | This money is to support the administration of an initiative of a network of churches working together in the UK, named as 'Synergy', which will be registered as a charity in its own right in the near future. |
| BCC Hardship Fund | A special collection taken up by Belper to support individuals and families at a time when they are unable to support themselves, and to help through the difficult period. |
| Reach Response | A special collection was taken during the year to support the work of partners that EMCF has worked with over the years and whose aims and purposes align with EMCF's. During the year the money was disbursed to various partners, principally DCM, Storehouse, Upbeat Communities, Welcome Churches, Restore, Safe Families for Children, Saffires, Hope City Furniture, Shoulder to Shoulder and Talk It Over, which EMCF have supported over the years. |
| Benevolent Hardship-CCD | A special collection was taken during the Covid Pandemic to support the disadvantaged. The money was disbursed to various individuals facing financial difficulties during the crisis, identified by the Senior Leaders Team and Community Groups throughout Reach. The Benevolent Fund was amalgamated with the Covid Crisis Fund during the year. A fund set up to provide support to those in time of financial need at the discretion of the EMCF leadership. |
| Open Doors | A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country |
| Reach Planting | A special collection was taken during the year to support the EMCF members and partners to plant churches in East Midlands, the rest of UK and overseas. |
| Reach Inspiration | The Fund was set up during the prior year to support the development of a ministry for the women within the members of the Church and the community |
| ICUK | This money is held on behalf of ICUK (Inter Cultural UK), to support the administration of an initiative which will promote the vision and values of intercultural church to Christian groups in the UK. ICUK was registered as a charity in its own right in the year. |
| WTC | During the Year EMCF commenced work in partnership with the Westminster Theological College as a 'Hub Centre' in the Midlands to offer accredited courses in theology. A one off specific donation was received to support the provision of a digital library for the students enrolled on the WTC courses. |

| | |
|---|---|
| Support for overseas and homebased workers | EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| **Designated Funds** | The designated funds are allocated for capital projects and spiritual consultancy, the balance left aside being £57,177. |

19. **Financial Commitments**

A photocopier lease commenced in January 2022 for a period of 5 years, quarterly payments of £545 are made against this liability.

20. **Related Party Transactions**

No directors of the Charity had received remuneration during the period in their capacity as pastor or teacher.

There are no other related party transactions.

21. **Pension Commitment**

The Charity contributes to defined contribution pension schemes. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the Charity to the pension schemes and amounts to £21,641 (2022: £19,646).

22. **FRC Ethical Standard – Provisions Available for Small Entities**

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

23. **Capital Commitment**

At 31 August 2023 the Charity had no capital commitments (2022: NIL).

24. **Subsidiary Company**

**Riverside Event Management Limited** - The Charity owns 100% of the issued share capital of Riverside Event Management Limited ("REM"), a company registered in England and Wales (company number 04473452) the registered office is The Riverside Centre, Riverside Court, Pride Park, Derby, DE24 8HY. The subsidiary is used to further the overall objectives of the Charity by the provision of room hire and related facilities.

A proportion of their taxable profits is given as a charitable donation to the Charity by Gift Aid; the amount for 2023 was £30,000 (2022: £13,000). A summary of the results of the subsidiary is shown below:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Turnover | 424,439 | 189,682 |
| Cost of Sales | (157,927) | (49,170) |
| Other Income | - | 19,307 |
| Gross Profit | 266,512 | 159,819 |
| Administrative Expenses | 266,503 | 168,269 |
| Net (Loss)/Profit Before Tax | 1,009 | (8,450) |
| Taxation | - | - |
| Net (Loss)/Profit After Tax | 1,009 | (8,450) |
| Net Assets | 1,009 | (8,450) |

25. **Cash Flow Statement**

Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Net incoming resources before taxation | (195,712) | (67,940) |
| Adjustments: | | |
| Interest paid | 73,569 | 47,838 |
| Investment income | (1,253) | (119) |
| Depreciation charges | 83,039 | 82,681 |
| (Increase)/decrease in debtors | (10,453) | 66,312 |
| Increase/(decrease) in creditors | 71,052 | 24,605 |
| | 20,243 | 153,377 |

**REACH TRUST**

England & Wales - Charity number 1080638

# Accounts




**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

Consolidated Financial Statements
For the Year Ended
31 August 2022

Charity Number: 1080638

Company Number: 03971567

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Group Trustees' Report for the Year Ended 31 August 2022**

## Report of the Trustees for the Year Ended 31 August 2022

The Trustees are pleased to present their annual Directors 'report together with the consolidated financial statements of the Charity and its subsidiary for the year ended 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards for Smaller entities.

## Chair's Report

I am pleased to report that the income from Donations and Legacies for 2021/22 shows a substantial increase from the previous year. However, this is principally due to several extremely generous one-off donations. Over the last year, the church has experienced a greater than usual change of membership with the loss of a significant number of established and generous donors. Whilst Sunday attendances have been steadily increasing, there is often a lag between church growth and financial giving and as a result, regular income from voluntary giving has decreased. In addition, following the reordering of the building and relaunch of Reach Events which provides conference facilities, the expected growth of new business has been delayed and whilst turnover is increasing, this has not yet resulted in increasing profits. The combination of these two factors mean that the budget for the current year, 2022/23, is likely to be in deficit.

Despite these financial challenges, the charity remains in a robust position. Reserves are healthy, regular giving is now increasing and income from Reach events is also growing. The charity has managed its resources well and has emerged from the pandemic financially sound and with a clear focus on its mission.

Ben Rook, our senior leader, has now returned to work and I remain extremely thankful for our existing staff who have generously taken on additional responsibilities and in particular, Aled Griffiths, who has so willingly and effectively taken on the role as senior leader in the interim.

Reach has further solidified its shape as a multi-site church, with expressions in a number of locations across the East Midlands and beyond. We have a vision to be a multi-cultural church that is relevant to the community around, and is able to serve those who are particularly vulnerable or in difficulties. We have become a very diverse, mobile church that continues to offer help and support to many people, and will continue to do so into the future.

My appreciation goes to all the staff of Reach and in particular the numerous volunteers, who give so much to the Church and its activities. They are the ones who make the church 'work', and are greatly appreciated. Thank you!

David Park
Chair of Directors

## PURPOSES AND ACTIVITIES

### Charitable Objectives

The charitable company's activities are regulated by the Memorandum and Articles of Association. The objectives of the charity are

1. The furtherance of the Christian faith in the County of Derby and beyond.
2. To relieve those who are in need or hardship or who aged or sick and to relieve distress.
3. To advance education in accordance with Christian principles.
4. To promote and fulfil other charitable purposes beneficial to the community.

### Principal Activities

The charitable company's principal activities continue to be the running of the churches known as Reach Derby, Reach Leicester, Reach Belper and Reach Nottingham, as well as fledgling start-ups in Malaga and North Africa.

### Review of the Activity, Achievements and Performance during the period

When planning the activities for the period the trustees have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion.

During the period the charitable company has pursued its main objectives as outlined above. Whilst not fully concluded with Companies House and the Charities Commission regarding the name change we would be moving from the umbrella charity known as East Midlands Christian Fellowships to Reach – one church in many places.

In its main activities of running churches the charity seeks to principally benefit Derby, Belper,Leicester, and Nottingham with also a view to seeing how we are also able to impact further afield in the United Kingdom and abroad. During the year whilst we have continued our involvement in local communities with the various projects and events we run across the East Midlands, we have also started to look at intentionally building systems and processes to help bring a strategic element to how we can impact the communities and cities we are in. This is with a view to helping us grow our churches and make an even more significant and positive contribution in and around the cities we are currently placed.

**Reach Churches** – in the past months **Reach Belper** has struggled in a post pandemic world and the future of the part of Reach is under review. The likelihood is that for at least a season Reach Belper will be incorporated in Reach Derby. Planning to launch with our partners the Message Trust a Youth Mission bus in September 2022, the idea being well received and has high level of engagement across the church - 8 out of 9 bus volunteers are from Reach. Attendance on Sundays is approximately 25-40.

**Reach Leicester** is recovering well with lots of signs of life, particularly amongst asylum seekers and refugees. David & Jayne Park continue to chair a team overseeing this work and the connection into Reach is strengthening once again with quarterly visits to join Reach Derby on a Sunday morning. Sunday gatherings are multi-lingual, worship includes songs in other languages and new Reach Communities have been freshly formed.

**Reach Derby** has seen consistent growth following the success of a deliberate focus on restoring family again post pandemic un the banner "Coming Home". Aled Griffith has stepped in to lead in the continued absence of senior leader Ben Rook due to long covid and there is a sense of stability and anticipation. There are 30 people on this year's Celebrate Recovery, with people continuing to join through the year. Over 50's group, Choices have about 30 - 40 people attending bi-weekly and the Young Adults group has grown to 30 plus. The youth group recently took 70 teenagers away for a fun-filled and spiritual few days in Staffordshire. Other ministries continue to flourish notably the work with church men and women where many are gathering regularly for focussed input and activity. The Hong Kong community in the church has become embedded and the intercultural feel overall is now the norm. We also had a successful Youth Mission with our partners the Message Trust in October 2022, culminating in an event for 450 unchurched teenagers

**Reach Nottingham** has seen steady growth and the 6 communities in the church, including the new youth community, are thriving. There have been further breakthroughs helping families, people in addiction and ministry in a local estate to all ages using varying vehicles by the Oaks community e.g. Kids Matter/Genesis Course/Welcome boxes/Chaplaincy. The Waterside community has strong relationships with the local school at Chilwell. The Sunday attendance is around 90-100. The communities reach around 250 people through their work and have a regular attendance around 150 across all.

**Reach Malaga & Reach North Africa** are at early stages of development and team building, with acculturation and language learning dominating the RNA team's time. The Malaga team were strengthened by a visit of some 10 people from Reach in December 2021. New possibilities to strengthen the work together across this part of the world are being explored.

**Leadership & Staff changes.** Sadly, Senior Leader Ben Rook has been laid low by Long Covid these past months. After contracting Covid in November 2021, Ben did not immediately recover. By February Ben was given six months paid leave of absence to recover. Following this further absence was required for Ben but at the time of writing we can report that He is now back in post.. In his absence, Aled Griffith was asked to lead Reach as a whole on an interim basis initially for six months and indeed took the role for a full 12 month period in the end. We are thankful for his dedication. During the course of the year Sean Dooley felt called to pastures new and subsequently left the Senior Team. In addition, the charity is involved with mission and aid work to the developing world and the least reached countries. We continue to support workers in East and West Africa, Central Asia, the Middle East, and Eastern Europe. We also continue to support Pak-7, the Christian satellite television ministry that has been launched for and by the people of Pakistan.

**Reach Centre & Reach Events** – The redevelopment of the building has been a great success and Reach Events has now been established as an events business for the 21st century that can help Reach fund its core mission. The team is expanding and new business is coming in which is exciting. We anticipate 2022/23 to be a great year of further foundation building and 2023/24 to really see significant growth.

**Theological Education** - Starting September 2021, the charity has been delighted to launch a theological education partnership with Westminster Theological College to provide higher education qualifications. We were pleased to see eight students sign up to begin courses in 2022/23 and are hopeful of a bigger intake this coming September. We are committed to theological training for our leaders as a necessary part of their development and the senior team will look at ways to encourage such through the possibility of direct sponsorship of individuals and encouraging a bursary to be set up.

**Reach Response** - Reach Response is a Reach enterprise to partner with local Christian initiatives and looks to see how we can promote them and release volunteers from within Reach to help serve with these organisations. Whilst Covid-19 has curtailed some activity this Reach Response continues to grow as a core part of the vision of EMCF. In 2021-22 we supported 11 partner charities financially and with approximately 150 volunteers, through the ministry. We continue to actively engage in Derby City Mission's Derby City Street Pastors' project, and 'Talk it Over' (a Reach Response partner) a pregnancy options and loss support service. Also, the Derby Chaplaincy project giving support to people working in the shops in the town and for the businesses on Pride Park. We aim to re visit our philosophy of Reach Response in the coming year.

**Statement of Public Benefit**

The Directors confirm that they have complied with their duties under section 17 of the Charities Act 2011, with regard to public benefit.

## FINANCIAL REVIEW

The principal funding sources of the charity in the year are as always the voluntary donations of its people and the gift from its trading company Riverside Event Management Limited.

For the year, East Midlands Christian Fellowships ('EMCF'), including its subsidiary, had income of £909,436 and expenditure of £977,376. This resulted in a net deficit of £67,940 for the year. The expenditure included redundancy costs of £7,500 and depreciation charge of £82,681. Without the depreciation charge, the result for the year is a net surplus of £14,741.

This being the first year of 'normal' trading since the covid lockdown period, the Subsidiary, Riverside Event Management Limited's (REM) trading turnover increased by £130,762 to £189,682 (2021: £58,920). In addition to the trading income, REM received the Government KickStart Scheme grants of £19,307. The cost of delivery was £204,440 (2021: £43,312) and this enabled a Gift Aid Donation to EMCF of £13,000 (2021: £111,512).

At the end of the Financial Year the Group's net asset position decreased by £67,940 to £1,114,432 (2020: £1,182,373).

### Reserves

Trustees are required to ensure that the charity maintains sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise. The trustees have identified that it is appropriate to have a reserves policy based on the risks associated with a shortfall in donation income and/or significant unanticipated costs. The trustees consider that it is likely to take three months for the charity to change its financial model in response to a marked decrease in income or increase in expenditure and therefore the free reserves (i.e. general fund net current assets) minimum target shall be based on the net sum of the following:

- Approximately three months of charitable expenditure.
- Less, 50% of three months of actual income from unrestricted donations, including a proportion of gift aid income.

Commercial trading activity is excluded from the calculation.

Based on the 2021/22 accounts, the Reserves required to meet the above criteria would equate to £113,300. Based on our budgeted and projected figures for the following year (2022/23), the minimum target is estimated to be £149,000.

As at 31st August 2022, the actual Free Reserves available to the Charity were £295,300, which includes the proceeds from the sale of Juniper Lodge last year.

There is, therefore, an excess of £182,000 between the Reserves Policy level and the actual Free Reserves available. Based on the budgeted figures for the following year, the excess is estimated to be £146,300.

The Trustees therefore consider that the Charity has sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise.

## PLANS FOR THE FUTURE

**Conclusion** - It would be reasonable to say that the charity seems to have weathered the storm of the pandemic and major building project well despite some difficult and stretching moments. The very real challenges that came with lockdown affected all society, however, we feel the church adapted and innovated well. This next year we are expecting to see a steady development and growth of our core work, the development of healthy Christians in localities across the East Midlands and where we can, overseas in Spain & N. Africa.

## Reference and Administrative Details

| | |
|---|---|
| **Charity Name:** | East Midlands Christian Fellowships |
| **Charitable Status:** | The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638. |
| **Company Number:** | 03971567 |
| **Directors:** | D Park (Chair)<br>E L A Jones (resigned 31.12.22)<br>D Cavanagh<br>J Abraham<br>M A Frost (resigned 13.1.22)<br>L So (resigned 25.9.22)<br>J Giles (resigned 30.6.22) |
| **Secretary:** | K C Parmar |
| **Directors:** | The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities. |
| **Registered Office:** | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY |
| **Bankers:** | Barclays Bank Plc<br>Nottingham and Derby Team<br>Level 4<br>1 Chapel Quarter<br>Maid Marion Way<br>Nottingham<br>NG1 6HQ |
| **Senior Statutory Auditors:** | Haines Watts (East Midlands) Ltd<br>10 Stadium Business Court<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HP |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

East Midlands Christian Fellowships is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 1 March 2000. It is registered as a charity with the Charity Commission.

**Recruitment of Trustees**

The Trustees may appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees. (The number of Trustees shall be no less than three but shall not be subject to any maximum, unless determined by ordinary resolution). The Trustees are the members of the charity.

**Trustees' Induction and Training**

New directors receive half a day's overview of East Midlands Christian Fellowships organisational structure, decision-making processes, the recent financial performance of the charity, together with the budget and receive copies of the Memorandum and Articles of Association. Directors are referred to and encouraged to read appropriate information on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit.

**Related Parties and Cooperation with Other Organisations**

In addition to the trustees a related party of the charitable company is a trading company, Riverside Event Management Limited. The principal activity of this company is the provision of room hire and related facilities; further detail is given in note 24 to the accounts. The company is a wholly owned subsidiary of the Charity and Gift Aids all of its profits to the Charity.

Upbeat Communities, Welcome Churches and Derby City Mission are also a related party as a number of our people are on their Board of Directors or Chief Executives, and we work closely with them on a number of projects.

**Pay Policy for Senior Staff**

The Trustees and the key management personnel of the charity are in charge of operating the charity on a day to day basis. Details of Trustee payments and related party transactions are disclosed in note 20 to the accounts.

The pay of senior staff is reviewed annually by the payroll subcommittee who present their report / recommendations to the board of trustees for approval.

**Risk Management**

The Operations and Policy sub-committee has oversight of Risk Management and other policies within EMCF. The sub-committee is made up of two Trustees (one of whom is the Chair), Head of Finance and Operations and the Operations Manager. Risk awareness and implementation of any required policies and practices is part of the terms of reference for this committee and as such actively looks to maintain a low-risk profile for the organisation as a whole.

The following areas are categories that are monitored and under which risks may fall:

A. Strategic & Legal

B. Operational

C. Property

D. Employment

E. Financial

The following were areas where major risks have been identified:

A. Strategic & Legal

a. Employment Legal Expertise Mitigation:

As per previous years we maintain our counsel of a HR Solicitor whom we have on a monthly retainer. This has once again proven to be invaluable as we have navigated some significant staffing changes in the year. In addition, we are also utilising legal expertise as we approach amending our Articles of Association.

B. Operational

a. Safeguarding Children and Adults Mitigation:

ThirtyOneEight (an external organisation specialising in Safeguarding) are EMCF's preferred supplier for DBS checks and expert advice and training. The organisation is used to carry out DBS checks and is used as a point of expertise for any questions arising within the organisation regarding safeguarding and legal obligations (or best practice). Creation and updating of policies and a database of all volunteers working with children, youth and vulnerable adults remains a priority with additional section to include training. A current focus which has gained more traction is to include more robust policies on vulnerable adults and safeguards against spiritual abuse.

b. IT Mitigation:

IT infrastructure continues to be a focus for EMCF. It already has in place secure database storage and processes (such as 2FA and virus scanning software) and encourages staff to be aware of fraudulent activities especially when it comes to spam emails. EMCF also continues to use 3rd Party IT contractors to assist in more complex problem solving and safety issues.

C. Property

a. Reach Centre and Bridge House

EMCF utilises our preferred insurance brokers and have completed an exercise to ensure that building, fabric and item values are up to date and records accurately reflect current assets.

D. Employment

a. Staffing and HR

As has been mentioned already EMCF utilise a legal expert in employment law to ensure that any risks are mitigated. This has been the case with the changes required within REM.

b. Systems

EMCF have also invested in an online HR system to (electronically) handle leave, sickness, objectives and meetings. Whilst the system has not been launched (yet) this remains a priority to implement in the new financial year.

E. Financial

a. Income

Regular cashflow analysis remains in place to track the overall financial picture and tke action as and where required.

b. Fraud

EMCF continues to reference Charities Commissions Guidance in handling fraud and cyber crime (https://www.gov.uk/guidance/protect-your-charity-from-fraud#tackling-charity-fraud-8-guiding-principles)

## Group Trustees' Report for the Year Ended 31 August 2022 - continued

### Statement of Directors' Responsibilities

The Directors (who are also trustees of the charitable activities for the purposes of charity law) are responsible for preparing the directors report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 business.

The directors are responsible for keeping adequate 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 safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2022 was 5. (2021: 5).

Haines Watts were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint Haines Watts as auditors of the Company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 24th May 2023 and signed on its behalf by:

..... D Park (Director)

**Report of Independent Auditors to the Members of**
**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Opinion**
We have audited the financial statements of East Midlands Christian Fellowships (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2022 on pages twelve to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 August 2022 and of the groups incoming resources and application of resources 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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**
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**
The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

**Report of Independent Auditors to the Members of**
**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**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 which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report included within 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 and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 from the requirement to prepare a Strategic Report or in preparing the Trustees report.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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 group's and parent 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 group or parent charitable company or to cease operations, or has no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.

- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls. With a focus on entries made by unusual team members or entries made at unusual times or on unusual dates.

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

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with Charity Commission as well as employment and taxation laws and regulations.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud, or management override.

- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

A Butterfield

Alexander Butterfield – Senior Statutory Auditor
For and on behalf of Haines Watts (East Midlands) Ltd
Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date 31/05/23.

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Statement of Financial Activities**
**(Incorporating an Income and Expenditure Account)**
**for the Year Ended 31 August 2022**

| | Notes | 2022 Unrestricted Funds £ | 2022 Restricted Funds £ | 2022 Total £ | 2021 Unrestricted Funds £ | 2021 Restricted Funds £ | 2021 Total £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Donations and Legacies | | 607,856 | 34,624 | 642,480 | 566,683 | 37,758 | 604,441 |
| ***Income from Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | | - | 11,957 | 11,957 | - | 16,050 | 16,050 |
| Other Incoming Resources | 4 | 45,891 | - | 45,891 | 91,112 | - | 91,112 |
| ***Income from Other Trading Activities*** | | | | | | | |
| Commercial Trading Activities | | 208,989 | - | 208,989 | 145,431 | - | 145,431 |
| Income from Other Activities | | - | - | - | - | - | - |
| Investment Income | 3 | 119 | - | 119 | 31 | - | 31 |
| | | 862,855 | 46,581 | 909,436 | 803,257 | 53,808 | 857,065 |
| **EXPENDITURE** | | | | | | | |
| ***Cost of Raising Funds*** | | | | | | | |
| Commercial Trading Costs | | 169,957 | - | 169,957 | 42,562 | - | 42,562 |
| Fundraising Costs | 5 | - | - | - | - | - | - |
| ***Expenditure on Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | 6 | 747,847 | 53,992 | 801,839 | 715,126 | 106,216 | 821,342 |
| Support Costs | 7 | 5,580 | - | 5,580 | 4,764 | - | 4,764 |
| | | 923,384 | 53,992 | 977,376 | 762,452 | 106,216 | 868,668 |
| **Net Income/(Expenditure) Before Transfers** | | (60,529) | (7,411) | (67,940) | 40,805 | (52,408) | (11,603) |
| Transfers | | (4,129) | 4,129 | - | (10,000) | 10,000 | - |
| **Net Income/(Expenditure)** | | (64,658) | (3,282) | (67,940) | 30,805 | (42,408) | (11,603) |
| Taxation Charge | | - | - | - | - | - | - |
| **Net Movement in Funds** | | (64,658) | (3,282) | (67,940) | 30,805 | (42,408) | (11,603) |
| **Reconciliation of Funds** | | | | | | | |
| Total Funds Brought Forward | 15 | 1,122,155 | 60,218 | 1,182,373 | 1,091,350 | 102,626 | 1,193,976 |
| Total Funds Carried Forward | 15 | 1,057,497 | 56,936 | 1,114,433 | 1,122,155 | 60,218 | 1,182,373 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

## Consolidated and Charity Balance Sheet for the Year Ended 31 August 2022

| | Notes | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Fixed Assets | 11 | 1,793,058 | 1,553,149 | 1,793,058 | 1,553,149 |
| Investments | 12 | - | - | 1 | 1 |
| **Total Fixed Assets** | | 1,793,058 | 1,553,149 | 1,793,059 | 1,553,150 |
| **CURRENT ASSETS** | | | | | |
| Debtors – Income Tax Refund | | 12,741 | 25,654 | 12,741 | 25,654 |
| Debtors | | 31,384 | 84,783 | 843 | 84,103 |
| Bank Accounts | | 71,333 | 44,046 | 67,587 | 36,114 |
| Deposit Accounts | | 347,034 | 423,982 | 347,034 | 423,982 |
| Restricted Fund Bank Accounts | | 56,935 | 60,218 | 56,935 | 60,218 |
| Petty Cash | | 632 | 708 | 579 | 654 |
| **TOTAL CURRENT ASSETS** | | 520,059 | 639,391 | 485,719 | 630,725 |
| **CREDITORS**: | | | | | |
| Amounts falling due within one year | 13 | (107,844) | (60,917) | (106,274) | (99,320) |
| **NET CURRENT ASSETS** | | 412,215 | 578,474 | 379,445 | 531,405 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,205,273 | 2,131,623 | 2,172,504 | 2,084,555 |
| **CREDITORS**: | | | | | |
| Amounts falling due after more than one year | 14 | (1,090,840) | (949,250) | (1,052,994) | (905,556) |
| **NET ASSETS** | | 1,114,433 | 1,182,373 | 1,119,510 | 1,178,999 |
| **THE FUNDS OF THE GROUP**: | | | | | |
| Restricted Funds | 17 | 56,936 | 60,218 | 56,935 | 60,218 |
| Unrestricted Funds: | | | | | |
| Subsidiary | | (5,077) | 3,374 | - | - |
| Designated | 18 | 57,177 | 151,064 | 57,177 | 151,064 |
| Balance of Unrestricted Funds | | 1,005,397 | 967,717 | 1,005,397 | 967,717 |
| | | 1,057,497 | 1,122,155 | 1,062,575 | 1,118,781 |
| **TOTAL CHARITY FUNDS** | 18 | 1,114,433 | 1,182,373 | 1,119,510 | 1,178,999 |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

D Park - Director

Approved by the Board: 24th May 2023 (Date)

The notes on pages 14 to 25 form part of these financial statements.

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Cash Flow Statement as at 31 August 2022**

| | | 2022 £ | 2021 £ |
|---|---|---|---|
| **Net Cash Flow from Operating Activities** | 25 | 153,377 | 27,347 |
| **Returns on Investments:** | | | |
| Interest Received | | 119 | 31 |
| Interest Paid | | (47,838) | (16,010) |
| | | 105,658 | 11,368 |
| Taxation | | - | - |
| Disposal of Fixed Assets | | - | 257,787 |
| **Capital Expenditure and Financial Investments:** | | | |
| Purchase of Tangible Fixed Assets | | (322,590) | (433,210) |
| | | (216,932) | (164,055) |
| **Financing:** | | | |
| Capital Element of Loan Repayments Made | | 163,912 | 285,346 |
| Capital Element of Loan Repayments Received | | - | - |
| **Net Cash Inflow/(Outflow)** | | (53,020) | 121,291 |
| Increase/(Decrease) in Cash in the Year | | (53,020) | 121,291 |
| Net Cash Resources at 1 September 2021 | | 528,954 | 407,663 |
| **Net Cash Resources at 31 August 2022** | | 475,934 | 528,954 |

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2022

**Statutory Information**
East Midlands Christian Fellowship is a private Charitable Company, Limited by Guarantee, registered in England and Wales. The Charitable Company's registered number and registered office can be found on page five.

1. **Accounting Policies**

i) **Basis of Preparation**
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 (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Group Financial Statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Riverside Event Management Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

East Midlands Christian Fellowships meets the definition of a public benefit entity under FRS102.

**Going Concern**
The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling £1.

ii) **Depreciation and Fixed Assets**
Fixed assets costing less than £1,000 are not capitalised. Depreciation is provided on a straight line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

| | | |
|---|---|---|
| Freehold Property | - | 2% and 10% per annum |
| Office Equipment | - | 10/33% per annum |
| Fixtures and Fittings | - | 10% per annum |

iii) **Donations and Offerings Received**
Voluntary income received by way of donations and gifts is accounted for when receivable. Any resultant gift aid tax claim is included as part of the income for the year.

iv) **Other Income**
Other income is accounted for on the accruals basis so far as is prudent to do so.

Investment income is included when receivable.

v) **Donated Services and Facilities**
Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

vi) **Expenditure and Irrecoverable VAT**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure is recognised on an accrual basis as the liability is incurred and includes VAT which cannot be recovered.

vii) **Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

viii) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the Statement of Financial Activities.

ix) **Limited by Guarantee**

The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £10. There are no shares of any class either authorised or allocated.

x) **Leases**

Rentals payable under operating leases are charged to resources expended on a straight line basis over the period of the lease.

xi) **Investment in Subsidiary**

The investment in the subsidiary is included at cost.

xii) **Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

This accounting policy is relevant for the subsidiary only. As stated in note 10, East Midlands Christian Fellowships is a registered Charity and is thus exempt from tax on income and gains.

xiii) **Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

xiii) **Creditors**

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

xv) **Financial Instruments**

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

xvi) **Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

2. **Income from Trading Subsidiary**

During the year the subsidiary company donated the majority of its profits to the charitable company as Gift Aid donations.

The income received from Riverside Event Management Limited during the year was as follows:-

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Rent | 13,000 | - |
| Gift Aid Donation | 33,333 | 111,512 |
| | 46,333 | 111,512 |

3. **Investment Income**

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Interest received | 119 | - | 119 | 31 |

4. **Other Incoming Resources**

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| CJRS – Government Support | - | - | - | 9,164 |
| Other | 45,891 | - | 45,891 | 66,217 |
| COVID19 – Local Government Grants | - | - | - | 15,000 |
| Net Gain on Sale of Juniper Lodge | - | - | - | 29,072 |
| Net Loss on Sale of Assets during Refurbishment | - | - | - | (28,341) |
| | 45,891 | - | 45,891 | 91,112 |

5. **Fund raising trading: cost of goods and other costs**

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fund raising costs | - | - | - | - |

## 6. Expenditure on Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|
| Redundancy Costs | 7,500 | - | 7,500 | 8,732 |
| Staff Costs, | | | | |
| Pastoral Fees & Expenses | 396,937 | - | 396,937 | 391,833 |
| Ministry Costs | 108,201 | 30,879 | 139,080 | 165,245 |
| Property Costs | 152,308 | - | 152,308 | 109,772 |
| Office Costs * | 35,063 | - | 35,063 | 88,399 |
| Mortgage and Finance Costs | 47,838 | - | 47,838 | 16,010 |
| Other Expenses | - | 23,113 | 23,113 | - |
| Transfer to Emmanuel School Derby Ltd (See note 15) | - | - | - | 41,351 |
| | 747,847 | 53,992 | 801,839 | 821,342 |

*The charge for office costs contains the loss incurred by fraudulent activity of £27,850 in 2021.

## 7. Support Costs

| | Unrestricted Funds £ | Restricted Funds £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|
| Auditors Remuneration | 4,430 | - | 4,430 | 4,014 |
| Auditors Remuneration: non-audit | 1,150 | - | 1,150 | 750 |
| | 5,580 | - | 5,580 | 4,764 |

## 8. Net Incoming Resources for the Period

| The net incoming resources are after charging:- | 2022 £ | 2021 £ |
|---|---|---|
| Depreciation of tangible fixed assets | 82,681 | 68,400 |
| Auditors remuneration: | | |
| Charitable Company | 4,430 | 4,014 |
| Other (accounts assistance) | 1,150 | 750 |
| Operating lease rentals | 2,276 | 4,784 |

East Midlands Christian Fellowships and Riverside Events Management Limited Directors giving in the financial year totalled £7,825 (2021: £15,648).

During the year the average number of staff employed by the group was 42 (2021: 42), the majority of staff are employed on a part time basis. No member of staff was paid in excess of £60,000.

| | 2022 £ | 2021 £ |
|---|---|---|
| Staff costs note: | | |
| Salaries | 423,808 | 361,641 |
| Pension costs | 19,646 | 17,072 |
| Social Security costs | 35,126 | 26,724 |
| | 478,580 | 405,437 |

## 9. Trustee Remuneration and Related Party Transactions

Other than in note 20, no emoluments were received by the board of trustees in their capacity as trustees.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee, directly or indirectly from the funds of the company or from the property of any situation or body corporate connected with the Charity.

10. **Taxation**

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Corporation Tax | - | - |

East Midlands Christian Fellowships is exempt on tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that they are applied to its charitable activities. No tax charges have arisen in the Charity.

11. **Analysis of Movement in Fixed Assets**

| GROUP | Freehold Property | Equipment and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 September 2021 | 2,025,797 | 343,107 | 2,368,904 |
| Additions | 217,444 | 105,146 | 322,590 |
| Disposals | - | (3,145) | (3,145) |
| At 31 August 2022 | 2,243,241 | 445,108 | 2,688,349 |
| **Accumulated Depreciation** | | | |
| At 1 September 2021 | 647,438 | 168,317 | 815,755 |
| Charge for the year | 47,225 | 35,456 | 82,681 |
| On disposal | - | (3,145) | (3,145) |
| At 31 August 2022 | 694,663 | 200,628 | 895,291 |
| **Net Book Value** | | | |
| At 31 August 2021 | 1,378,359 | 174,790 | 1,553,149 |
| At 31 August 2022 | 1,548,578 | 244,480 | 1,793,058 |

| CHARITY | Freehold Property | Equipment and fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 September 2021 | 2,025,776 | 334,441 | 2,360,217 |
| Additions | 217,444 | 105,146 | 322,590 |
| Disposals | - | (3,145) | (3,145) |
| At 31 August 2022 | 2,243,220 | 436,442 | 2,679,662 |
| **Accumulated Depreciation** | | | |
| At 1 September 2021 | 647,438 | 159,630 | 807,068 |
| Charge for the year | 47,225 | 35,456 | 82,681 |
| On disposal | - | (3,145) | (3,145) |
| At 31 August 2022 | 694,663 | 191,941 | 886,604 |
| **Net Book Value** | | | |
| At 31 August 2021 | 1,378,338 | 174,811 | 1,553,149 |
| At 31 August 2022 | 1,548,557 | 244,501 | 1,793,058 |

## 12. Investments

| CHARITY | 2022 £ | 2021 £ |
|---|---|---|
| Investment in Riverside Event Management Limited | 1 | 1 |
| | 1 | 1 |

The company owns 100% of the issued share capital of a trading company, Riverside Event Management Limited, whose principle activity is that of the provision of room hire and related facilities.

## 13. Creditors: Amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Lease Fixed Assets | 5,450 | 5,176 | 5,450 | 5,176 |
| Amount due to Subsidiary | - | - | 30,000 | 50,000 |
| Taxation and Social Security | 22,796 | 7,741 | 18,519 | 7,741 |
| Accruals | 40,719 | 31,169 | 18,897 | 25,044 |
| Bank Loans (Secured) | 27,936 | 5,886 | 27,936 | 5,886 |
| Bounce Back Loan | 10,943 | 10,945 | 5,472 | 5,473 |
| | 107,844 | 60,917 | 106,274 | 99,320 |

## 14. Creditors: Amounts falling due after one year (Group and Charity)

| | | Group 2022 £ | Charity 2022 £ | Group 2021 £ | Charity 2021 £ |
|---|---|---|---|---|---|
| Bank Loans (Secured): | 2 to 5 years | 117,529 | 117,529 | 141,264 | 141,264 |
| | More than 5 years | 891,535 | 891,535 | 709,244 | 709,244 |
| Lease Fixed Assets: | 2 to 5 years | 6,084 | 6,084 | 11,354 | 11,354 |
| Bounce Back Loans: | 2 to 5 years | 43,773 | 21,887 | 43,776 | 21,888 |
| | More than 5 years | 31,919 | 15,909 | 43,612 | 21,806 |
| | | 1,090,840 | 1,052,994 | 949,250 | 905,556 |

The Bank Loans are secured by way of a fixed and floating charge over the property of the Charity. Interest is charged at 3.5% per annum over the Bank of England base rate prevailing.

The Bounce Back Loans are not secured and are repayable over 10 years at an interest rate of 2.5% per annum.

The leased asset is a hire purchase agreement (capital lease agreement), for the purchase of coffee machines. EMCF have exercised the option to purchase the asset and it has therefore been capitalised as an asset.

Notes to the Consolidated Financial Statements for the Year Ended 31 August 2022 - continued

15. **Summary of Funds – Group**

| | As at 31.8.21 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.22 £ | 2021 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 60,218 | 46,581 | 53,992 | 4,129 | 56,936 | 60,218 |
| Unrestricted Funds | 1,118,781 | 653,866 | 705,944 | (4,129) | 1,062,574 | 1,118,781 |
| Trading Subsidiary | 3,374 | 208,989 | 217,440 | - | (5,077) | 3,374 |
| | 1,182,373 | 909,436 | 977,376 | - | 1,114,433 | 1,182,373 |

16. **Summary of Funds – Group**

| | As at 31.8.20 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.21 £ | 2020 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 102,626 | 53,808 | 106,216 | 10,000 | 60,218 | 102,626 |
| Unrestricted Funds | 1,078,583 | 657,827 | 607,629 | (10,000) | 1,118,781 | 1,078,583 |
| Trading Subsidiary | 12,767 | 145,430 | 154,823 | - | 3,374 | 12,767 |
| | 1,193,976 | 857,065 | 868,668 | - | 1,182,373 | 1,193,976 |

17. **Analysis of Net Assets Between Funds**

| | General Fund £ | Restricted Funds £ | 2022 Total £ | General Fund £ | Restricted Funds £ | 2021 Total £ |
|---|---|---|---|---|---|---|
| Tangible fixed assets | 1,793,058 | - | 1,793,058 | 1,553,149 | - | 1,553,149 |
| Investments | - | - | - | - | - | - |
| Current assets | 463,124 | 59,936 | 520,059 | 579,173 | 60,218 | 639,391 |
| Current liabilities | (107,844) | - | (107,844) | (60,917) | - | (60,917) |
| Long term liabilities | (1,090,840) | - | (1,090,840) | (949,250) | - | (949,250) |
| | 1,057,497 | 56,936 | 1,114,433 | 1,122,155 | 60,218 | 1,182,373 |

## 18. Restricted Funds

The following are details of the charity's restricted funds:-

| | At 1.9.21 | Income | Expenditure | Transfers | At 31.8.22 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Belper Youth | - | 12,500 | - | - | 12,500 |
| Ukraine | - | 11,436 | 11,601 | 165 | - |
| Harper | 155 | - | - | - | 155 |
| Missions Development | 1,642 | 2,145 | 3,000 | 3,964 | 4,751 |
| Alpha | 1,606 | 600 | - | - | 2,206 |
| Sphere Money (Synergy) | 960 | 1,890 | - | - | 2,850 |
| BCC Hardship Fund | 1,974 | - | 140 | - | 1,834 |
| Reach Response | 14,033 | 63 | 3,408 | - | 10,688 |
| Benevolent Fund | 9,736 | 275 | 1,394 | - | 8,617 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | 10,527 | 100 | 8,544 | - | 2,083 |
| Reach Inspiration Fund | 225 | 8,192 | 1,336 | - | 7,081 |
| ICUK | 15,677 | 7,436 | 23,113 | - | - |
| WTC | 3,000 | 1,944 | 1,456 | - | 3,488 |
| | 60,218 | 46,581 | 53,992 | 4,129 | 56,936 |

| | At 1.9.20 | Income | Expenditure | Transfers | At 31.8.21 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Emmanuel School | 41,351 | - | 41,351 | - | - |
| Harper | 155 | - | - | - | 155 |
| Missions Development | 2,914 | - | 1,272 | - | 1,642 |
| Alpha | 1,072 | 534 | - | - | 1,606 |
| Sphere Money (Synergy) | 6,534 | 16,050 | 21,624 | - | 960 |
| BCC Hardship Fund | 2,114 | - | 140 | - | 1,974 |
| Reach Response | 13,536 | 1,875 | 6,378 | 5,000 | 14,033 |
| Covid Crisis/ Benevolent Fund | 9,999 | 602 | 865 | - | 9,736 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | 21,568 | 2,557 | 18,598 | 5,000 | 10,527 |
| Reach Inspiration Fund | - | 525 | 300 | - | 225 |
| ICP Anchor Trust | 2,700 | 28,665 | 15,688 | - | 15,677 |
| WTC | - | 3,000 | - | - | 3,000 |
| | 102,626 | 53,808 | 106,216 | 10,000 | 60,218 |

Purposes of restricted funds:-

| | |
|---|---|
| Belper Youth | A legacy was received during the year for the work amongst the youth specifically in Belper, and wider within the Reach (EMCF) sphere of youth work. |
| Ukraine | During the year, a special collection was taken to support partners who are working in Ukraine to alleviate hardship faced by families during the current crisis in Ukraine. |
| Harper | EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| Missions Development | Development to support overseas trips, people serving overseas and in the UK, providing support to refugees. |
| Alpha | The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions. |
| Sphere Money (Synergy) | This money is to support the administration of an initiative of a network of churches working together in the UK, named as 'Synergy', which will be registered as a charity in its own right in the near future. |
| BCC Hardship Fund | A special collection taken up by Belper to support individuals and families at a time when they are unable to support themselves, and to help through the difficult period. |
| Reach Response | A special collection was taken during the year to support the work of partners that EMCF has worked with over the years and whose aims and purposes align with EMCF's. During the year the money was disbursed to various partners, principally DCM, Storehouse, Upbeat Communities, Welcome Churches, Restore, Safe Families for Children, Saffires, Hope City Furniture, Shoulder to Shoulder and Talk It Over, which EMCF have supported over the years. |
| Benevolent Hardship-CCD | A special collection was taken during the Covid Pandemic to support the disadvantaged. The money was disbursed to various individuals facing financial difficulties during the crisis, identified by the Senior Leaders Team and Community Groups throughout Reach. The Benevolent Fund was amalgamated with the Covid Crisis Fund during the year. A fund set up to provide support to those in time of financial need at the discretion of the EMCF leadership. |
| Open Doors | A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country |
| Reach Planting | A special collection was taken during the year to support the EMCF members and partners to plant churches in East Midlands, the rest of UK and overseas. |
| Reach Inspiration | The Fund was set up during the year to support the development of a ministry for the women within the members of the Church and the community |
| ICUK | This money is held on behalf of ICUK (Inter Cultural UK), to support the administration of an initiative which will promote the vision and values of intercultural church to Christian groups in the UK. ICUK was registered as a charity in its own right in the year. |
| WTC | During the Year EMCF commenced work in partnership with the Westminster Theological College as a 'Hub Centre' in the Midlands to offer accredited courses in theology. A one off specific donation was received to support the provision of a digital library for the students enrolled on the WTC courses. |

| | |
|---|---|
| Support for overseas and homebased workers | EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| **Designated Funds** | The designated funds are allocated for capital projects and spiritual consultancy, the balance left aside being £57,177. |

19. **Financial Commitments**

A photocopier lease commenced in January 2022 for a period of 5 years, quarterly payments of £545 are made against this liability.

20. **Related Party Transactions**

No directors of the Charity had received remuneration during the period in their capacity as pastor or teacher.

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| M N Mumford (resigned as a Trustee on 8.7.21) | - | 5,500 |

D Cavanagh - a trustee on the board of East Midlands Christian Fellowships is also on the board of Synergy Sphere (Registered Charity – 1191114). During the year EMCF received £1,890 on behalf of Synergy Sphere which has been treated as Restricted income and has been reimbursed to Synergy Sphere post year end.

There are no other related party transactions.

21. **Pension Commitment**

The Charity contributes to defined contribution pension schemes. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the Charity to the pension schemes and amounts to £19,646 (2021: £17,072).

22. **FRC Ethical Standard – Provisions Available for Small Entities**

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

23. **Capital Commitment**

At 31 August 2022 the Charity had no capital commitments (2021: NIL).

24. **Subsidiary Company**

**Riverside Event Management Limited** - The Charity owns 100% of the issued share capital of Riverside Event Management Limited ("REM"), a company registered in England and Wales (company number 04473452) the registered office is The Riverside Centre, Riverside Court, Pride Park, Derby, DE24 8HY. The subsidiary is used to further the overall objectives of the Charity by the provision of room hire and related facilities.

A proportion of their taxable profits is given as a charitable donation to the Charity by Gift Aid; the amount for 2022 was £13,000 (2021: £111,512). A summary of the results of the subsidiary is shown below:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Turnover | 189,682 | 58,920 |
| Cost of Sales | (49,170) | (8,787) |
| Other Income | 19,307 | 86,512 |
| Gross Profit | 159,819 | 136,645 |
| Administrative Expenses | 168,269 | 146,038 |
| Net (Loss)/Profit Before Tax | (8,450) | (9,393) |
| Taxation | - | - |
| Net (Loss)/Profit After Tax | (8,450) | (9,393) |
| Net Assets | (8,450) | (9,393) |

25. **Cash Flow Statement**

Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Net incoming resources before taxation | (67,940) | (11,603) |
| Adjustments: | | |
| Interest paid | 47,838 | 16,010 |
| Investment income | (119) | (31) |
| Depreciation charges | 82,681 | 68,400 |
| (Increase)/decrease in debtors | 66,312 | (42,609) |
| Increase/(decrease) in creditors | 24,605 | (2,820) |
| | 153,377 | 27,347 |

**REACH TRUST**

England & Wales - Charity number 1080638

# Accounts

HW
Chartered Accountants
*Local Matters, National Strength.*

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

Consolidated Financial Statements
For the Year Ended
31 August 2021

## Group Trustees' Report for the Year Ended 31 August 2021 - continued

### PURPOSES AND ACTIVITIES

#### Charitable Objectives

The charitable company's activities are regulated by the Memorandum and Articles of Association. The objectives of the charity are:-

1. The furtherance of the Christian faith in the County of Derby and beyond.
2. To relieve those who are in need or hardship or who are aged or sick and to relieve distress.
3. To advance education in accordance with Christian principles.
4. To promote and fulfil other charitable purposes beneficial to the community.

#### Principal Activities

The charitable company's principal activities continue to be the running of the churches known as Reach Derby, Reach Leicester, Reach Belper and Reach Nottingham, as well as fledgling start-ups in Malaga and North Africa.

#### Review of the Activity, Achievements and Performance during the period

When planning the activities for the period the trustees have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion.

During the period the charitable company has pursued its main objectives as outlined above. Whilst not fully concluded with Companies House and the Charities Commission regarding the name change we would be moving from the umbrella charity known as East Midlands Christian Fellowships to Reach – one church in many places.

In its main activities of running churches the charity seeks to principally benefit Derby, Belper, Leicester, and Nottingham with also a view to seeing how we are also able to impact further afield in the United Kingdom and abroad. During the year whilst we have continued our involvement in local communities with the various projects and events we run across the East Midlands, we have also started to look at intentionally building systems and processes to help bring a strategic element to how we can impact the communities and cities we are in. This is with a view to helping us grow our churches and make an even more significant and positive contribution in and around the cities we are currently placed.

**Reach Churches** – in the past months **Reach Belper** has developed a strong youth community. This has resulted in 3 youth baptisms, while 18 young people completed the Introduction to Christianity course, Alpha. 13 went on a Christian Youth for Christ holiday camp last August and similar number plan to go again this year. Planning to launch with our partners the Message Trust a Youth Mission bus in September 2022, the idea being well received and has high level of engagement across the church - 8 out of 9 bus volunteers are from Reach. Attendance on Sundays is approximately 25-40.

**Reach Leicester** has struggled through the pandemic but is back on its feet reaching out and befriending asylum seekers and refugees. David & Jayne Park are stewarding the church into the next phase of its development following the resignation of previous leader George Buschbeck. During the year, there have been four baptisms and almost all of the Sunday gatherings are multi-lingual, worship includes songs in other languages and until recently, blended gatherings included a presence both online and face-to-face.

**Reach Derby** returned to consistent face to face meetings in September 21 and has seen consistent growth since then with 300+ in attendance. There are 30 people on this year's Celebrate Recovery, with people continuing to join through the year. Over 50's group, Choices have about 30 - 40 people attending bi-weekly and the launch of a Young Adults group has been successful as has our burgeoning youth group who recently took 55 teenagers away for a fun-filled and spiritual few days in Staffordshire. Other ministries continue to flourish notably the work with church men where 50 have gathered twice for breakfast and input. Also work among economic migrants from Hong Kong attracts approximately 45-55 Hong Kongers most Sundays.

**Reach Nottingham** has had 11 baptisms this year. The biggest event they were involved with was with 250 Hong Kongers at Chinese New Year. There are 6 communities in the church including the new youth community. There have been breakthroughs helping families, people in addiction and ministry in a local estate to all ages using varying vehicles by the Oaks community e.g. Kids Matter/Genesis Course/Welcome boxes/Chaplaincy. The Waterside community has strong relationships with the local school at Chilwell and have students and 12 Hong Kong families joining them. Another community called Crux is reaching into the theatre community. There has been an influx of young adults who experiencing spiritual growth. The whole church recently participated in a 40-day period of prayer and fasting, which resulted in an enormous presence of God and many supernatural healings. The Sunday attendance is around 90-100. The communities reach around 250 people through their work and have a regular attendance around 150 across all.

**Reach Malaga & Reach North Africa** are at early stages of development and team building, with acculturation and language learning dominating the RNA team's time. The Malaga team were strengthened by a visit of some 10 people from Reach in December 2021.

**Leadership & Staff changes.** Sadly, Senior Leader Ben Rook has been laid low by Long Covid these past months. After contracting Covid in November 2021, Ben did not immediately recover. By February Ben was given six months paid leave of absence to recover. We continue to pray for his recovery. In his absence, Aled Griffith (author of this report), was asked to led Reach as a whole on an interim basis initially for six months. The SLT has also been diminished by the absence and subsequent resignation of the Reach Leicester leader George Buschbeck as mentioned above. We will however, add to the Senior Team Mark (Chipper) Betts from May 2022 who has been working excellently as a staff member in Reach Derby. In addition, the charity is involved with mission and aid work to the developing world and the least reached countries. We continue to support workers in East and West Africa, Central Asia, the Middle East, and Eastern Europe. We also continue to support Pak-7, the Christian satellite television ministry that has been launched for and by the people of Pakistan.

**Reach Centre & Reach Events** – The completion of the building's renovation by Sept 2021 has been a great triumph of determination and endeavour. The new mezzanine floor adding three new conference rooms plus a green media room has added greater capacity and up to date technology. The auditorium is well designed with new chairs, screens and flooring. The construction of a café on entry to the Reach Centre, gives ample room for conversation, events, socialising, for both church and business events. Reach Events has begun to bounce back following the trials of the pandemic and bookings are up. We do believe that we have a building that belongs in the 21st century and anticipate Reach Events going from strength to strength

**Theological Education** - Starting September 2021, the charity has been delighted to launch a theological education partnership with Westminster Theological College to provide higher education qualifications. We were pleased to see five students begin courses in 2021/22 and are hopeful of a bigger intake this coming September. We are committed to theological training for our leaders as a necessary part of their development and the senior team will look at ways to encourage such through the possibility of direct sponsorship of individuals and encouraging a bursary to be set up.

**Reach Response** - Reach Response is a Reach enterprise to partner with local Christian initiatives and looks to see how we can promote them and release volunteers from within Reach to help serve with these organisations. Whilst Covid-19 has curtailed some activity this Reach Response continues to grow as a core part of the vision of EMCF. In 2020-21 we supported 11 partner charities financially and with approximately 150 volunteers, through the ministry. We continue to actively engage in Derby City Mission's Derby City Street Pastors' project, and 'Talk it Over' (a Reach Response partner) a pregnancy options and loss support service. Also, the Derby Chaplaincy project giving support to people working in the shops in the town and for the businesses on Pride Park.

**Statement of Public Benefit**

The Directors confirm that they have complied with their duties under section 17 of the Charities Act 2011, with regard to public benefit.

## FINANCIAL REVIEW

The principal funding sources of the charity in the year are as always the voluntary donations of its people and the gift from its trading company Riverside Event Management Limited.

For the year East Midlands Christian Fellowships ('EMCF'), including its subsidiary, had income of £857,065 and expenditure of £868,668. The income included Covid related grants of £24,164. The expenditure included redundancy costs of £8,732.

Riverside Event Management Limited ('REM') turnover decreased to £58,920 (2020: £220,093). REM also received Covid related grants and business interruption insurance receipts of £86,512. The cost of delivery was £43,312 (2020: £166,878) and this resulted in a Gift Aid Donation to EMCF of £111,512 (2020: £44,670).

The Charity sold the Juniper Lodge building to Emmanuel School Derby Ltd (formerly Emmanuel School and part of the Charity). The net proceeds (net of selling costs) were £243,790.

At the end of the Financial Year the Group's net asset position decreased by £11,603 to £1,182,373 (2020: £1,193,976).

### Reserves

Trustees are required to ensure that the charity maintains sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise. The trustees have identified that it is appropriate to have a reserves policy based on the risks associated with a shortfall in donation income and/or significant unanticipated costs. The trustees consider that it is likely to take three months for the charity to change its financial model in response to a marked decrease in income or increase in expenditure and therefore the free reserves (i.e. general fund net current assets) minimum target shall be based on the net sum of the following:

- approximately three months of charitable expenditure.
- less, 50% of three months of actual income from unrestricted donations, including a proportion of gift aid income.

Commercial trading activity is excluded from the calculation.

Based on the 2020/21 accounts, the Reserves required to meet the above criteria would equate to £131,900. Based on our budgeted and projected figures for the following year (2021/22), the minimum target is estimated to be £103,600

As at 31st August 2021, the actual Free Reserves available to the Charity were £369,900, which includes the proceeds from the sale of Juniper Lodge.

There is, therefore, an excess of £238,000 between the Reserves Policy level and the actual Free Reserves available. Based on the budgeted figures for the following year, the excess is estimated to be £266,000.

The Trustees therefore consider that the Charity has sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise.

## PLANS FOR THE FUTURE

**Conclusion** - It would be reasonable to say that the charity seems to have weathered the storm of the pandemic and major building project well despite some difficult and stretching moments. The very real challenges that came with lockdown affected all society, however, we feel the church adapted and innovated well. This next year we are expecting to see a steady development and growth of our core work, the development of healthy Christians in localities across the East Midlands and where we can, overseas in Spain & N. Africa.

**Reference and Administrative Details**

| | | |
|---|---|---|
| **Charity Name:** | East Midlands Christian Fellowships | |
| **Charitable Status:** | The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638. | |
| **Company Number:** | 03971567 | |
| **Directors:** | D Park (Chair)<br>E L A Jones<br>D Cavanagh<br>J Abraham | M N Mumford (resigned 8.7.21)<br>M A Frost (resigned 13.1.22)<br>L So (appointed 8.7.21)<br>J Giles |
| **Secretary:** | K C Parmar | |
| **Directors:** | The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities. | |
| **Registered Office:** | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY | |
| **Bankers:** | Barclays Bank Plc<br>Nottingham and Derby Team<br>Level 4<br>1 Chapel Quarter<br>Maid Marion Way<br>Nottingham<br>NG1 6HQ | |
| **Senior Statutory Auditors:** | Haines Watts (East Midlands) Ltd<br>10 Stadium Business Court<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HP | |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

East Midlands Christian Fellowships is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 1 March 2000. It is registered as a charity with the Charity Commission.

**Recruitment of Trustees**

The Trustees may appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees. (The number of Trustees shall be no less than three but shall not be subject to any maximum, unless determined by ordinary resolution). The Trustees are the members of the charity.

**Trustees' Induction and Training**

New directors receive half a day's overview of East Midlands Christian Fellowships organisational structure, decision-making processes, the recent financial performance of the charity, together with the budget and receive copies of the Memorandum and Articles of Association. Directors are referred to and encouraged to read appropriate information on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit.

**Related Parties and Cooperation with Other Organisations**

In addition to the trustees a related party of the charitable company is a trading company, Riverside Event Management Limited. The principal activity of this company is the provision of room hire and related facilities; further detail is given in note 24 to the accounts. The company is a wholly owned subsidiary of the Charity and Gift Aids all of its profits to the Charity.

Upbeat Communities, Welcome Churches and Derby City Mission are also a related party as a number of our people are on their Board of Directors or Chief Executives, and we work closely with them on a number of projects.

**Pay Policy for Senior Staff**

The Trustees and the key management personnel of the charity are in charge of operating the charity on a day to day basis. Details of Trustee payments and related party transactions are disclosed in note 20 to the accounts.

The pay of senior staff is reviewed annually by the payroll subcommittee who present their report / recommendations to the board of trustees for approval.

**Risk Management**

A new Operations and Policy sub-committee has been designated to oversee Risk Management and other policies within EMCF. The sub-committee is made up of three Trustees and the Operations Manager. Monitoring of these risks and implementation of any required policies and practices remains a priority for the Board. As per previous years the Board has sought to maintain a low risk profile.

The following areas are categories that are monitored and under which risks may fall:

A. Strategic & Legal

B. Operational

C. Property

D. Employment

E. Financial

F. Insurance

The following were areas where major risks have been identified:

B. Strategic & Legal

a. Employment Legal Expertise
Mitigation: The area of HR expertise remains a significant area for EMCF and as such we have retained the counsel of a HR Solicitor whom we have on a monthly retainer. The expertise of the solicitor has again proved to be invaluable in dealing and navigating through redundancies and the end of the furlough scheme.

C. Operational

a. Safeguarding Children and Adults
Mitigation: We continue to be members of a specialist Christian Safeguarding organisation (external to EMCF) called ThirtyOneEight. The organisation is used to carry out DBS checks and is used as a point of expertise for any questions arising within the organisation regarding safeguarding and legal obligations (or best practice). Creation and updating of policies and a database of all volunteers working with children, youth and vulnerable adults remains a priority with additional section to include training for Trustees, Children and Youth Workers, Safeguarding Coordinators and Senior Church Leaders. EMCF also continues to look at developing the Safeguarding Policy further to include more robust policies on vulnerable adults and spiritual abuse.

b. IT and Social Media
Mitigation: Ongoing internal work to further create a more robust infrastructure continues especially with the introduction of a significant investment in broadband and wifi capabilities. Encouragement to utilise 2FA (2 Factor Authentification) continues with staff using IT equipment. EMCF have now also made the decision to continue using a 3rd Party IT contractor to assist in more complex problem solving and safety issues.

c. PR and Perception
Mitigation: We are also close to implementing our new Articles of Association with clearly spelt out theological positioning statements. The next step is validation by the Senior Leadership Team and the Board of Trustees.

D. Property

a. Reach Centre Refurbishment
Mitigation: During the extensive refurbishment we sought to ensure that legally we were well represented with regards to obtaining solicitors to input into our re-mortgage and required documentation. We also sought to offset any issues with the refurbishment by obtaining additional 'build' insurance so that EMCF were covered. Furthermore, we appointed an Employer agent (a member of the Senior Leadership Team with significant senior commercial and corporate expertise). The Employer Agent was critical in ensuring that the build project remained on track, within budget and ensured any remedial works would be carried out as and when required.

E. Financial

a. Income
Mitigation: Whilst the build of the centre took place EMCF ensured that regular cashflow analysis remained in place to track the overall financial picture. Grants, subsidies and the sale of Juniper Lodge ensured EMCF remained in a healthy position during this time.

b. Fraud
Mitigation: Whilst a review is still under way there are key practices that EMCF follow with regards to fraud. In particular there is continual reference to Charities Commissions Guidance to handling fraud and cyber crime (https://www.gov.uk/guidance/protect-your-charity-from-fraud#tackling-charity-fraud-8-guiding-principles)
This is also alleviated by the fact that we have at least two trustees on the Board who have in depth knowledge of the legislation.

## Group Trustees' Report for the Year Ended 31 August 2021 - continued

### Statement of Directors' Responsibilities

The Directors (who are also trustees of the charitable activities for the purposes of charity law) are responsible for preparing the director s report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 business.

The directors are responsible for keeping adequate 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 safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

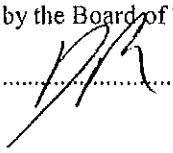
Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2021 was 5 (2020: 7).

Haines Watts were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint Haines Watts as auditors of the Company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 12 May 2022 and signed on its behalf by:



D Park (Director)

**Report of Independent Auditors to the Members of**
**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Opinion**

We have audited the financial statements of East Midlands Christian Fellowships (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2021 on pages twelve to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 August 2021 and of the groups incoming resources and application of resources 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charities' ability to continue as a going concern. The COVID-19 viral pandemic is one of the most significant events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charities finances and wider economy.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

**Report of Independent Auditors to the Members of**
**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**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 which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report included within 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 and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 from the requirement to prepare a Strategic Report or in preparing the Trustees report.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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 group's and parent 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 group or parent charitable company or to cease operations, or has no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiring of management of any known or suspected instances of fraud, as well as considering management's assessment of the susceptibility of the financial statements to fraud.

- Performing substantive testing over a selection of journal entries made in the period, to address the risk of fraud due to management override of controls. With a focus on entries made by unusual team members or entries made at unusual times or on unusual dates.

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

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements. Specifically checking compliance with Charity Commission as well as employment and taxation laws and regulations.

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate an increased risk of material misstatement as a result of fraud, or management override.

- Assessing accounting estimates which have a material impact of the year end accounts, to determine if there is indication of management bias.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

D. J. Lockwood

Mrs D J Lockwood FCA, FCCA – Senior Statutory Auditor
For and on behalf of Haines Watts (East Midlands) Ltd- Statutory Auditors
Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date 25th May 2021

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Statement of Financial Activities**
**(Incorporating an Income and Expenditure Account)**
**for the Year Ended 31 August 2021**

| | Notes | 2021 Unrestricted Funds £ | 2021 Restricted Funds £ | 2021 Total £ | 2020 Unrestricted Funds £ | 2020 Restricted Funds £ | 2020 Total £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Donations and Legacies | | 566,683 | 37,758 | 604,441 | 565,467 | 63,371 | 628,838 |
| *Income from Charitable Activities* | | | | | | | |
| Operation of Riverside Church and delivery of Mission | | - | 16,050 | 16,050 | - | 132,900 | 132,900 |
| Other Incoming Resources | 4 | 91,112 | - | 91,112 | 132,053 | 251 | 132,304 |
| *Income from Other Trading Activities* | | | | | | | |
| Commercial Trading Activities | | 145,431 | - | 145,431 | 220,093 | - | 220,093 |
| Income from Other Activities | | - | - | - | - | 246 | 246 |
| Investment Income | 3 | 31 | - | 31 | 232 | - | 232 |
| | | 803,257 | 53,808 | 857,065 | 917,845 | 196,768 | 1,114,613 |
| **EXPENDITURE** | | | | | | | |
| *Cost of Raising Funds* | | | | | | | |
| Commercial Trading Costs | | 42,562 | - | 42,562 | 166,128 | - | 166,128 |
| Fundraising Costs | 5 | - | - | - | - | - | - |
| *Expenditure on Charitable Activities* | | | | | | | |
| Operation of Riverside Church and delivery of Mission | 6 | 715,126 | 106,216 | 821,342 | 752,461 | 171,118 | 923,579 |
| Support Costs | 7 | 4,764 | - | 4,764 | 3,540 | 1,701 | 5,241 |
| | | 762,452 | 106,216 | 868,668 | 922,129 | 172,819 | 1,094,948 |
| **Net Income/(Expenditure) Before Transfers** | | 40,805 | (52,408) | (11,603) | (4,284) | 23,949 | 19,665 |
| Transfers | | (10,000) | 10,000 | - | (35,336) | 35,336 | - |
| **Net Income/(Expenditure)** | | 30,805 | (42,408) | (11,603) | (39,620) | 59,285 | 19,665 |
| Taxation Charge | | - | - | - | - | - | - |
| **Net Movement in Funds** | | 30,805 | (42,408) | (11,603) | (39,620) | 59,285 | 19,665 |
| **Reconciliation of Funds** | | | | | | | |
| Total Funds Brought Forward | 15 | 1,091,350 | 102,626 | 1,193,976 | 1,130,970 | 43,341 | 1,174,311 |
| Total Funds Carried Forward | 15 | 1,122,155 | 60,218 | 1,182,373 | 1,091,350 | 102,626 | 1,193,976 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements

East Midlands Christian Fellowships
(A Charitable Company Limited by Guarantee)

## Consolidated and Charity Balance Sheet for the Year Ended 31 August 2021

| | Notes | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Fixed Assets | 11 | 1,553,149 | 1,446,126 | 1,553,149 | 1,437,607 |
| Investments | 12 | - | - | 1 | 1 |
| **Total Fixed Assets** | | 1,553,149 | 1,446,126 | 1,553,150 | 1,437,608 |
| **CURRENT ASSETS** | | | | | |
| Debtors – Income Tax Refund | | 25,654 | 13,675 | 25,654 | 13,675 |
| Debtors | | 84,783 | 54,153 | 84,103 | 43,763 |
| Bank Accounts | | 44,046 | 119,012 | 36,114 | 111,643 |
| Deposit Accounts | | 423,982 | 214,076 | 423,982 | 214,076 |
| Restricted Fund Bank Accounts | | 60,218 | 73,505 | 60,218 | 73,505 |
| Petty Cash | | 708 | 1,070 | 654 | 1,018 |
| **TOTAL CURRENT ASSETS** | | 639,391 | 475,491 | 630,725 | 457,680 |
| **CREDITORS:** | | | | | |
| Amounts falling due within one year | 13 | (60,917) | (114,111) | (99,320) | (150,549) |
| **NET CURRENT ASSETS** | | 578,474 | 361,380 | 531,405 | 307,131 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,131,623 | 1,807,506 | 2,084,555 | 1,747,739 |
| **CREDITORS:** | | | | | |
| Amounts falling due after more than one year | 14 | (949,250) | (613,530) | (905,556) | (563,530) |
| **NET ASSETS** | | 1,182,373 | 1,193,976 | 1,178,999 | 1,181,209 |
| **THE FUNDS OF THE GROUP:** | | | | | |
| Restricted Funds | 17 | 60,218 | 102,626 | 60,218 | 102,626 |
| Unrestricted Funds: | | | | | |
| Subsidiary | | 3,374 | 12,767 | - | - |
| Designated | 18 | 151,064 | 17,575 | 151,064 | 17,575 |
| Balance of Unrestricted Funds | | 967,717 | 1,061,008 | 967,717 | 1,061,008 |
| | | 1,122,155 | 1,091,350 | 1,118,781 | 1,078,583 |
| **TOTAL CHARITY FUNDS** | 18 | 1,182,373 | 1,193,976 | 1,178,999 | 1,181,209 |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

..... Approved by the Board: 12 May 2022 (Date)

D Park - Director

The notes on pages 14 to 25 form part of these financial statements.

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Cash Flow Statement as at 31 August 2021**

| | | 2021 | 2020 |
|---|---|---|---|
| | | £ | £ |
| **Net Cash Flow from Operating Activities** | 25 | 27,347 | 120,378 |
| **Returns on Investments:** | | | |
| Interest Received | | 31 | 232 |
| Interest Paid | | (16,010) | (14,528) |
| | | 11,368 | 106,062 |
| Taxation | | - | - |
| Disposal of Fixed Assets | | 257,787 | - |
| **Capital Expenditure and Financial Investments:** | | | |
| Purchase of Tangible Fixed Assets | | (433,210) | (36,083) |
| | | (164,055) | 69,979 |
| **Financing:** | | | |
| Capital Element of Loan Repayments Made | | 285,346 | 56,873 |
| Capital Element of Loan Repayments Received | | - | - |
| **Net Cash Inflow/(Outflow)** | | 121,291 | 126,872 |
| Increase/(Decrease) in Cash in the Year | | 121,291 | 126,872 |
| Net Cash Resources at 1 September 2020 | | 407,663 | 280,791 |
| **Net Cash Resources at 31 August 2021** | | 528,954 | 407,663 |

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021**

**Statutory Information**
East Midlands Christian Fellowship is a private Charitable Company, Limited by Guarantee, registered in England and Wales. The Charitable Company's registered number and registered office can be found on page five.

1. **Accounting Policies**

i) **Basis of Preparation**
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 (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Group Financial Statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Riverside Event Management Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

East Midlands Christian Fellowships meets the definition of a public benefit entity under FRS102.

**Going Concern**
The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling £1.

ii) **Depreciation and Fixed Assets**
Fixed assets costing less than £1,000 are not capitalised. Depreciation is provided on a straight line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

| | | |
|---|---|---|
| Freehold Property | - | 2% and 10% per annum |
| Office Equipment | - | 10/33% per annum |
| Fixtures and Fittings | - | 10% per annum |

iii) **Donations and Offerings Received**
Voluntary income received by way of donations and gifts is accounted for when receivable. Any resultant gift aid tax claim is included as part of the income for the year.

iv) **Other Income**
Other income is accounted for on the accruals basis so far as is prudent to do so.

Investment income is included when receivable.

v) **Donated Services and Facilities**
Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

vi) **Expenditure and Irrecoverable VAT**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure is recognised on an accrual basis as the liability is incurred and includes VAT which cannot be recovered.

vii) **Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

viii) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the Statement of Financial Activities.

ix) **Limited by Guarantee**

The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £10. There are no shares of any class either authorised or allocated.

x) **Leases**

Rentals payable under operating leases are charged to resources expended on a straight line basis over the period of the lease.

xi) **Investment in Subsidiary**

The investment in the subsidiary is included at cost.

xii) **Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

This accounting policy is relevant for the subsidiary only. As stated in note 10, East Midlands Christian Fellowships is a registered Charity and is thus exempt from tax on income and gains.

xiii) **Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

xiii) **Creditors**

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

xv) **Financial Instruments**

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

xvi) **Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

## 2. Income from Trading Subsidiary

During the year the subsidiary company donated the majority of its profits to the charitable company as Gift Aid donations.

The income received from Riverside Event Management Limited during the year was as follows:-

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Gift Aid Donation | 111,512 | 44,670 |

## 3. Investment Income

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Interest received | 31 | - | 31 | 232 |

## 4. Other Incoming Resources

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| CJRS – Government Support | 9,164 | - | 9,164 | 63,870 |
| Other | 66,217 | - | 66,217 | 68,434 |
| COVID19 – Local Government Grants | 15,000 | - | 15,000 | - |
| Net Gain on Sale of Juniper Lodge | 29,072 | - | 29,072 | - |
| Net Loss on Sale of Assets during Refurbishment | (28,341) | - | (28,341) | - |
| | 91,112 | - | 91,112 | 132,304 |

## 5. Fund raising trading: cost of goods and other costs

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fund raising costs | - | - | - | - |

## 6. Expenditure on Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | 2021 Total £ | 2020 Total £ |
|---|---|---|---|---|
| Redundancy Costs | 8,732 | - | 8,732 | - |
| Staff Costs, | | | | |
| Pastoral Fees & Expenses | 391,833 | - | 391,833 | 446,577 |
| Ministry Costs | 100,380 | 64,865 | 165,245 | 244,175 |
| Property Costs | 109,772 | - | 109,772 | 149,274 |
| Office Costs * | 88,399 | - | 88,399 | 57,712 |
| Mortgage and Finance Costs | 16,010 | - | 16,010 | 14,528 |
| Other Expenses | - | - | - | 1,313 |
| Transfer to Emmanuel School Derby Ltd (See note 15) | - | 41,351 | 41,351 | 10,000 |
| | 715,126 | 106,216 | 821,342 | 923,579 |

*The charge for office costs contains the loss incurred by fraudulent activity of £27,850.

## 7. Support Costs

| | Unrestricted Funds £ | Restricted Funds £ | 2021 Total £ | 2020 Total £ |
|---|---|---|---|---|
| Auditors Remuneration | 4,014 | - | 4,014 | 4,491 |
| Auditors Remuneration: non-audit | 750 | - | 750 | 750 |
| | 4,764 | - | 4,764 | 5,241 |

## 8. Net Incoming Resources for the Period

| The net incoming resources are after charging:- | 2021 £ | 2020 £ |
|---|---|---|
| Depreciation of tangible fixed assets | 68,400 | 67,363 |
| Auditors remuneration: | | |
| Charitable Company | 4,014 | 4,491 |
| Other (accounts assistance) | 750 | 750 |
| Operating lease rentals | 4,784 | 4,784 |

East Midlands Christian Fellowships and Riverside Events Management Limited Directors giving in the financial year totalled £15,648 (2020: £28,960).

During the year the average number of staff employed by the group was 42 (2020: 42), the majority of staff are employed on a part time basis. No member of staff was paid in excess of £60,000.

| | 2021 £ | 2020 £ |
|---|---|---|
| Staff costs note: | | |
| Salaries | 361,641 | 583,351 |
| Pension costs | 17,072 | 21,644 |
| Social Security costs | 26,724 | 35,956 |
| | 405,437 | 640,951 |

## 9. Trustee Remuneration and Related Party Transactions

Other than in note 20, no emoluments were received by the board of trustees in their capacity as trustees.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee, directly or indirectly from the funds of the company or from the property of any situation or body corporate connected with the Charity.

10. **Taxation**

| | 2021 £ | 2020 £ |
|---|---|---|
| Corporation Tax | - | - |

East Midlands Christian Fellowships is exempt on tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that they are applied to its charitable activities. No tax charges have arisen in the Charity.

11. **Analysis of Movement in Fixed Assets**

| GROUP | Freehold Property £ | Equipment and fittings £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 September 2020 | 2,057,739 | 470,566 | 2,528,305 |
| Additions | 311,326 | 121,884 | 433,210 |
| Disposals | (343,268) | (249,343) | (592,611) |
| At 31 August 2021 | 2,025,797 | 343,107 | 2,368,904 |
| **Accumulated Depreciation** | | | |
| At 1 September 2020 | 726,902 | 355,277 | 1,082,179 |
| Charge for the year | 42,876 | 25,524 | 68,400 |
| On disposal | (122,340) | (212,484) | (334,824) |
| At 31 August 2021 | 647,438 | 168,317 | 815,755 |
| **Net Book Value** | | | |
| At 31 August 2021 | 1,378,359 | 174,790 | 1,553,149 |
| At 31 August 2020 | 1,330,837 | 115,289 | 1,446,126 |

| CHARITY | Freehold Property £ | Equipment and fittings £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 September 2020 | 2,057,718 | 431,399 | 2,489,117 |
| Additions | 311,326 | 121,884 | 433,210 |
| Disposals | (343,268) | (218,842) | (562,110) |
| At 31 August 2021 | 2,025,776 | 334,441 | 2,360,217 |
| **Accumulated Depreciation** | | | |
| At 1 September 2020 | 726,902 | 324,608 | 1,051,510 |
| Charge for the year | 42,876 | 25,524 | 68,400 |
| On disposal | (122,340) | (190,502) | (312,842) |
| At 31 August 2021 | 647,438 | 159,630 | 807,068 |
| **Net Book Value** | | | |
| At 31 August 2021 | 1,378,338 | 174,811 | 1,553,149 |
| At 31 August 2020 | 1,330,816 | 106,791 | 1,437,607 |

12. **Investments**

| CHARITY | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Investment in Riverside Event Management Limited | 1 | 1 |
| | 1 | 1 |

The company owns 100% of the issued share capital of a trading company, Riverside Event Management Limited, whose principle activity is that of the provision of room hire and related facilities.

13. **Creditors: Amounts falling due within one year**

| | Group 2021 | Group 2020 | Charity 2021 | Charity 2020 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Lease Fixed Assets | 5,176 | - | 5,176 | - |
| Amount due to Subsidiary | - | - | 50,000 | 50,000 |
| Taxation and Social Security | 7,741 | 9,279 | 7,741 | 9,279 |
| Accruals | 31,169 | 32,432 | 25,044 | 18,870 |
| Bank Loans (Secured) | 5,886 | 72,400 | 5,886 | 72,400 |
| Bounce Back Loan | 10,945 | - | 5,473 | - |
| | 60,917 | 114,111 | 99,320 | 150,549 |

14. **Creditors: Amounts falling due after one year (Group and Charity)**

| | | Group 2021 | Charity 2021 | Group 2020 | Charity 2020 |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| Bank Loans (Secured): | 2 to 5 years | 141,264 | 141,264 | 289,600 | 289,600 |
| | More than 5 years | 709,244 | 709,244 | 223,930 | 223,930 |
| Lease Fixed Assets: | 2 to 5 years | 11,354 | 11,354 | - | - |
| Bounce Back Loans: | 2 to 5 years | 43,776 | 21,888 | 80,000 | 40,000 |
| | More than 5 years | 43,612 | 21,806 | 20,000 | 10,000 |
| | | 949,250 | 905,556 | 613,530 | 563,530 |

During the year, the Group repaid the loans to Barclays and obtained a new loan from The Reliance Bank secured on the one property only, The Riverside Centre, along with a fixed and floating charge covering all the property or undertaking of the company.
The interest rate is 3.5% over the Bank of England base rate, over a period of 20 years. Capital repayments are due from July 2022.

The Bounce Back Loan is not secured and is repayable over 10 years at an interest rate of 2.5%. The first year was granted a repayment holiday due to the Corona virus crisis.

The leased asset is a hire purchase agreement (capital lease agreement), for the purchase of coffee machines. The lease is for a period of 36 months, with interest of £1,636 per annum. EMCF have exercised the option to purchase the asset and has therefore been treated as an asset.

15. **Summary of Funds – Group**

| | As at 31.8.20 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.21 £ | 2020 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 102,626 | 53,808 | 106,216 | 10,000 | 60,218 | 102,626 |
| Unrestricted Funds | 1,078,583 | 657,827 | 607,629 | (10,000) | 1,118,781 | 1,078,583 |
| Trading Subsidiary | 12,767 | 145,430 | 154,823 | - | 3,374 | 12,767 |
| | 1,193,976 | 857,065 | 868,668 | - | 1,182,373 | 1,193,976 |

16. **Summary of Funds – Group**

| | As at 31.8.19 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.20 £ | 2019 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 43,341 | 196,769 | 162,820 | 25,336 | 102,626 | 43,341 |
| Unrestricted Funds | 1,126,748 | 653,112 | 710,611 | 9,334 | 1,078,583 | 1,126,748 |
| Trading Subsidiary | 4,222 | 264,732 | 211,517 | (44,670) | 12,767 | 4,222 |
| | 1,174,311 | 1,114,613 | 1,084,948 | (10,000) | 1,193,976 | 1,174,311 |

17. **Analysis of Net Assets Between Funds**

| | General Fund £ | Restricted Funds £ | 2021 Total £ | General Fund £ | Restricted Funds £ | 2020 Total £ |
|---|---|---|---|---|---|---|
| Tangible fixed assets | 1,553,149 | - | 1,553,149 | 1,446,126 | - | 1,446,126 |
| Investments | - | - | - | - | - | - |
| Current assets | 579,173 | 60,218 | 639,391 | 372,056 | 103,436 | 475,492 |
| Current liabilities | (60,917) | - | (60,917) | (113,302) | (810) | (114,112) |
| Long term liabilities | (949,250) | - | (949,250) | (613,530) | - | (613,530) |
| | 1,122,155 | 60,218 | 1,182,373 | 1,091,350 | 102,626 | 1,193,976 |

18. **Restricted Funds**

The following are details of the charity's restricted funds:-

| | At 1.9.20 | Income | Expenditure | Transfers | At 31.8.21 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Emmanuel School | 41,351 | - | 41,351 | - | - |
| Harper | 155 | - | - | - | 155 |
| Missions Development | 2,914 | - | 1,272 | - | 1,642 |
| Alpha | 1,072 | 534 | - | - | 1,606 |
| Sphere Money (Synergy) | 6,534 | 16,050 | 21,624 | - | 960 |
| BCC Hardship Fund | 2,114 | - | 140 | - | 1,974 |
| Reach Response | 13,536 | 1,875 | 6,378 | 5,000 | 14,033 |
| Covid Crisis/ Benevolent Fund | 9,999 | 602 | 865 | - | 9,736 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | 21,568 | 2,557 | 18,598 | 5,000 | 10,527 |
| Reach Inspiration Fund | - | 525 | 300 | - | 225 |
| ICP Anchor Trust | 2,700 | 28,665 | 15,688 | - | 15,677 |
| WTC | - | 3,000 | - | - | 3,000 |
| | 102,626 | 53,808 | 106,216 | 10,000 | 60,218 |

| | At 1.9.19 | Income | Expenditure | Transfers | At 31.8.20 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Emmanuel School | 34,375 | 115,595 | 128,619 | 20,000 | 41,351 |
| Harper | - | 405 | 250 | - | 155 |
| Missions Development | 369 | 3,115 | 570 | - | 2,914 |
| Alpha | 530 | 839 | 297 | - | 1,072 |
| Persian Bible College/ Cross Cultural Training | 69 | - | 69 | - | - |
| Benevolent Hardship Fund | 875 | 441 | - | - | 1,316 |
| Derby City Mission Night Shelter | 62 | - | 62 | - | - |
| Sphere Money (Synergy) | 182 | 18,442 | 27,426 | 15,336 | 6,534 |
| BCC Hardship Fund | 2,114 | - | - | - | 2,114 |
| Lutterworth Community Church Transfer | 3,582 | - | 3,582 | - | - |
| Reach Response | - | 23,880 | 10,344 | - | 13,536 |
| Covid Crisis | - | 9,483 | 800 | | 8,683 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | - | 21,568 | - | - | 21,568 |
| Youth Hall Reach Nottingham | 500 | - | 500 | - | - |
| ICP Anchor Trust | - | 3,000 | 300 | - | 2,700 |
| | 43,341 | 196,768 | 172,819 | 35,336 | 102,626 |

Purposes of restricted funds:-

| | |
|---|---|
| Emmanuel School | A balance carried forward of £41,351, this fund is for the running of Emmanuel School which was part of EMCF until 28th Feb 2020, when it was transferred as a separate legal entity, Emmanuel School Derby Ltd, a Charity limited by guarantee in its own right. The balance carried forward was transferred to ESDL. The school provides exceptional small group education for children aged 3-11, in a very friendly environment where children are nurtured and educated and where the curriculum enables pupils to develop well academically, socially, emotionally, spiritually and physically. |
| Harper | EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| Missions Development | Missions development to support overseas trips, people serving overseas and the training of mission's workers. |
| Alpha | The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions. |
| Sphere Money (Synergy) | This money is to support the administration of an initiative of a network of churches working together in the UK, named as 'Synergy', which will be registered as a charity in its own right in the near future. |
| BCC Hardship Fund | A special collection taken up by Belper to support individuals and families at a time when they are unable to support themselves, and to help through the difficult period. |
| Reach Response | A special collection was taken during the year to support the work of partners that EMCF has worked with over the years and whose aims and purposes align with EMCF's. During the year the money was disbursed to various partners, principally DCM, Storehouse, Upbeat Communities, Welcome Churches, Restore, Safe Families for Children, Saffires, Hope City Furniture, Shoulder to Shoulder and Talk It Over, which EMCF have supported over the years. |
| Benevolent Hardship-CCD | A special collection was taken during the Covid Pandemic to support the disadvantaged. The money was disbursed to various individuals facing financial difficulties during the crisis, identified by the Senior Leaders Team and Community Groups throughout Reach. The Benevolent Fund was amalgamated with the Covid Crisis Fund during the year. A fund set up to provide support to those in time of financial need at the discretion of the EMCF leadership. |
| Open Doors | A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country |
| Reach Planting | A special collection was taken during the year to support the EMCF members and partners to plant churches in East Midlands, the rest of UK and overseas. |
| Reach Inspiration | The Fund was set up during the year to support the development of a ministry for the women within the members of the Church and the community |
| ICP Anchor Trust | This money is held on behalf of ICP Anchor Trust, to support the administration of an initiative which will promote the vision and values of intercultural church to Christian groups in the UK. ICP Anchor Trust will be registered as a charity in its own right in the near future. At that point the balance in the fund will be transferred to the new Charity. |
| WTC | During the Year EMCF commenced work in partnership with the Westminster Theological College as a 'Hub Centre' in the Midlands to offer accredited courses in theology. A one off specific donation was received to support the provision of a digital library for the students enrolled on the WTC courses. |

| | |
|---|---|
| Support for overseas and homebased workers | EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken. |
| **Designated Funds** | The designated funds are allocated for capital projects, rebranding and development projects, the balance left aside being £151,064. |

19. **Financial Commitments**

The charity have a photocopier lease which has a quarterly lease commitment of £598. This commenced in 2015 under a rolling contract agreement.

20. **Related Party Transactions**

One director of the Charity has received remuneration during the period in their capacity as pastor or teacher, this is expressly permitted in the Memorandum and Articles of Association of the company.

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| M N Mumford | 5,500 | 40,884 |

Mark Mumford is a trustee on the Board of East Midlands Christian Fellowship and is also on the Board of Welcome Churches. During the previous year East Midlands Christian Fellowships provided Welcome Churches with £1,200 (2021: NIL).

There are no other related party transactions.

21. **Pension Commitment**

The Charity contributes to defined contribution pension schemes. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the Charity to the pension schemes and amounts to £17,072 (2020: £21,644).

22. **FRC Ethical Standard – Provisions Available for Small Entities**

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

23. **Capital Commitment**

At 31 August 2021 the Charity had no capital commitments (2020: NIL).

24. **Subsidiary Company**

**Riverside Event Management Limited** - The Charity owns 100% of the issued share capital of Riverside Event Management Limited ("REM"), a company registered in England and Wales (company number 04473452) the registered office is The Riverside Centre, Riverside Court, Pride Park, Derby, DE24 8HY. The subsidiary is used to further the overall objectives of the Charity by the provision of room hire and related facilities.

A proportion of their profits is given as a charitable donation to the Charity by Gift Aid; the amount for 2021 was £111,512(2020: £44,670). A summary of the results of the subsidiary is shown below:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Turnover | 58,920 | 220,093 |
| Cost of Sales | (8,787) | (42,423) |
| Other Income | 86,512 | 44,640 |
| Gross Profit | 136,645 | 222,310 |
| Administrative Expenses | 146,038 | 213,765 |
| Net (Loss)/Profit Before Tax | (9,393) | 8,545 |
| Taxation | - | - |
| Net (Loss)/Profit After Tax | (9,393) | 8,545 |
| Net Assets | (9,393) | 8,545 |

25. **Cash Flow Statement**

Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Net incoming resources before taxation | (11,603) | 19,665 |
| Adjustments: | | |
| Interest paid | 16,010 | 14,528 |
| Investment income | (31) | (232) |
| Depreciation charges | 68,400 | 67,363 |
| (Increase)/decrease in debtors | (42,609) | 49,391 |
| Increase/(decrease) in creditors | (2,820) | (30,337) |
| | 27,347 | 120,378 |

26. **Post Balance Sheet Events**

The trustees transferred control and ownership of the Emmanuel School to a new entity known as Emmanuel School (Derby) Limited, Charity Number 1184684. The transition was completed on 1 February 2021 and funds of £41,351 were transferred during the year to 31 August 2021.

The Riverside building has been undergoing major refurbishment between May and August 2021 to update the facility for use by Riverside Events Management Ltd for the provision of conference and room letting services.

**REACH TRUST**

England & Wales - Charity number 1080638

# Accounts

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

Consolidated Financial Statements
For the Year Ended
31 August 2020

Charity Number: 1080638

Company Number: 03971567

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Group Trustees' Report for the Year Ended 31 August 2020**

## Report of the Trustees for the Year Ended 31 August 2020

The Trustees are pleased to present their annual Directors' Report together with the consolidated financial statements of the Charity and its subsidiary for the year ended 31 August 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### Chair's Report

The past year has been a challenging but successful one for East Midlands Christian Fellowships (EMCF) given the impact of Covid 19 and its impact on the church and commercial activity.

EMCF has solidified its shape as a multi-site church, with expressions in a number of locations across the East Midlands and beyond. For many years there has been a vision to grow by planting churches into the whole of the East Midlands. However, recently we are endeavouring to plant new churches and communities within the UK and abroad. We have had a vision to be a multi-cultural church, that is relevant to the community around, and able to serve those who are particularly vulnerable or in difficulties. During 2020 expressions have begun in Spain and North Africa and a moved to "online church", brought about by Covid 19, has solidified a sense of togetherness.

We have become a very diverse, mobile church that continues to offer help and support to many people, and will continue to do so into the future. The addition of the ability to reach out and support via technology has strengthened our ability to do so.

My appreciation goes to all the staff of EMCF and in particular the numerous volunteers, who give so much to the church and its activities. They are the ones who make the church 'work', and are greatly appreciated.

Emrys Jones
Chair of Directors

## PURPOSES AND ACTIVITIES

### Charitable Objectives

The charitable company's activities are regulated by the Memorandum and Articles of Association. The objectives of the charity are:-

1. The furtherance of the Christian faith in the County of Derby and beyond.
2. To relieve those who are in need or hardship or who are aged or sick and to relieve distress.
3. To advance education in accordance with Christian principles.
4. To promote and fulfil other charitable purposes beneficial to the community.

## Principal Activities

The charitable company's principal activities continue to be the running of the churches known as Reach Derby, Reach Leicester, Reach Belper and Reach Nottingham, as well as fledgling start-ups in Malaga and North Africa.

## Review of the Activity, Achievements and Performance during the period

When planning the activities for the period the trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion.

During the period the charitable company has pursued its main objectives as outlined above. Whilst not fully concluded with Companies House and the Charities Commission regarding the name change we would be moving from the umbrella charity known as East Midlands Christian Fellowships to Reach – one church in many places.

In its main activities of running churches the charity seeks to principally benefit Derby, Belper, Leicester, and Nottingham with also a view to seeing how we are also able to impact further afield in the United Kingdom and abroad. During the year whilst we have continued our involvement in local communities with the various projects and events we run across the East Midlands, we have also started to look at intentionally building systems and processes to help bring a strategic element to how we can impact the communities and cities we are in. This is with a view to help us grow our churches and make an even more significant and positive contribution in and around the cities we are currently placed. With regard to education the charity has been delighted to support the furtherance of Christian education in Derby by releasing Emmanuel School from EMCF as a sperate and independent charity. It is believed that Emmanuel School will better serve the City if it is able to approach all churches as an independent charity. EMCF is looking to further facilitate this move by selling Juniper Lodge to the school at a favourable price in line with its charitable Objectives. EMCF is also currently exploring a theological education partnership with Westminster Theological College to provide higher education qualifications.

A significant step towards benefitting the cities where we are currently established has been achieved with the introduction of a Reach-wide ministry which we have named as Reach Response. Reach Response is a Reach enterprise to partner with local Christian initiatives and looks to see how we can promote them and release volunteers from within Reach to help serve with these organisations. Whilst Covid-19 has curtailed some activity this Reach Response continues to grow as a core part of the vision of EMCF.

Attendance has been halted and pushed online due top Covid-19. This has resulted in weekly broadcasts on YouTube and the Church Online Platform that have served all Reach locations. We have continued to run a number of courses/activities for the benefit of church members and the local community and these have been online rather than in person. These courses include: Alpha, Celebrate Recovery (working with people with addictions and life control issues), Emotionally Healthy Spirituality, Deeper (theological seminars) and CAP Money (practical help and advice on money management). Across the region we run a number of 'Communities'. A Community is a group of people who are united through Christian Community around a common service and witness to a particular neighbourhood or network of relationships. 'Community Groups' provide for pastoral care and a place of belonging for most members of the church. These have continued online using zoom during the pandemic. All these events have seen people come to faith and actively get involved in the life of the church.

We also had the privilege of baptising a number of people during the year. We continue to be involved in supporting refugees and overseas people to settle in the area by our involvement with Upbeat Communities (a Reach Response partner). Upbeat is a grassroots social enterprise established in 2005 to improve the lives of newly arrived people in Derby and the wellbeing of the local community. We are involved in their 'Welcome Box' project as well as running a number of Communities for them. 'Welcome Churches', a New National Charity to help churches to welcome, support and settle the community refugees who have recently arrived in the UK, continues to be an on-going partner of the church and is increasing in its profile.

We continue to actively engage in Derby City Mission's Derby City Street Pastors' project, and 'Talk it Over' (a Reach Response partner) a pregnancy options and loss support service. Also the Derby Chaplaincy project giving support to people working in the shops in the town and for the businesses on Pride Park. Our children's and youth work provides both church based and city wide activities. Emmanuel School, our independent Christian church school, continues to provide an all-round education that values both the academic and spiritual.

Reach Leicester is a young and exciting charismatic church reaching across Leicestershire. They are passionate about sound biblical teaching, missional outreach and discipleship. They also have a significant number of refugee and asylum seekers as well as a Spanish contingent.

Reach Nottingham was officially launched in October 2015 and whilst they are still laying foundations and sowing seeds in the area of Nottingham they are beginning to see the positive impact of the work they do amongst the community.

They continue to run a Community Mentoring Program called 'COACH'. Nottingham also has an active community in Eastwood who reach out locally with a focus on social action projects and meet together every month with Nottingham. In Belper as well as running church meetings we have engaged in a number of other social action projects. These include supporting the homeless, and involvement with the local chaplaincy.

In addition, the charity is involved with mission and aid work to the developing world and the least reached countries. We supported workers in East and West Africa, Central Asia, the Middle East and Eastern Europe. We also support Pak-7, a new Christian satellite television ministry that has just been launched for and by the people of Pakistan.

At the heart of our vision is a desire to train and release 'passionate healthy Christians'. We believe that a culture of healthy discipleship and personal growth underpins what we do as a church. As such there is now a concerted focus on developing courses and material to help people on their journey as healthy Christians.

In addition to full time and part time pastors of the church and some paid administrative staff, the charity is dependent on the voluntary support of church members. Such members are involved in the leadership of the church, administration and assistance. This support is gratefully acknowledged by the trustees.

With regards to the school there has been a significant development. EMCF has had formal proprietorship over the school and has provided financial assistance and pastoral input over the years. The senior leadership team and the Trustees have endorsed the impact and vision the school has had over this time. However, it has become increasingly clear that, due to the changing and complex nature of Independent School compliance and establishing a secure future financially for the school, a more focussed strategy was required. Whilst EMCF has proprietorship over the school it has become increasingly obvious that a Board that is specifically able to focus solely on the school and shape its future would be a key consideration. After discussion between the Trustees and school Governors it was mutually decided that the best possible course of action was for Emmanuel School to become its' own Charity. This would have multiple benefits including a school Board of Trustees that would be able to specifically focus on the school and have the relevant expertise close to hand as well as being able to manage the school's future much more expediently. A mutually agreeable plan was implemented including a non-disruptive TUPE agreement with the staff, a Memorandum of Understanding which detailed the transition and responsibilities of each party and a Commercial Lease Agreement for the use of the building (EMCF being the landlord and the school being the tenant). All three of these were implemented with effect from 1 February 2020. In addition, both parties ensured that staff would not be unnecessarily or adversely impacted from this move. Therefore, Emmanuel School has now transitioned out of ownership from EMCF to become its own independent Charity with its' own Board of Trustees. Despite the legal transition having taken place both Boards will work closely together to ensure the school has a positive start for the future.

**Statement of Public Benefit**

The Directors confirm that they have complied with their duties under section 17 of the Charities Act 2011, with regard to public benefit.

## FINANCIAL REVIEW

The principal funding sources of the charity in the year are as always the voluntary donations of its people and the gift from its trading company Riverside Event Management Limited.

For the year East Midlands Christian Fellowships ("EMCF"), including its subsidiary, had income of £1,050,743 and expenditure of £1,031,078.

Riverside Event Management Limited ("REM") decreased its turnover to £220,093 (2019: £323,713). The costs of delivery decreased to £166,878 (2019: £211,678) and this resulted in a Gift Aid donation to EMCF of £44,670 (2019: £118,000).

At the end of the Financial Year the Group's net asset position increased to £1,193,976 (2019: £1,174,311).

### Reserves

Trustees are required to ensure that the charity maintains sufficient reserves to ensure effective continuity in achieving its objectives should challenging circumstances arise. The trustees have identified that it is appropriate to have a reserves policy based on the risks associated with a shortfall in donation income and/or significant unanticipated costs. The trustees consider that it is likely to take three months for the charity to change its financial model in response to a marked decrease in income or increase in expenditure and therefore the free reserves (i.e. general fund net current assets) minimum target shall be based on the net sum of the following:

- approximately three months of charitable expenditure.
- less, 50% of three months of actual income from unrestricted donations, including a proportion of gift aid income.

Commercial trading activity is excluded from the calculation.

Based on the 2019/20 accounts, the Reserves required to meet the above criteria would equate to £102,000. However, the year 2019/20 does not reflect normal operating levels of the Charity due to the Covid pandemic. The minimum target required to meet the above criteria is likely to be at the levels of the 2018/19 accounts of £116,000, which is currently the best estimate available based on actual figures. Based on our budgeted figures for the following year, the minimum target is estimated to be £109,000

As at 31st August 2020, the actual Free Reserves available to the Charity were £237,000.

There is, therefore, an excess of £135,000 between the Reserves Policy level and the actual Free Reserves available.

Based on the budgeted figures for the following year, the excess is estimated to be £128,000.

The Trustees therefore consider that consider the Charity has sufficient reserves to ensure effective continuity in achieving the its objectives should challenging circumstances arise.

## PLANS FOR THE FUTURE

In the coming year the Charity will continue to grow its Communities and reach out into the UK and beyond to see The Kingdom of God expand.

We continue in a process to reshape the church for the next 15 to 20 years with specific goals for growth in line with our objectives for 2024. These goals include raising 200 new leaders who help us will plant into two new nations, 1 new city in the UK, 10 towns and 100+ communities. We will bring all the ministries much more closely together, with alignment on culture, language, values and mission. We are expecting the newer plants in Leicester and Nottingham to particularly grow, and develop into stronger local churches.

We will look to establish a new website presence which will be much more aligned to our multi-site church model and will act as a strong window into what we do as Reach including the ability to view what happens at each Reach place.

We also want to establish more growth tracks that will enable Reach members to fully realise their gifts and be able to be released to impact their own and other lives positively.

We will also expect the new leadership team to form well and grow in its ability to function effectively.

We have responded to the pandemic and its subsequent effect on our finances by choosing to invest in the Riverside Centre and the Riverside Events Management business. Following an extremely detailed tender process and contractor (ACI Ltd) has been appointed to redevelop the building and update it with a new mezzanine floor. There will be an IT update and the addition of a café space. This has been funded by a re mortgage which has been agreed with Reliance Bank. Building work on this project formally began on 19th April 2021. The vision and goal is to run a truly excellent events and conference venue that can generate significant revenue that can be put towards the vison and goals of the charity.

Our connection with numbers of churches outside EMCF also continues to grow as we serve churches as far away as Devon, Norwich, Walsall, Sheffield and even Spain. This network of churches ('Synergy') will continue organising leadership events and conferences in the coming year with a clear mandate to grow and plant new churches within and outside of the UK.

## Reference and Administrative Details

| | |
|---|---|
| **Charity Name:** | East Midlands Christian Fellowships |
| **Charitable Status:** | The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638. |
| **Company Number:** | 03971567 |
| **Directors:** | E L A Jones (Chair)<br>A S Townsend (resigned 08.07.20)<br>A C Turner (resigned 28.11.19)<br>D Cavanagh (appointed 28.11.19)<br>M N Mumford<br>M A Frost<br>J Giles (appointed 28.11.19)<br>J Abraham (appointed 09.07.20)<br>D Park (appointed 09.07.20) |
| **Secretary:** | K C Parmar |
| **Directors:** | The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities. |
| **Registered Office:** | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>DE24 8HY |
| **Bankers:** | Barclays Bank Plc<br>Nottingham and Derby Team<br>Level 4<br>1 Chapel Quarter<br>Maid Marion Way<br>Nottingham<br>NG1 6HQ |
| **Senior Statutory Auditors:** | Haines Watts (East Midlands) Ltd<br>10 Stadium Business Court<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HP |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

East Midlands Christian Fellowships is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 1 March 2000. It is registered as a charity with the Charity Commission.

## Recruitment of Trustees

The Trustees may appoint a person who is willing to act to be a Trustee either to fill a vacancy or as an additional Trustee provided that appointment does not cause the number of Trustees to exceed any number fixed by or in accordance with the Articles as the maximum number of Trustees. (The number of Trustees' shall be no less than three but shall not be subject to any maximum, unless determined by ordinary resolution). The Trustees are the members of the charity.

## Trustees' Induction and Training

New directors receive half a day's overview of East Midlands Christian Fellowships organisational structure, decision-making processes, the recent financial performance of the charity, together with the budget and receive copies of the Memorandum and Articles of Association. Directors are referred to and encouraged to read appropriate information on their legal obligations under charity and company law, and the Charity Commission guidance on public benefit.

## Related Parties and Cooperation with Other Organisations

In addition to the trustees a related party of the charitable company is a trading company, Riverside Event Management Limited. The principal activity of this company is the provision of room hire and related facilities; further detail is given in note 24 to the accounts. The company is a wholly owned subsidiary of the Charity and Gift Aids all of its profits to the Charity.

Upbeat Communities is also a related party as a number of our people are on their Board of Directors and we work closely with them on a number of projects.

## Pay Policy for Senior Staff

The Trustees and the key management personnel of the charity are in charge of operating the charity on a day to day basis. Details of Trustee payments and related party transactions are disclosed in note 20 to the accounts.

The pay of senior staff is reviewed annually by the payroll subcommittee who present their report / recommendations to the board of trustees for approval.

## Risk Management

Risk Management continues to play an important role within EMCF. The following is a summary of the work undertaken in this area. Monitoring of these risks and implementation of any required policies and practices remains a priority for the Board. As per previous years the Board has sought to maintain a low risk profile.

The following areas are categories that are monitored and under which risks may fall:

A. Strategic & Legal

B. Operational

C. Property

D. Employment

E. Financial

F. Insurance

The following were areas where major risks have been identified:

B. Strategic & Legal

a. Employment Legal Expertise
Mitigation: EMCF recognised that navigating HR Employment law would require expertise and so have opted to subscribe to an Employment Law legal specialist who is on call to answer any specific questions related to employment process and practices. These services have proven to be invaluable as we sought advice on a number of complicated matters during lockdown e.g. furlough, redundancies.

b. Emmanuel School
Mitigation: EMCF recognised that Emmanuel School would require a dedicated board of trustees. Whilst previously EMCF oversaw this the increase and level of complexity regarding educational processes and legal obligations meant that EMCF could no longer provide this with the level of attention required and still manage well the other parts of the Charity. As such a decision was made to allow Emmanuel School to become its own charity and therefore become independent of EMCF.
Emmanuel school as from February 2020 became its own registered charity known as ESDL thereby mitigating the risk to EMCF.

C. Operational

a. Safeguarding Children and Adults
Mitigation: Continued updating of policy and best practice. Continued membership to an organisation that specialises in Safeguarding protocols.

b. IT and Social Media
Mitigation: Further enhanced storage capabilities using Office 365. Reviewed requirement for 3rd Party IT assistance and made the decision that it would not be required.

c. PR and Perception
Mitigation: To build a robust disaster management plan with effective decision making processes. To build theological positioning statements into Articles of Association. Both of these areas are still currently under review.

D. Property

a. Health & Safety
Mitigation: Health and Safety Policy reviewed and will be done so ongoingly. Further a H&S policy addendum was created for safer working practice in the office during lockdown.

E. Financial

a. Income
Mitigation: Clearly lockdown had a significant impact on businesses. For EMCF this meant that REM had to close down which of course meant a sudden and drastic reduction in revenue. The Board mitigated against this by holding monthly Trustee meetings, developing monthly cashflow predictions using the RAG model and sought financial assistance from the Government where available. This proved to be a very effective approach as EMCF were able to navigate the financial impact well throughout the lockdown.

In addition EMCF have also challenged the VOA Office valuation of The Riverside Centre to attract business rates. If successful this will mitigate against the additional increase of costs for REM.

b. Reserves Policy
Mitigation: Developed a policy with a robust methodology that is now built into our financial model.

c. Fraud
Mitigation: Whilst a review is still under way there are key practices that EMCF follow with regards to fraud. In particular there is continual reference to Charities Commissions Guidance to handling fraud and cyber crime (https://www.gov.uk/guidance/protect-your-charity-from-fraud#tackling-charity-fraud-8-guiding-principles)

The Operations Manager will be using this site to download and adapt available templates and policies to ensure there is a robust plan for EMCF.

**Statement of Directors' Responsibilities**

The Directors (who are also trustees of the charitable activities for the purposes of charity law) are responsible for preparing the director's report and the financial statements in accordance with general applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 business.

The directors are responsible for keeping adequate 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 safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing preparing and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2020 was 7 (2019: 6).

Haines Watts were appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

A resolution to re-appoint Haines Watts as auditors of the Company will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities (effective 1st January 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on 20 May 2021 and signed on its behalf by:

E L A Jones (Director)

## Report of Independent Auditors to the Members of East Midlands Christian Fellowships (A Charitable Company Limited by Guarantee)

### Opinion

We have audited the financial statements of East Midlands Christian Fellowships (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2020 on pages thirteen to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. 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 group's and parent charitable company's affairs as at 31 August 2020 and of the groups incoming resources and application of resources 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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charities' ability to continue as a going concern. The COVID-19 viral pandemic is one of the most significant events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charities finances and wider economy.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditors report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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.

**Report of Independent Auditors to the Members of**
**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**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 which includes the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report included within 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 and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- Parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 from the requirement to prepare a Strategic Report or in preparing the Trustees report.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees Responsibilities set out on page nine, 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 group's and parent 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 group or parent charitable company or to cease operations, or has 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 group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of Independent Auditors to the Members of**
**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**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 a Report of the Auditors 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.

D. J. Lockwood

Mrs D J Lockwood FCA, FCCA – Senior Statutory Auditor
For and on behalf of Haines Watts (East Midlands) Ltd- Statutory Auditors
Statutory Auditors
10 Stadium Business Court
Millennium Way
Pride Park
Derby
DE24 8HP

Date 25.5.2021

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Consolidated Statement of Financial Activities**
**(Incorporating an Income and Expenditure Account)**
**for the Year Ended 31 August 2020**

| | Notes | 2020 Unrestricted Funds £ | 2020 Restricted Funds £ | 2020 Total £ | 2019 Unrestricted Funds £ | 2019 Restricted Funds £ | 2019 Total £ |
|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | |
| Donations and Legacies | | 565,467 | 63,371 | 628,838 | 670,904 | 23,491 | 694,395 |
| ***Income from Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | | - | 132,900 | 132,900 | - | 193,696 | 193,696 |
| Other Incoming Resources | 4 | 132,053 | 251 | 132,304 | 46,082 | 15,937 | 62,019 |
| ***Income from Other Trading Activities*** | | | | | | | |
| Commercial Trading Activities | | 220,093 | - | 220,093 | 328,713 | - | 328,713 |
| Income from Other Activities | | - | 246 | 246 | - | 1,825 | 1,825 |
| Investment Income | 3 | 232 | - | 232 | 297 | - | 297 |
| | | 917,845 | 196,768 | 1,114,613 | 1,045,996 | 234,949 | 1,280,945 |
| **EXPENDITURE** | | | | | | | |
| ***Cost of Raising Funds*** | | | | | | | |
| Commercial Trading Costs | | 166,128 | - | 166,128 | 210,768 | - | 210,768 |
| Fundraising Costs | 5 | - | - | - | - | 463 | 463 |
| ***Expenditure on Charitable Activities*** | | | | | | | |
| Operation of Riverside Church and delivery of Mission | 6 | 752,461 | 171,118 | 923,579 | 753,865 | 276,326 | 1,030,191 |
| Support Costs | 7 | 3,540 | 1,701 | 5,241 | 5,562 | 1,500 | 7,062 |
| | | 922,129 | 172,819 | 1,094,948 | 970,195 | 278,289 | 1,248,484 |
| **Net Income/(Expenditure) Before Transfers** | | (4,284) | 23,949 | 19,665 | 75,801 | (43,340) | 32,461 |
| Transfers | | (35,336) | 35,336 | - | (36,288) | 36,288 | - |
| **Net Income/(Expenditure)** | | (39,620) | 59,285 | 19,665 | 39,513 | (7,052) | 32,461 |
| Taxation Charge | | - | - | - | - | - | - |
| **Net Movement in Funds** | | (39,620) | 59,285 | 19,665 | 39,513 | (7,052) | 32,461 |
| **Reconciliation of Funds** | | | | | | | |
| Total Funds Brought Forward | 15 | 1,130,970 | 43,341 | 1,174,311 | 1,091,457 | 50,393 | 1,141,850 |
| Total Funds Carried Forward | 15 | 1,091,350 | 102,626 | 1,193,976 | 1,130,970 | 43,341 | 1,174,311 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements

East Midlands Christian Fellowships
(A Charitable Company Limited by Guarantee)

## Consolidated and Charity Balance Sheet for the Year Ended 31 August 2020

| | Notes | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Fixed Assets | 11 | 1,446,126 | 1,477,406 | 1,437,607 | 1,474,193 |
| Investments | 12 | - | - | 1 | 1 |
| **Total Fixed Assets** | | 1,446,126 | 1,477,406 | 1,437,608 | 1,474,194 |
| **CURRENT ASSETS** | | | | | |
| Debtors – Gift Aid Donations | | - | - | - | 78,817 |
| Debtors – Income Tax Refund | | 13,675 | 29,854 | 13,675 | 29,854 |
| Debtors | | 54,153 | 87,365 | 43,763 | 51,961 |
| Bank Accounts | | 119,012 | 143,250 | 111,643 | 96,259 |
| Deposit Accounts | | 214,076 | 105,849 | 214,076 | 105,849 |
| Restricted Fund Bank Accounts | | 73,505 | 29,892 | 73,505 | 29,892 |
| Petty Cash | | 1,070 | 1,800 | 1,018 | 777 |
| **TOTAL CURRENT ASSETS** | | 475,491 | 398,010 | 457,680 | 393,409 |
| **CREDITORS**: | | | | | |
| Amounts falling due within one year | 13 | (114,111) | (144,448) | (150,549) | (140,857) |
| **NET CURRENT ASSETS** | | 361,380 | (253,562) | 307,131 | 252,552 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 1,807,506 | 1,730,968 | 1,747,739 | 1,726,746 |
| **CREDITORS**: | | | | | |
| Amounts falling due after more than one year | 14 | (613,530) | (556,657) | (563,530) | (556,657) |
| **NET ASSETS** | | 1,193,976 | 1,174,311 | 1,181,209 | 1,170,089 |
| **THE FUNDS OF THE GROUP**: | | | | | |
| Restricted Funds | 17 | 102,626 | 43,341 | 102,626 | 43,341 |
| Unrestricted Funds: | | | | | |
| Subsidiary | | 12,767 | 4,222 | - | - |
| Designated | 17 | 17,575 | 128,307 | 17,575 | 128,307 |
| Balance of Unrestricted Funds | | 1,061,008 | 998,441 | 1,061,008 | 998,441 |
| | | 1,091,350 | 1,130,970 | 1,078,583 | 1,170,089 |
| **TOTAL CHARITY FUNDS** | 15 | 1,193,976 | 1,174,311 | 1,181,209 | 1,170,089 |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

E L A Jones

E L A Jones - Director

Approved by the Board: 20 May 2021 (Date)

The notes on pages 16 to 25 form part of these financial statements.

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

## Consolidated Cash Flow Statement as at 31 August 2020

| | | 2020 £ | 2019 £ |
|---|---|---|---|
| **Net Cash Flow from Operating Activities** | 25 | 120,378 | 170,297 |
| **Returns on Investments:** | | | |
| Interest Received | | 232 | 297 |
| Interest Paid | | (14,528) | (16,466) |
| | | 106,062 | 154,128 |
| Taxation | | - | - |
| **Capital Expenditure and Financial Investments:** | | | |
| Purchase of Tangible Fixed Assets | | (36,083) | (29,499) |
| | | 69,979 | 124,629 |
| **Financing:** | | | |
| Capital Element of Loan Repayments Made | | 56,873 | (71,272) |
| Capital Element of Loan Repayments Received | | - | 1 |
| **Net Cash Inflow/(Outflow)** | | 126,872 | 53,358 |
| Increase/(Decrease) in Cash in the Year | | 126,872 | 53,358 |
| Net Cash Resources at 1 September 2019 | | 280,791 | 227,433 |
| **Net Cash Resources at 31 August 2020** | | 407,663 | 280,791 |

**East Midlands Christian Fellowships**
**(A Charitable Company Limited by Guarantee)**

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020**

**Statutory Information**
East Midlands Christian Fellowship is a private Charitable Company, Limited by Guarantee, registered in England and Wales. The Charitable Company's registered number and registered office can be found on page five.

1. **Accounting Policies**

i) **Basis of Preparation**
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 (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Group Financial Statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Riverside Event Management Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

East Midlands Christian Fellowships meets the definition of a public benefit entity under FRS102.

**Going Concern**
The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern.

The financial statements are presented in sterling £1.

ii) **Depreciation and Fixed Assets**
Fixed assets costing less than £1,000 are not capitalised. Depreciation is provided on a straight line basis at rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:-

| | | |
|---|---|---|
| Freehold Property | - | 2% per annum |
| Office Equipment | - | 10/33% per annum |
| Fixtures and Fittings | - | 10% per annum |

iii) **Donations and Offerings Received**
Voluntary income received by way of donations and gifts is accounted for when receivable. Any resultant gift aid tax claim is included as part of the income for the year.

iv) **Other Income**
Other income is accounted for on the accruals basis so far as is prudent to do so.

Investment income is included when receivable.

v) **Donated Services and Facilities**
Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

vi) **Expenditure and Irrecoverable VAT**

Expenditure is allocated to the relevant cost category in accordance with internal guidelines issued by the charity and is appropriate to the use derived from the resources. Expenditure is recognised on an accrual basis as the liability is incurred and includes VAT which cannot be recovered.

vii) **Fund Accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

viii) **Pensions**

The charity operates a defined contribution pension scheme. Contributions to the scheme are recognised as resources expended upon payment. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable for the year are shown within the Statement of Financial Activities.

ix) **Limited by Guarantee**

The Charity is limited by guarantee and in the event of it being wound up, every member is liable to contribute a sum not exceeding £10. There are no shares of any class either authorised or allocated.

x) **Leases**

Rentals payable under operating leases are charged to resources expended on a straight line basis over the period of the lease.

xi) **Investment in Subsidiary**

The investment in the subsidiary is included at cost.

xii) **Deferred Taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

This accounting policy is relevant for the subsidiary only. As stated in note 10, East Midlands Christian Fellowships is a registered Charity and is thus exempt from tax on income and gains.

xiii) **Debtors**

Debtors are recognised at the settlement amount owed to the Charity or prepaid.

xiii) **Creditors**

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

xv) **Financial Instruments**

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

xvi) **Judgement and Key Sources of Estimation Uncertainty**

The preparation of accounts using generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period.

The key estimates and assumptions used in the Financial Statements are detailed in the accounting policies.

2. **Income from Trading Subsidiary**

During the year the subsidiary company donated the majority of its profits to the charitable company as Gift Aid donations.

The income received from Riverside Event Management Limited during the year was as follows:-

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Gift Aid Donation | 44,670 | 118,000 |

3. **Investment Income**

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Interest received | 232 | - | 232 | 297 |

4. **Other Incoming Resources**

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| CJRS – Government Support | 63,870 | - | 63,870 | - |
| Other | 68,183 | 251 | 68,434 | 62,019 |
| | 132,053 | 251 | 132,304 | 62,019 |

5. **Fund raising trading: cost of goods and other costs**

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Fund raising costs | - | - | - | 463 |

6. **Expenditure on Charitable Activities**

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Staff Costs, | | | | |
| Pastoral Fees & Expenses | 446,577 | - | 446,577 | 391,014 |
| Ministry Costs | 99,312 | 144,863 | 244,175 | 383,218 |
| Property Costs | 144,142 | 5,132 | 149,274 | 167,740 |
| Office Costs | 46,589 | 11,123 | 57,712 | 71,221 |
| Mortgage and Finance Costs | 14,528 | - | 14,528 | 16,467 |
| Other Expenses | 1,313 | - | 1,313 | 531 |
| Transfer to Emmanuel School Derby Ltd (See note 15) | - | 10,000 | 10,000 | - |
| | 752,461 | 171,118 | 923,579 | 1,030,191 |

## 7. Support Costs

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Auditors' Remuneration | 2,790 | 1,701 | 4,491 | 6,152 |
| Auditor's Remuneration: non-audit | 750 | - | 750 | 910 |
| | 3,540 | 1,701 | 5,241 | 7,062 |

## 8. Net Incoming Resources for the Period

| The net incoming resources are after charging:- | 2020 £ | 2019 £ |
|---|---|---|
| Depreciation of tangible fixed assets | 67,363 | 64,164 |
| Auditor's remuneration: | | |
| Charitable Company | 4,491 | 4,652 |
| Other (accounts assistance) | 750 | 910 |
| Operating lease rentals | 4,784 | 5,784 |

East Midlands Christian Fellowships and Riverside Events Management Limited Directors giving in the financial year totalled £28,960 (2019: £35,609).

During the year the average number of staff employed by the group was 42 (2019: 48), the majority of staff are employed on a part time basis. No member of staff was paid in excess of £60,000.

| | 2020 £ | 2019 £ |
|---|---|---|
| Staff costs note: | | |
| Salaries | 583,351 | 558,703 |
| Pension costs | 21,644 | 39,377 |
| Social Security costs | 35,956 | 25,131 |
| | 640,951 | 623,211 |

## 9. Trustee Remuneration and Related Party Transactions

Other than in note 20, no emoluments were received by the board of trustees in their capacity as trustees.

There were no other emoluments or expenses paid to any charity trustee or persons connected with such a trustee, directly or indirectly from the funds of the company or from the property of any situation or body corporate connected with the Charity.

## 10. Taxation

| | 2020 £ | 2019 £ |
|---|---|---|
| Corporation Tax | - | - |

East Midlands Christian Fellowships is exempt on tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that they are applied to its charitable activities. No tax charges have arisen in the Charity.

11. **Analysis of Movement in Fixed Assets**

| GROUP | Freehold Property £ | Equipment and fittings £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 September 2019 | 2,057,739 | 434,483 | 2,492,222 |
| Additions | - | 36,083 | 36,083 |
| Disposals | | - | - |
| At 31 August 2020 | 2,057,739 | 470,566 | 2,528,305 |
| **Accumulated Depreciation** | | | |
| At 1 September 2019 | 683,387 | 331,429 | 1,014,816 |
| Charge for the year | 43,515 | 23,848 | 67,363 |
| On disposal | - | - | - |
| At 31 August 2020 | 726,902 | 355,277 | 1,082,179 |
| **Net Book Value** | | | |
| At 31 August 2019 | 1,374,352 | 103,054 | 1,477,406 |
| At 31 August 2020 | 1,330,837 | 115,289 | 1,446,126 |

| CHARITY | Freehold Property £ | Equipment and fittings £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 September 2019 | 2,057,718 | 402,320 | 2,460,038 |
| Additions | - | 29,079 | 29,079 |
| Disposals | - | - | - |
| At 31 August 2020 | 2,057,718 | 431,399 | 2,489,117 |
| **Accumulated Depreciation** | | | |
| At 1 September 2019 | 683,387 | 302,458 | 985,845 |
| Charge for the year | 43,515 | 22,150 | 65,665 |
| On disposal | - | - | - |
| At 31 August 2020 | 726,902 | 324,608 | 1,051,510 |
| **Net Book Value** | | | |
| At 31 August 2019 | 1,374,331 | 99,842 | 1,474,193 |
| At 31 August 2020 | 1,330,816 | 106,791 | 1,437,607 |

12. **Investments**

| CHARITY | 2020 £ | 2019 £ |
|---|---|---|
| Investment in Riverside Event Management Limited | 1 | 1 |
| | 1 | 1 |

The company owns 100% of the issued share capital of a trading company, Riverside Event Management Limited, whose principle activity is that of the provision of room hire and related facilities.

13. **Creditors: Amounts falling due within one year**

| | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|
| Amount due to Subsidiary | - | - | 50,000 | - |
| Taxation and Social Security | 9,279 | 9,177 | 9,279 | 9,177 |
| Accruals | 32,432 | 62,871 | 18,870 | 59,280 |
| Bank Loans (Secured) | 72,400 | 72,400 | 72,400 | 72,400 |
| | 114,111 | 144,448 | 150,549 | 140,857 |

14. **Creditors: Amounts falling due after one year (Group and Charity)**

| | | Group 2020 £ | Charity 2020 £ | 2019 £ |
|---|---|---|---|---|
| Bank Loans (Secured): | 2 to 5 years | 289,600 | 289,600 | 289,600 |
| | More than 5 years | 223,930 | 223,930 | 267,057 |
| Bounce Back Loans: | 2 to 5 years | 80,000 | 40,000 | - |
| | More than 5 years | 20,000 | 10,000 | - |
| | | 613,530 | 563,530 | 556,657 |

The bank loans are secured on the three properties: The Riverside Centre, Bridge House and Juniper Lodge.

The bounce bank loan is not secured and is repayable over 6 years at an interest rate of 2.5%. The first year was granted a repayment holiday due to the Corona Virus crisis.

15. **Summary of Funds – Group**

| | As at 31.8.19 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.20 £ | 2019 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 43,341 | 196,769 | 162,820 | 25,336 | 102,626 | 43,341 |
| Unrestricted Funds | 1,126,748 | 653,112 | 710,611 | 9,334 | 1,078,583 | 1,126,748 |
| Trading Subsidiary | 4,222 | 264,732 | 211,517 | (44,670) | 12,767 | 4,222 |
| | 1,174,311 | 1,114,613 | 1,084,948 | (10,000) | 1,193,976 | 1,174,311 |

## 16. Summary of Funds – Group

| | As at 31.8.18 £ | Incoming £ | Outgoing £ | Transfers £ | As at 31.8.19 £ | 2018 £ |
|---|---|---|---|---|---|---|
| Restricted Funds | 50,393 | 234,950 | 278,290 | 36,288 | 43,341 | 50,393 |
| Unrestricted Funds | 1,086,271 | 717,282 | 758,517 | 81,712 | 1,126,748 | 1,086,271 |
| Trading Subsidiary | 5,186 | 328,713 | 211,678 | (118,000) | 4,222 | 5,186 |
| | 1,141,850 | 1,280,945 | 1,248,485 | - | 1,174,311 | 1,141,850 |

## 17. Analysis of Net Assets Between Funds

| | General Fund £ | Restricted Funds £ | 2020 Total £ | General Fund £ | Restricted Funds £ | 2019 Total £ |
|---|---|---|---|---|---|---|
| Tangible fixed assets | 1,446,126 | - | 1,446,126 | 1,477,406 | - | 1,477,406 |
| Investments | - | - | - | - | - | - |
| Current assets | 372,056 | 103,436 | 475,492 | 332,422 | 65,588 | 398,010 |
| Current liabilities | (113,302) | (810) | (114,112) | (122,200) | (22,248) | (144,448) |
| Long term liabilities | (613,530) | - | (613,530) | (556,657) | - | (556,657) |
| | 1,091,350 | 102,626 | 1,193,976 | 1,130,971 | 43,340 | 1,174,311 |

## 18. Restricted Funds

The following are details of the charity's restricted funds:-

| | At 1.9.19 £ | Income £ | Expenditure £ | Transfers £ | At 31.8.20 £ |
|---|---|---|---|---|---|
| Emmanuel School | 34,375 | 115,595 | 128,619 | 20,000 | 41,351 |
| Harper | - | 405 | 250 | - | 155 |
| Missions Development | 369 | 3,115 | 570 | - | 2,914 |
| Alpha | 530 | 839 | 297 | - | 1,072 |
| Persian Bible College/ Cross Cultural Training | 69 | - | 69 | - | - |
| Benevolent Hardship Fund | 875 | 441 | - | - | 1,316 |
| Derby City Mission Night Shelter | 62 | - | 62 | - | - |
| Sphere Money (Synergy) | 182 | 18,442 | 27,426 | 15,336 | 6,534 |
| BCC Hardship Fund | 2,114 | - | - | - | 2,114 |
| Lutterworth Community Church Transfer | 3,582 | - | 3,582 | - | - |
| Reach Response | - | 23,880 | 10,344 | - | 13,536 |
| Covid Crisis | - | 9,483 | 800 | | 8,683 |
| Open Doors | 683 | - | - | - | 683 |
| Reach Planting | - | 21,568 | - | - | 21,568 |
| Youth Hall Reach Nottingham | 500 | - | 500 | - | - |
| ICP Anchor Trust | - | 3,000 | 300 | - | 2,700 |
| | 43,341 | 196,768 | 172,819 | 35,336 | 102,626 |

Purposes of restricted funds:-

Emmanuel School

A balance brought forward of £34,375, this fund is for the running of Emmanuel School which was part of EMCF until 28th Feb 2020, when it was transferred as a separate legal entity, Emmanuel School Derby Ltd, a Charity limited by guarantee in its own right. The balance carried forward will be transferred to ESDL. The school provides exceptional small group education for children aged 3-11, in a very friendly environment where children are nurtured and educated and where the curriculum enables pupils to develop well academically, socially, emotionally, spiritually and physically.

The balance remaining for transfer to the school at 31 August 2020 totalled £41,351 and is represented by:-

| | |
|---|---|
| Bank and cash balance | 12,231 |
| Debtors | 29,930 |
| Accruals | (810) |
| | £ 41,351 |

Harper

EMCF supports various overseas and homebased workers within the egis of the EMCF. Special collections taken for these individuals is disbursed to them to provide support for the specific purposes for which the collection is taken.

Missions Development

Missions development to support overseas trips, people serving overseas and the training of mission's workers.

Alpha

The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions.

Persian Bible School/Cross Cultural Training

Persian Bible School/Cross Cultural Training in support of cross-cultural work such as providing English lessons to asylum seekers and refugees, and training to advance the cross-cultural work in CCD.

Benevolent Hardship-CCD

A fund set up to provide support to those in time of financial need at the discretion of the EMCF leadership.

Night Shelter Derby

Night Shelter Offering given to Derby City Mission to support their work.

Sphere Money (Synergy)

This money is to support the administration of an initiative of a network of churches working together in the UK, named as 'Synergy', which will be registered as a charity in its own right in the near future.

BCC Hardship Fund

A special collection taken up by Belper to support individuals and families at a time when they are unable to support themselves, and to help through the difficult period.

Lutterworth Community Church

The balance carried forward and restricted for CAP, in respect of money transferred from Lutterworth Community Church.

Reach Response

A special collection was taken during the year to support the work of partners that EMCF has worked with over the years and whose aims and purposes align with EMCF's. During the year the money was disbursed to various partners, principally DCM, Storhouse, Upbeat Communities, Welcome Churches, Restore, Safe Families for Children, Saffires, Hope City Furniture, Shoulder to Shoulder and Talk It Over,which EMCF have supported over the years.

Covid Crisis

A special collection was taken during the Covid Pandemic to support the disadvantaged. The money was disbursed to various individuals' facing financial difficulties during the crisis, identified by the Senior Leaders Team and Community Groups throughout Reach.

Purposes of restricted funds - continued:-

| | |
|---|---|
| Open Doors | A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country. |
| Reach Planting | A special collection was taken during the year to support the EMCF members and partners to plant churches in East Midlands, the rest of UK and overseas. |
| Youth Hall Reach Nottingham | CCN offering money in support of Nottingham Community Church. |
| ICP Anchor Trust | This money is held on behalf of ICP Anchor Trust, to support the administration of an initiative which will promote the vision and values of intercultural church to Christian groups in the UK. ICP Anchor Trust will be registered as a charity in its own right in the near future. At that point the balance in the fund will be transferred to the new Charity. |
| **Designated Funds** | The designated funds are allocated for capital projects, rebranding and development projects, the balance left aside being £17,575. |

19. **Financial Commitments**

The charity have taken a lease on The Pavilion in Lutterworth which commenced on 3 April 2017. The lease is for a period of 7 years. The annual rent is £1,000. The lease was terminated in February 2020.

A photocopier lease commenced in December 2015 for 5 years, one payment of £1,375 and thereafter £1,196 a quarter.

20. **Related Party Transactions**

One director of the Charity has received remuneration during the period in their capacity as pastor or teacher, this is expressly permitted in the Memorandum and Articles of Association of the company.

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| M N Mumford | 40,884 | 58,694 |

Welcome Churches is a trustee on the Board of East Midlands Christian Fellowship and is also on the Board of Welcome Churches. During the year East Midlands Christian Fellowships provided Welcome Churches with £1,200.

There are no other related party transactions.

21. **Pension Commitment**

The Charity contributes to defined contribution pension schemes. The assets are held and administered by individually selected pension providers. The pension cost charge represents contributions payable by the Charity to the pension schemes and amounts to £21,644 (2019: £22,800).

22. **FRC Ethical Standard – Provisions Available for Small Entities**

In common with many other entities of our size and nature we use our auditors to assist with the preparation of the financial statements.

## 23. Capital Commitment

At 31 August 2020 the Charity had no capital commitments (2019: NIL).

## 24. Subsidiary Company

**Riverside Event Management Limited** - The Charity owns 100% of the issued share capital of Riverside Event Management Limited ("REM"), a company registered in England and Wales (company number 04473452) the registered office is The Riverside Centre, Riverside Court, Pride Park, Derby, DE24 8HY. The subsidiary is used to further the overall objectives of the Charity by the provision of room hire and related facilities.

A proportion of their profits is given as a charitable donation to the Charity by Gift Aid; the amount for 2020 was £44,670 (2019: £118,000). A summary of the results of the subsidiary is shown below:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Turnover | 220,093 | 328,713 |
| Cost of Sales | 42,423 | 65,526 |
| Other Income | 44,640 | - |
| Gross Profit | 222,310 | 263,187 |
| Administrative Expenses | 213,765 | 264,152 |
| Net (Loss)/Profit Before Tax | 8,545 | (965) |
| Taxation | - | - |
| Net (Loss)/Profit After Tax | 8,545 | (965) |
| Net Assets | 8,545 | 4,222 |

## 25. Cash Flow Statement

Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Net incoming resources before taxation | 19,665 | 32,461 |
| Adjustments: | | |
| Interest paid | 14,528 | 16,466 |
| Investment income | (232) | (297) |
| Depreciation charges | 67,363 | 64,164 |
| (Increase)/decrease in debtors | 49,391 | 26,427 |
| Increase/(decrease) in creditors | (30,337) | 31,076 |
| | 120,378 | 170,297 |

## 26. Post Balance Sheet Events

The trustees transferred control and ownership of the Emmanuel School to a new entity known as Emmanuel School (Derby) Limited, Charity Number 1184684. The transition was completed on 1 February 2020 but funds of £41,351 remain held as restricted funds at 31 August 2020, ready for transfer.

The Riverside building will be undergoing major refurbishment between May and August 2021 to update the facility for use by Riverside Events Management Ltd for the provision of conference and room letting services. The refurbishment is expected to cost about £517,000 and is to be funded mainly be re-mortgaging the loan facility, together with raising funds from the charity's beneficiaries. The new facility is expected to be fully functional around September/ October 2021.