

**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.

**East Midlands Christian Fellowships**  
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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

**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 separate 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 to 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.

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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

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.

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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

**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 the Charity has sufficient reserves to ensure effective continuity in achieving 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.

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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 19<sup>th</sup> 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 vision 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.

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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

**Reference and Administrative Details**

<b>Charity Name:</b>	East Midlands Christian Fellowships	
<b>Charitable Status:</b>	The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638.	
<b>Company Number:</b>	03971567	
<b>Directors:</b>	E L A Jones (Chair) A S Townsend (resigned 08.07.20) A C Turner (resigned 28.11.19) D Cavanagh (appointed 28.11.19)	M N Mumford M A Frost J Giles (appointed 28.11.19) J Abraham (appointed 09.07.20) D Park (appointed 09.07.20)
<b>Secretary:</b>	K C Parmar	
<b>Directors:</b>	The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities.	
<b>Registered Office:</b>	The Riverside Centre Riverside Court Pride Park Derby DE24 8HY	
<b>Bankers:</b>	Barclays Bank Plc Nottingham and Derby Team Level 4 1 Chapel Quarter Maid Marion Way Nottingham NG1 6HQ	
<b>Senior Statutory Auditors:</b>	Haines Watts (East Midlands) Ltd 10 Stadium Business Court Millennium Way Pride Park Derby 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.

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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

**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



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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

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 3<sup>rd</sup> 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.

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**Group Trustees' Report for the Year Ended 31 August 2020 - continued**

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.

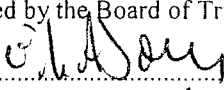
Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2020 was 7 (2019: 6).

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 1<sup>st</sup> 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  
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**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  
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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

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**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

		<u>2020</u>			<u>2019</u>		
	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total</u> £	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total</u> £
<b><u>INCOME</u></b>							
Donations and Legacies		565,467	63,371	628,838	670,904	23,491	694,395
<i>Income from Charitable Activities</i>							
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
<i>Income from Other Trading Activities</i>							
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
<b><u>EXPENDITURE</u></b>							
<i>Cost of Raising Funds</i>							
Commercial Trading Costs		166,128	-	166,128	210,768	-	210,768
Fundraising Costs	5	-	-	-	-	463	463
<i>Expenditure on Charitable Activities</i>							
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
<b>Net Income/(Expenditure) Before Transfers</b>		(4,284)	23,949	19,665	75,801	(43,340)	32,461
Transfers		(35,336)	35,336	-	(36,288)	36,288	-
<b>Net Income/(Expenditure)</b>		(39,620)	59,285	19,665	39,513	(7,052)	32,461
Taxation Charge		-	-	-	-	-	-
<b>Net Movement in Funds</b>		(39,620)	59,285	19,665	39,513	(7,052)	32,461
<b>Reconciliation of Funds</b>							
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**

	<u>Notes</u>	<u>Group</u> <u>2020</u> £	<u>Group</u> <u>2019</u> £	<u>Charity</u> <u>2020</u> £	<u>Charity</u> <u>2019</u> £
<b><u>FIXED ASSETS</u></b>					
Tangible Fixed Assets	11	1,446,126	1,477,406	1,437,607	1,474,193
Investments	12	-	-	1	1
<b>Total Fixed Assets</b>		<b>1,446,126</b>	<b>1,477,406</b>	<b>1,437,608</b>	<b>1,474,194</b>
<b><u>CURRENT ASSETS</u></b>					
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
<b>TOTAL CURRENT ASSETS</b>		<b>475,491</b>	<b>398,010</b>	<b>457,680</b>	<b>393,409</b>
<b><u>CREDITORS:</u></b>					
Amounts falling due within one year	13	(114,111)	(144,448)	(150,549)	(140,857)
<b>NET CURRENT ASSETS</b>		<b>361,380</b>	<b>(253,562)</b>	<b>307,131</b>	<b>252,552</b>
<b><u>TOTAL ASSETS LESS</u></b>					
<b><u>CURRENT LIABILITIES</u></b>		<b>1,807,506</b>	<b>1,730,968</b>	<b>1,747,739</b>	<b>1,726,746</b>
<b><u>CREDITORS:</u></b>					
Amounts falling due after more than one year	14	(613,530)	(556,657)	(563,530)	(556,657)
<b>NET ASSETS</b>		<b>1,193,976</b>	<b>1,174,311</b>	<b>1,181,209</b>	<b>1,170,089</b>
<b><u>THE FUNDS OF THE GROUP:</u></b>					
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
		<b>1,091,350</b>	<b>1,130,970</b>	<b>1,078,583</b>	<b>1,170,089</b>
<b>TOTAL CHARITY FUNDS</b>	15	<b>1,193,976</b>	<b>1,174,311</b>	<b>1,181,209</b>	<b>1,170,089</b>

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 - 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**

		<u>2020</u> £	<u>2019</u> £
<b>Net Cash Flow from Operating Activities</b>	25	120,378	170,297
<b>Returns on Investments:</b>			
Interest Received		232	297
Interest Paid		<u>(14,528)</u>	<u>(16,466)</u>
		106,062	154,128
Taxation		-	-
<b>Capital Expenditure and Financial Investments:</b>			
Purchase of Tangible Fixed Assets		<u>(36,083)</u>	<u>(29,499)</u>
		69,979	124,629
<b>Financing:</b>			
Capital Element of Loan Repayments Made		56,873	(71,272)
Capital Element of Loan Repayments Received		<u>-</u>	<u>1</u>
<b>Net Cash Inflow/(Outflow)</b>		<u>126,872</u>	<u>53,358</u>
Increase/(Decrease) in Cash in the Year		126,872	53,358
Net Cash Resources at 1 September 2019		<u>280,791</u>	<u>227,433</u>
<b><u>Net Cash Resources at 31 August 2020</u></b>		<u>407,663</u>	<u>280,791</u>



**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 1<sup>st</sup> 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.

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 - continued**

**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.

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 - continued**

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:-

	<u>2020</u> £	<u>2019</u> £
Gift Aid Donation	44,670	118,000

**3. Investment Income**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2020</u> <u>Total</u> £	<u>2019</u> <u>Total</u> £
Interest received	232	-	232	297

**4. Other Incoming Resources**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2020</u> <u>Total</u> £	<u>2019</u> <u>Total</u> £
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**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2020</u> <u>Total</u> £	<u>2019</u> <u>Total</u> £
Fund raising costs	-	-	-	463

**6. Expenditure on Charitable Activities**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2020</u> <u>Total</u> £	<u>2019</u> <u>Total</u> £
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

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 - continued**

**7. Support Costs**

	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>2020</u> <u>Total</u> <u>£</u>	<u>2019</u> <u>Total</u> <u>£</u>
Auditors' Remuneration	2,790	1,701	4,491	6,152
Auditor's Remuneration: non-audit	750	-	750	910
	<u>3,540</u>	<u>1,701</u>	<u>5,241</u>	<u>7,062</u>

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

	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
The net incoming resources are after charging:-		
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.

	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
Staff costs note:		
Salaries	583,351	558,703
Pension costs	21,644	39,377
Social Security costs	35,956	25,131
	<u>640,951</u>	<u>623,211</u>

**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**

	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
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.

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 - continued**

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

<b><u>GROUP</u></b>	<b><u>Freehold Property</u> £</b>	<b><u>Equipment and fittings</u> £</b>	<b><u>Total</u> £</b>
<b>Cost</b>			
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
<b>Accumulated Depreciation</b>			
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
<b>Net Book Value</b>			
At 31 August 2019	1,374,352	103,054	1,477,406
At 31 August 2020	1,330,837	115,289	1,446,126

<b><u>CHARITY</u></b>	<b><u>Freehold Property</u> £</b>	<b><u>Equipment and fittings</u> £</b>	<b><u>Total</u> £</b>
<b>Cost</b>			
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
<b>Accumulated Depreciation</b>			
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
<b>Net Book Value</b>			
At 31 August 2019	1,374,331	99,842	1,474,193
At 31 August 2020	1,330,816	106,791	1,437,607

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 - continued**

**12. Investments**

**CHARITY**

	<u>2020</u> £	<u>2019</u> £
Investment in Riverside Event Management Limited	1	1
	<u>1</u>	<u>1</u>

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**

	<u>Group</u> <u>2020</u> £	<u>Group</u> <u>2019</u> £	<u>Charity</u> <u>2020</u> £	<u>Charity</u> <u>2019</u> £
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
	<u>114,111</u>	<u>144,448</u>	<u>150,549</u>	<u>140,857</u>

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

	<u>Group</u> <u>2020</u> £	<u>Charity</u> <u>2020</u> £	<u>2019</u> £
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	-
	<u>613,530</u>	<u>563,530</u>	<u>556,657</u>

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**

	<u>As at</u> <u>31.8.19</u> £	<u>Incoming</u> £	<u>Outgoing</u> £	<u>Transfers</u> £	<u>As at</u> <u>31.8.20</u> £	<u>2019</u> £
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
	<u>1,174,311</u>	<u>1,114,613</u>	<u>1,084,948</u>	<u>(10,000)</u>	<u>1,193,976</u>	<u>1,174,311</u>

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

Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 - continued

**16. Summary of Funds – Group**

	<u>As at</u> <u>31.8.18</u> £	<u>Incoming</u> £	<u>Outgoing</u> £	<u>Transfers</u> £	<u>As at</u> <u>31.8.19</u> £	<u>2018</u> £
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
	<u>1,141,850</u>	<u>1,280,945</u>	<u>1,248,485</u>	<u>-</u>	<u>1,174,311</u>	<u>1,141,850</u>

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

	<u>General</u> <u>Fund</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2020</u> <u>Total</u> £	<u>General</u> <u>Fund</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2019</u> <u>Total</u> £
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)
	<u>1,091,350</u>	<u>102,626</u>	<u>1,193,976</u>	<u>1,130,971</u>	<u>43,340</u>	<u>1,174,311</u>

**18. Restricted Funds**

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

	<u>At 1.9.19</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	<u>At 31.8.20</u> £
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
	<u>43,341</u>	<u>196,768</u>	<u>172,819</u>	<u>35,336</u>	<u>102,626</u>

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 – continued**

**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)
	<b>£ 41,351</b>

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.



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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 – continued**

**Purposes of restricted funds - continued:-**

<u>Open Doors</u>	A special collection taken to support the work of Open Doors at a time of a particular crises in an overseas country.
<u>Reach Planting</u>	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.
<u>Youth Hall Reach Nottingham</u>	CCN offering money in support of Nottingham Community Church.
<u>ICP Anchor Trust</u>	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.
<b>Designated Funds</b>	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.

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
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.

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2020 – continued**

**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:

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Turnover	220,093	328,713
Cost of Sales	42,423	65,526
Other Income	44,640	-
Gross Profit	<u>222,310</u>	<u>263,187</u>
Administrative Expenses	213,765	264,152
Net (Loss)/Profit Before Tax	<u>8,545</u>	<u>(965)</u>
Taxation	-	-
Net (Loss)/Profit After Tax	<u>8,545</u>	<u>(965)</u>
Net Assets	<u>8,545</u>	<u>4,222</u>

**25. Cash Flow Statement**

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

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
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	<u>(30,337)</u>	<u>31,076</u>
	<u>120,378</u>	<u>170,297</u>

**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 by 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.