



**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



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

**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.

**East Midlands Christian Fellowships  
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**Group Trustees' Report for the Year Ended 31 August 2021 - continued**

**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 are 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 lead 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 21<sup>st</sup> 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.

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

**Group Trustees' Report for the Year Ended 31 August 2021 - 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 £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.

**East Midlands Christian Fellowships**  
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**Group Trustees' Report for the Year Ended 31 August 2021 - 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>	D Park (Chair) E L A Jones D Cavanagh J Abraham	M N Mumford (resigned 8.7.21) M A Frost (resigned 13.1.22) L So (appointed 8.7.21) J Giles
<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.

**East Midlands Christian Fellowships  
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**Group Trustees' Report for the Year Ended 31 August 2021 - 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, 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

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

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 Authentication) continues with staff using IT equipment. EMCF have now also made the decision to continue using a 3<sup>rd</sup> 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.



**East Midlands Christian Fellowships  
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**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.

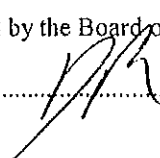
Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the charitable company in the event of winding up. The total number of such guarantees at 31 August 2021 was 5 (2020: 7).

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 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 12 May 2022 and signed on its behalf by:

 ..... D Park (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 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  
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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.

**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.

**Report of Independent Auditors to the Members of  
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- 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](http://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 2022

**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**

		<u>2021</u>			<u>2020</u>		
	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>£</u>	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>£</u>
<b><u>INCOME</u></b>							
Donations and Legacies		566,683	37,758	604,441	565,467	63,371	628,838
<i>Income from Charitable Activities</i>							
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
<i>Income from Other Trading Activities</i>							
Commercial Trading Activities		145,431	-	145,431	220,093	-	220,093
Income from Other Activities		-	-	-	-	246	246
Investment Income	3	31	-	31	232	-	232
		<u>803,257</u>	<u>53,808</u>	<u>857,065</u>	<u>917,845</u>	<u>196,768</u>	<u>1,114,613</u>
<b><u>EXPENDITURE</u></b>							
<i>Cost of Raising Funds</i>							
Commercial Trading Costs		42,562	-	42,562	166,128	-	166,128
Fundraising Costs	5	-	-	-	-	-	-
<i>Expenditure on Charitable Activities</i>							
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
		<u>762,452</u>	<u>106,216</u>	<u>868,668</u>	<u>922,129</u>	<u>172,819</u>	<u>1,094,948</u>
<b>Net Income/(Expenditure) Before Transfers</b>		40,805	(52,408)	(11,603)	(4,284)	23,949	19,665
Transfers		(10,000)	10,000	-	(35,336)	35,336	-
<b>Net Income/(Expenditure)</b>		30,805	(42,408)	(11,603)	(39,620)	59,285	19,665
Taxation Charge		-	-	-	-	-	-
<b>Net Movement in Funds</b>		30,805	(42,408)	(11,603)	(39,620)	59,285	19,665
<b>Reconciliation of Funds</b>							
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 £
<b><u>FIXED ASSETS</u></b>					
Tangible Fixed Assets	11	1,553,149	1,446,126	1,553,149	1,437,607
Investments	12	-	-	1	1
<b>Total Fixed Assets</b>		<b>1,553,149</b>	<b>1,446,126</b>	<b>1,553,150</b>	<b>1,437,608</b>
<b><u>CURRENT ASSETS</u></b>					
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
<b>TOTAL CURRENT ASSETS</b>		<b>639,391</b>	<b>475,491</b>	<b>630,725</b>	<b>457,680</b>
<b><u>CREDITORS:</u></b>					
Amounts falling due within one year	13	(60,917)	(114,111)	(99,320)	(150,549)
<b>NET CURRENT ASSETS</b>		<b>578,474</b>	<b>361,380</b>	<b>531,405</b>	<b>307,131</b>
<b><u>TOTAL ASSETS LESS</u></b>					
<b><u>CURRENT LIABILITIES</u></b>		<b>2,131,623</b>	<b>1,807,506</b>	<b>2,084,555</b>	<b>1,747,739</b>
<b><u>CREDITORS:</u></b>					
Amounts falling due after more than one year	14	(949,250)	(613,530)	(905,556)	(563,530)
<b>NET ASSETS</b>		<b>1,182,373</b>	<b>1,193,976</b>	<b>1,178,999</b>	<b>1,181,209</b>
<b><u>THE FUNDS OF THE GROUP:</u></b>					
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
		<b>1,122,155</b>	<b>1,091,350</b>	<b>1,118,781</b>	<b>1,078,583</b>
<b>TOTAL CHARITY FUNDS</b>	18	<b>1,182,373</b>	<b>1,193,976</b>	<b>1,178,999</b>	<b>1,181,209</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.

.....  
D Park - Director

Approved by the Board: 12 May 2022 (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 2021**

		<u>2021</u> £	<u>2020</u> £
<b>Net Cash Flow from Operating Activities</b>	25	27,347	120,378
<b>Returns on Investments:</b>			
Interest Received		31	232
Interest Paid		(16,010)	(14,528)
		11,368	106,062
Taxation		-	-
Disposal of Fixed Assets		257,787	-
<b>Capital Expenditure and Financial Investments:</b>			
Purchase of Tangible Fixed Assets		(433,210)	(36,083)
		(164,055)	69,979
<b>Financing:</b>			
Capital Element of Loan Repayments Made		285,346	56,873
Capital Element of Loan Repayments Received		-	-
<b>Net Cash Inflow/(Outflow)</b>		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
<b><u>Net Cash Resources at 31 August 2021</u></b>		<u>528,954</u>	<u>407,663</u>

**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 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% 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.



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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 - 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 2021 - 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>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Gift Aid Donation	<u>111,512</u>	<u>44,670</u>

**3. Investment Income**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Interest received	31	-	31	232

**4. Other Incoming Resources**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
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)	-
	<u>91,112</u>	<u>-</u>	<u>91,112</u>	<u>132,304</u>

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fund raising costs	-	-	-	-

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 - continued**

**6. Expenditure on Charitable Activities**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2021</u> <u>Total</u> £	<u>2020</u> <u>Total</u> £
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
	<u>715,126</u>	<u>106,216</u>	<u>821,342</u>	<u>923,579</u>

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

**7. Support Costs**

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2021</u> <u>Total</u> £	<u>2020</u> <u>Total</u> £
Auditors Remuneration	4,014	-	4,014	4,491
Auditors Remuneration: non-audit	750	-	750	750
	<u>4,764</u>	<u>-</u>	<u>4,764</u>	<u>5,241</u>

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

	<u>2021</u> £	<u>2020</u> £
The net incoming resources are after charging:-		
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.

	<u>2021</u> £	<u>2020</u> £
Staff costs note:		
Salaries	361,641	583,351
Pension costs	17,072	21,644
Social Security costs	26,724	35,956
	<u>405,437</u>	<u>640,951</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.

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 - continued**

**10. Taxation**

	<u>2021</u>	<u>2020</u>
	<u>£</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.

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

<u>GROUP</u>	<u>Freehold Property</u>	<u>Equipment and fittings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>Cost</b>			
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
<b>Accumulated Depreciation</b>			
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
<b>Net Book Value</b>			
At 31 August 2021	1,378,359	174,790	1,553,149
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>
	<u>£</u>	<u>£</u>	<u>£</u>
<b>Cost</b>			
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
<b>Accumulated Depreciation</b>			
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
<b>Net Book Value</b>			
At 31 August 2021	1,378,338	174,811	1,553,149
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 2021 - continued**

**12. Investments**

**CHARITY**

	<u>2021</u> £	<u>2020</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>2021</u> £	<u>Group</u> <u>2020</u> £	<u>Charity</u> <u>2021</u> £	<u>Charity</u> <u>2020</u> £
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	-
	<u>60,917</u>	<u>114,111</u>	<u>99,320</u>	<u>150,549</u>

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

	<u>Group</u> <u>2021</u> £	<u>Charity</u> <u>2021</u> £	<u>Group</u> <u>2020</u> £	<u>Charity</u> <u>2020</u> £
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
	<u>949,250</u>	<u>905,556</u>	<u>613,530</u>	<u>563,530</u>

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.

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 - continued**

**15. Summary of Funds – Group**

	<u>As at</u> <u>31.8.20</u> <u>£</u>	<u>Incoming</u> <u>£</u>	<u>Outgoing</u> <u>£</u>	<u>Transfers</u> <u>£</u>	<u>As at</u> <u>31.8.21</u> <u>£</u>	<u>2020</u> <u>£</u>
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
	<u>1,193,976</u>	<u>857,065</u>	<u>868,668</u>	<u>-</u>	<u>1,182,373</u>	<u>1,193,976</u>

**16. Summary of Funds – Group**

	<u>As at</u> <u>31.8.19</u> <u>£</u>	<u>Incoming</u> <u>£</u>	<u>Outgoing</u> <u>£</u>	<u>Transfers</u> <u>£</u>	<u>As at</u> <u>31.8.20</u> <u>£</u>	<u>2019</u> <u>£</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>

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

	<u>General</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>2021</u> <u>Total</u> <u>£</u>	<u>General</u> <u>Fund</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>2020</u> <u>Total</u> <u>£</u>
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)
	<u>1,122,155</u>	<u>60,218</u>	<u>1,182,373</u>	<u>1,091,350</u>	<u>102,626</u>	<u>1,193,976</u>

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

**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 – continued**

**18. Restricted Funds**

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

	<u>At 1.9.20</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>At 31.8.21</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
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
	<u>102,626</u>	<u>53,808</u>	<u>106,216</u>	<u>10,000</u>	<u>60,218</u>

	<u>At 1.9.19</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>At 31.8.20</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</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**  
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**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 – continued**

**Purposes of restricted funds:-**

<u>Emmanuel School</u>	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.
<u>Harper</u>	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.
<u>Missions Development</u>	Missions development to support overseas trips, people serving overseas and the training of mission's workers.
<u>Alpha</u>	The Alpha course is an evangelistic course which seeks to introduce the basics of the Christian faith through a series of talks and discussions.
<u>Sphere Money</u> <u>(Synergy)</u>	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.
<u>BCC Hardship Fund</u>	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.
<u>Reach Response</u>	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.
<u>Benevolent Hardship- CCD</u>	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.
<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>Reach Inspiration</u>	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
<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.
<u>WTC</u>	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.



**East Midlands Christian Fellowships**  
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**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 – continued**

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.

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
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.

**East Midlands Christian Fellowships**  
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**Notes to the Consolidated Financial Statements for the Year Ended 31 August 2021 – continued**

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:

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Turnover	58,920	220,093
Cost of Sales	(8,787)	(42,423)
Other Income	86,512	44,640
Gross Profit	<u>136,645</u>	<u>222,310</u>
Administrative Expenses	146,038	213,765
Net (Loss)/Profit Before Tax	<u>(9,393)</u>	<u>8,545</u>
Taxation	-	-
Net (Loss)/Profit After Tax	<u>(9,393)</u>	<u>8,545</u>
Net Assets	<u>(9,393)</u>	<u>8,545</u>

**25. Cash Flow Statement**

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

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
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	<u>(2,820)</u>	<u>(30,337)</u>
	<u>27,347</u>	<u>120,378</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 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.