



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

Consolidated Financial Statements
For the Year Ended
31 August 2022

Charity Number: 1080638

Company Number: 03971567

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

Group Trustees' Report for the Year Ended 31 August 2022

Report of the Trustees for the Year Ended 31 August 2022

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

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

Chair's Report

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

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

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

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

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

David Park
Chair of Directors

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Group Trustees' Report for the Year Ended 31 August 2022 - 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 aged or sick and to relieve distress.
3. To advance education in accordance with Christian principles.
4. To promote and fulfil other charitable purposes beneficial to the community.

Principal Activities

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

Review of the Activity, Achievements and Performance during the period

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

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

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

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

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

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

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

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

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

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

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

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

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

Statement of Public Benefit

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

**East Midlands Christian Fellowships
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Group Trustees' Report for the Year Ended 31 August 2022 - 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 £909,436 and expenditure of £977,376. This resulted in a net deficit of £67,940 for the year. The expenditure included redundancy costs of £7,500 and depreciation charge of £82,681. Without the depreciation charge, the result for the year is a net surplus of £14,741.

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

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

Reserves

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

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

Commercial trading activity is excluded from the calculation.

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

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

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

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

PLANS FOR THE FUTURE

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

**East Midlands Christian Fellowships
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Group Trustees' Report for the Year Ended 31 August 2022 - continued

Reference and Administrative Details

Charity Name:	East Midlands Christian Fellowships	
Charitable Status:	The charitable company has charitable status and is registered with the Charity Commission under registration number 1080638.	
Company Number:	03971567	
Directors:	D Park (Chair) E L A Jones (resigned 31.12.22) D Cavanagh J Abraham	M A Frost (resigned 13.1.22) L So (resigned 25.9.22) J Giles (resigned 30.6.22)
Secretary:	K C Parmar	
Directors:	The above served as Directors as indicated above. The Directors of the Company are also the Trustees of the charitable activities.	
Registered Office:	The Riverside Centre Riverside Court Pride Park Derby DE24 8HY	
Bankers:	Barclays Bank Plc Nottingham and Derby Team Level 4 1 Chapel Quarter Maid Marion Way Nottingham NG1 6HQ	
Senior Statutory Auditors:	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 2022 - 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

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

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

- A. Strategic & Legal
- B. Operational
- C. Property
- D. Employment
- E. Financial

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

The following were areas where major risks have been identified:

A. Strategic & Legal

a. Employment Legal Expertise Mitigation:

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

B. Operational

a. Safeguarding Children and Adults Mitigation:

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

b. IT Mitigation:

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

C. Property

a. Reach Centre and Bridge House

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

D. Employment

a. Staffing and HR

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

b. Systems

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

E. Financial

a. Income

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

b. Fraud

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

**East Midlands Christian Fellowships
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Group Trustees' Report for the Year Ended 31 August 2022 - continued

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safekeeping the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far the directors are aware:

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

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

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

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

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

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

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

 D Park (Director)

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

Opinion

We have audited the financial statements of East Midlands Christian Fellowships (the parent charitable company) and its subsidiary (the 'group') for the year ended 31 August 2022 on pages twelve to twenty five which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2022 and of the groups incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note twenty two to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of Independent Auditors to the Members of
East Midlands Christian Fellowships
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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. 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.



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

Date 31/05/23.

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

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

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

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

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

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

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

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

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

.....
D Park - Director

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

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

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

Consolidated Cash Flow Statement as at 31 August 2022

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

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

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

Statutory Information

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

1. Accounting Policies

i) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Issued 1st January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Group Financial Statements

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

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

Going Concern

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

The financial statements are presented in sterling £1.

ii) Depreciation and Fixed Assets

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

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

iii) Donations and Offerings Received

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

iv) Other Income

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

Investment income is included when receivable.

v) Donated Services and Facilities

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

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

Notes to the Consolidated Financial Statements for the Year Ended 31 August 2022 - 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 2022 - 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>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Rent	13,000	-
Gift Aid Donation	33,333	111,512
	<u>46,333</u>	<u>111,512</u>

3. Investment Income

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2022</u>	<u>2021</u>
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Interest received	119	-	119	31

4. Other Incoming Resources

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2022</u>	<u>2021</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
Other	45,891	-	45,891	66,217
COVID19 – Local Government Grants	-	-	-	15,000
Net Gain on Sale of Juniper Lodge	-	-	-	29,072
Net Loss on Sale of Assets during Refurbishment	-	-	-	(28,341)
	<u>45,891</u>	<u>-</u>	<u>45,891</u>	<u>91,112</u>

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2022</u>	<u>2021</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 2022 - continued

6. Expenditure on Charitable Activities

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

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

7. Support Costs

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

8. Net Incoming Resources for the Period

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

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

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

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

10. Taxation

	<u>2022</u>	<u>2021</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>
Cost			
At 1 September 2021	2,025,797	343,107	2,368,904
Additions	217,444	105,146	322,590
Disposals	-	(3,145)	(3,145)
At 31 August 2022	2,243,241	445,108	2,688,349
Accumulated Depreciation			
At 1 September 2021	647,438	168,317	815,755
Charge for the year	47,225	35,456	82,681
On disposal	-	(3,145)	(3,145)
At 31 August 2022	694,663	200,628	895,291
Net Book Value			
At 31 August 2021	1,378,359	174,790	1,553,149
At 31 August 2022	1,548,578	244,480	1,793,058
 <u>CHARITY</u>	 <u>Freehold Property</u>	 <u>Equipment and fittings</u>	 <u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost			
At 1 September 2021	2,025,776	334,441	2,360,217
Additions	217,444	105,146	322,590
Disposals	-	(3,145)	(3,145)
At 31 August 2022	2,243,220	436,442	2,679,662
Accumulated Depreciation			
At 1 September 2021	647,438	159,630	807,068
Charge for the year	47,225	35,456	82,681
On disposal	-	(3,145)	(3,145)
At 31 August 2022	694,663	191,941	886,604
Net Book Value			
At 31 August 2021	1,378,338	174,811	1,553,149
At 31 August 2022	1,548,557	244,501	1,793,058

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

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

12. Investments

CHARITY

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

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

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

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

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

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

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

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

15. Summary of Funds – Group

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

16. Summary of Funds – Group

	<u>As at</u> <u>31.8.20</u> £	<u>Incoming</u> £	<u>Outgoing</u> £	<u>Transfers</u> £	<u>As at</u> <u>31.8.21</u> £	<u>2020</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>

17. Analysis of Net Assets Between Funds

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

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

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

18. Restricted Funds

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

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

	<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>

**East Midlands Christian Fellowships
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Notes to the Consolidated Financial Statements for the Year Ended 31 August 2022 – continued

Purposes of restricted funds:-

<u>Belper Youth</u>	A legacy was received during the year for the work amongst the youth specifically in Belper, and wider within the Reach (EMCF) sphere of youth work.
<u>Ukraine</u>	During the year, a special collection was taken to support partners who are working in Ukraine to alleviate hardship faced by families during the current crisis in Ukraine.
<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>	Development to support overseas trips, people serving overseas and in the UK, providing support to refugees.
<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 (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>ICUK</u>	This money is held on behalf of ICUK (Inter Cultural UK), to support the administration of an initiative which will promote the vision and values of intercultural church to Christian groups in the UK. ICUK was registered as a charity in its own right in the year.
<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 2022 – continued

<u>Support for overseas and homebased workers</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.
Designated Funds	The designated funds are allocated for capital projects and spiritual consultancy, the balance left aside being £57,177.

19. Financial Commitments

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

20. Related Party Transactions

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

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
M N Mumford (resigned as a Trustee on 8.7.21)	-	5,500

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

There are no other related party transactions.

21. Pension Commitment

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

22. FRC Ethical Standard – Provisions Available for Small Entities

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

23. Capital Commitment

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

24. Subsidiary Company

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

East Midlands Christian Fellowships
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Notes to the Consolidated Financial Statements for the Year Ended 31 August 2022 – continued

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

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

25. Cash Flow Statement

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

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