

**MANCHESTER ALLIANCE CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**COMPANY REGISTRATION NUMBER : 3120814
CHARITY REGISTRATION NUMBER: 1092291**

MANCHESTER ALLIANCE CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS

	Page
Trustees' Annual Report (including Directors' Report)	1-10
Independent Examiner's Report	11
Statement of Financial Activities (including Income and Expenditure Account)	12
Balance Sheet	13
Notes to the Financial Statements	14-24

MANCHESTER ALLIANCE CHURCH
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors for the purpose of company law, present their report together with the financial statements of Manchester Alliance Church for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in Note 2 and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 , Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) , and with the Charities Act 2011.

1. Reference and Administrative Details

Charity Name	Manchester Alliance Church
Charity Registration Number	1092291
Company Registration Number	3120814
Registered Office	Manchester Alliance Church Unit 9, The Quadrangle Hulme Street Manchester M1 5GL

Board Members (Directors and Trustees)

The following directors and trustees held office from 1 January 2020 to the date of this report unless otherwise stated : -

Chairman	Rev. Wai Chor Chiu, Minister-in-charge
Treasurer	Ngok Loi Ho
Company Secretary	Ngok Loi Ho (from 25 November 2020)
Other Board Members	Yun Liem Kiu Fai Tung Hiu Tung Angel Wong (from 14 June 2020) Po Man Tsui (until 14 June 2020)

Independent Examiner	Hannah Murray Accountancy 61 Falconers Green Westbrook Warrington Cheshire WA5 7XF
----------------------	---

Bankers	Barclays Bank Plc Manchester City Office Branch 51 Mosley Street Manchester M60 2AU The Bank of East Asia Limited 3-5 Charlotte Street Manchester M1 4HB HSBC Bank Plc 100 King Street Manchester M60 2HD
---------	---

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

2. Objectives and Activities

Aim and Purposes

The Manchester Alliance Church seeks to be an indigenous evangelical church with a distinctive theological character in federation with the Chinese Alliance Churches Union (UK) (abbreviated to CACU), whose purposes are to proclaim Jesus Christ as Lord, to assist the advance of His Church in Great Britain, and to promote a missionary base for national and world-wide evangelization in affiliation with the Alliance World Fellowship.

Objectives

- (i) To strengthen Christians in their understanding and commitment to the Lordship of Jesus Christ.
- (ii) To advance the work of national and world-wide mission primarily but not exclusively through Church planting.
- (iii) To foster the growth of Church as an indigenous body of Christ.
- (iv) To become an active church-planting and missionary base of existing C&MA mission agenda.

Principal Activities

The principal activities of the Church during the year was that of a charity to hold Sunday worship, to organize fellowships in different age groups and to offer courses of Christian education, with the purposes of preaching the gospel, equipping and caring believers.

Public Benefit

The trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions. Activities undertaken to further the charity's purposes for the public benefit are shown in the Review of Achievements and Performance/Development section of this report.

3. Achievements and Performance

2020 is a difficult year in the whole world. There is no exception in the UK and in the church as well. Although the church completed the Phase 3 extension project and then celebrated the Chinese New Year in January, most of the congregation worried about going to the church due to the spreading of Covid-19 virus. Struggling until the third Sunday of March, the church started to suspend Sunday services and all other activities. Instead of physical gathering, the church has changed the ways of worship and fellowship by using pre-recorded video, livestreaming and video conferencing software. In September, October and December, the church resumed physical Sunday services but reducing the number of participants to observe the guidance of Covid measures and provided livestreaming at the same time. It is a difficult task to evaluate the ministry of the church, as the activities and work in church are used to meeting people physically.

In July, the government announced the BNO visa scheme for Hong Kong people. Then a large number of Hong Kong people considered to move to the UK and the church received enquiries and requests of assistance, in which tens of families arrived and stayed in Manchester by LOTR. By the end of December, there have been more than 50 immigrants from Hong Kong attending our Sunday services and fellowships. The church anticipated there will be a big increase in number of participants and opportunity of evangelism in the coming few years when Hong Kong people keep moving to the UK.

I. Sunday Worship Attendance

Sunday worship weekly recorded attendance in average in 2020:

Avg. Attendance	Jan	Feb	Mar
Bilingual*	201	119	117
Cantonese	174	106	104
English	43	45	24
Total by month	213	143	124
Visitors/ Newcomers	3	6	0

*In 2020, the bilingual services were mainly held once a month from Jan to Mar.

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

3. Achievements and Performance (continued)

The church attendance was still as normal as usual in January, but it can be seen that a sudden drop in February because people worried about the Covid virus spreading after Lunar New Year when some Chinese returned to UK after they visited their families in the mainland China during the festival. In March, only three first Sundays were physical services.

No exact figures can be obtained when the church hold services by uploading pre-recorded video or livestreaming since the end of March. But by the number of views, the church found that there are more people having viewed our video, more than the number of our congregation. We guess some people watched more than once and some who live outside Manchester also watched our video to attend Sunday services.

In October and December, the church resumed physical worships with limited number of participants. The church met many new friends during these two months. New families who came from Hong Kong joined our Cantonese service and some international friends joined English service as well. In the beginning of 2020, there were about 46 children in our Sunday School and about 34 teenagers in Timothy Fellowship. Both take place on Sunday afternoon.

II. Pastoral Ministry

(i) Fostering the spiritual life

(a) Prayer meeting held once a month. The church included the prayer meeting as parts of the Sunday Service in several months.

(b) Bible study groups held once a month are established for each fellowship. All the groups study the same passage which the pastors lead pre-study for all the group leaders.

(c) Follow-up groups for new believers: Due to lockdown, no such groups are arranged this year.

(d) Baptism Class: 9 people participated the baptism class. However, the pandemic caused the baptism to be postponed without designated date yet.

(ii) Fellowships and Pastoral care

(a) The church set up a number of fellowships based on the age groups, including Teenagers(Timothy), Young Adults(AYPF and Daniel) and Adults(Elim, Emmanuel, FHL and Caleb). Although the fellowship are held online, some people who cannot join the fellowship physically before can participate because of convenience of doing online at home.

(b) The church found that there have been Hong Kong people moving to Manchester who need support and pastoral care. Two new fellowships are set up for new immigrants coming from Hong Kong since October and December respectively. One of them focuses to service those living in Trafford and the area nearby because a church planting project has taken place in Sale. Both are online fellowships temporarily.

(c) Apart from programme arranged by the fellowship committee to build up the relationship of the fellowship participants, supporting and caring for one another are also encouraged to be done within the fellowship.

III. Evangelism & Mission

(i) Mission Ministry

(a) The church kept supporting Rev. Leung and Lydia Leung, the missionaries of HKAM, financially this year. Additionally, we started to support Luis Sanchez working as a local missionary of cross-cultural mission for CACU as well.

(b) Due to the pandemic, no mission trips were organised.

(ii) Local evangelism was very limited because of lockdown. It is difficult to meet people and new friends to share our faith.

(iii) Church Planting in Sale

Originally, the church planned to start physical gathering in Sale in 2020. Rev Robert Law has contacted a local church to provide us a place for prayer meeting, bible study and fellowship. However, due to the pandemic, all the plan of physical gatherings was suspended. But online fellowship and other kinds of the ministry have been started. In summer, an online children bible programme was organised. A small group of brothers and sisters in church served voluntarily to help the development of this church planting project.

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

3. Achievements and Performance (continued)

IV. Discipleship Programmes

Bible Courses in 2020 are as below:

Courses in Cantonese

Word of Life -Joshua (Not completed due to lockdown)	65	Daniel (3/6-1/7)	38
Revelation 15/4-6/5	55	Esther (12/10-11/1/2021)	26
Sanctification in the perspective of NT 30/4-28/5	45		

V. Other Special events in 2020

Special events	Average attendance
Lunar New Year Celebration	200
Good Friday Pre-recorded program	
UK Life Sharing Forum for Christians	100
UK Life Sharing Forum for non Christians	48
How to take care of HK new immigrants	16
Children Summer Day Camp	Suspended due to Covid
Summer Teens Camp	
AYPF Welcome Programme	
AYPF Welcome Camp	
Christmas service and fellowship	70

VI. Membership Change

Constitutional membership:

There is no change of members compared with the figures in 2019.

Year	Full Members	Associate	Honourable	Total
2020	21	19	7	47

VII. Pastoral Staff

- (1) Rev. Wai Chor Chiu is the Minister-in-charge. He focuses on preaching, teaching, leading the development of the church, strategizing pastoral work and evangelism, handling administrative work and led the pastoral work of adult and family ministry.
- (2) Pastor Chris Sze Ming Lau is the pastor of English Ministry leading the pastoral work of English congregation and youth.
- (3) Rev. Robert Law is the missionary of HKAM, helping the church to start a church planting plan in Sale.
- (4) Ms. Mei Fong Liu (voluntary pastor for elderly) was invited by the Church Council to serve the elderly in the church. She has led the elderly ministry and arranged the activities and programmes for Caleb fellowship.
- (5) Pastor Alan C. K. Ho is a church placement worker, assisting home visit, adult ministry and preaching in Sunday service.

Children Ministry

The Children Ministry is benefitted by the Phase 3 extension which provides more space for the Children Sunday School to have their classes and activities. However, Children Sunday School was affected seriously due to the Covid spreading since Feb. By that time, many parents worried about the virus spreading in the community, and therefore they hesitated to come to the church with their children, even though the church did not suspend any Sunday services and Children Sunday School until the third Sunday of March. Since lockdown, all children activities in the ministry were suspended. Unlike other fellowships, no online lessons were provided for the children. Instead, the ministry only provided simple materials for the parents to use optionally so that the children can keep learning the biblical truth every week.

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

3. Achievements and Performance (continued)

Teenager Ministry

Timothy – Timothy fellowship is a fellowship group for high school teens ranging from Year 7 to sixth-form. In the pre-pandemic time of 2020, attendance of Timothy had been fairly high as usual, reaching up to about 30 teens every week. But since the start of the pandemic in spring 2020, Timothy had to be moved online; attendance of the fellowship plunged to about 10 teens every week. Like many other ministries of our church, it had been an onerous but manageable exercise to have our programs, including games and Bible study sessions, to be adapted to an online setting for teens to join. The attendance bounced back slightly as more families from Hong Kong had moved to Greater Manchester since the last quarter of 2020 with their teens also joining Timothy. This resulted in a rise of the number of teens attending by the end of 2020, but it also posed a challenge for the leadership of Timothy to learn to cater for different needs of teens who are of different cultures. Though challenges remain, it had certainly been an opportunity for the fellowship to grow into a community of more diversity.

Young Adult Ministry

There are two fellowships in the young adult ministry:

1. Alliance Young People Fellowship

AYPF is the abbreviation of "Alliance Young People Fellowship"; it is a fellowship consisting of mainly university students. Because of the disruption caused by the pandemic in spring 2020, the programs of AYPF had to be moved to online setting in a short period of time. The transition had been largely manageable. Seminars, Bible study sessions and "home group" discussion sessions could easily be adapted to an online setting with the help of communication software like Zoom and Google Meet. Challenges had arisen in summer 2020, as uncertainties in relation to the number of students coming back to Manchester persisted as some university departments had planned to deliver their programs online. Even though our fellowship programs had already shifted online likewise, there would still be logistical concern if, for example, some of our students remained in Hong Kong and joined our program in a different time zone. There would also be a problem with recruiting new students to be joining us if students were not coming back to Manchester. Thankfully, many of these problems had been reasonably tackled with and the AYPF had been running smoothly amid the new normal online setting.

2. Daniel Fellowship

Daniel fellowship group is a young adult fellowship of our church. In the beginning of the year, a forum had been held for Daniel fellowship members and church leaders to discuss the prospect of the fellowship's development. It had been agreed that the Chinese and English groups of the fellowship were to have joint programs every two months, and each group are to have gatherings and Bible study sessions of their own in other timeslots of their own design, as flexibly applied to each group's situation. A joint outing program had been held slightly before the pandemic. But since the pandemic had been fully on its course since the spring of 2020, the bimonthly programs were adapted to an online setting, including sessions of a speech deliverance by the principal of Nazarene Theological College, online pub quizzes and sharing sessions. This had been the model that had been running in 2020.

English Ministry

English ministry is a body of leadership helping to oversee the English Sunday service and support the pastoral care for the congregants in this service. The beginning of 2020 started as usual, as the pandemic had yet been impacting the UK in the first couple of months of the year. But since lockdown had been enforced in March 2020, the English ministry had to adapt to the new setting of moving its programs online, including the English Sunday services. Pastors and worshippers were required to record their sermons/worships in advance and pass their recordings to our church leaders responsible for video editing, who were to upload the final videos to YouTube for our congregants to watch and worship together at home. To remain the social bonding of our congregants, the English ministry remained to have tea time sessions after service over Zoom for our congregants to see one another. Since the easing of the lockdown in summer 2020, the English ministry had started to resume the physical service in August with the requirements of registering before attend (with a quota up to 50 people), social distancing, wearing masks in our church premises and observing any other government measures in preventing the spread of the disease. Physical services came into a halt again as the lockdown was in force in the last quarter of 2020. But in compliance with the government's advice for the prevention of the disease, the English ministry shifted to livestream Sunday services with only our very limited number of serving congregants attending until the lockdown came into a pause in December 2020, where the physical service requirements mentioned above resumed.

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

3. Achievements and Performance (continued)

Adult Ministry

There are four fellowships in the adult ministry:

1. Elim Fellowship

Elim fellowship committee members have been identifying the needs of this community in order to define topic of programmes. This year, we wanted to get to know each other better as we are a mix of families with some have been living in the UK for longer and some for shorter period of time. We wanted to develop a deeper relationship as a group so that we can really support and help each other growing spiritually as well as be part of the church. Therefore, we had topics like sharing our aspirations in career, spouse relationship building, our views on raising our children, knowing British cultures e.g. Christmas Halloween, walking and hiking etc. Before lockdown, we had around 20 families attended Elim fellowship. We have once a month gathering for everybody to join and bible study groups which have our members divided into two groups to learn bible passages and support each other through sharing and prayers. During lockdown, there has been approx. 10-12 families attended monthly live stream meeting. We have kept the monthly meeting to make sure we maintain the care and support for each other, especially during this pandemic and lockdown. At the meeting, we sub-divided into smaller groups to encourage our members to talk, this really helped everyone to maintain the health spiritually and mentally. At the moment, the committee members are planning to get in touch with those who have not joined us for a long time to make sure they are also doing well.

2. Emmanuel Fellowship

The theme of Emmanuel Fellowship in 2020 is "Understanding the Will of God". The programmes of this year are based on a Christian book of this topic. The participants are divided into groups for discussion and sharing. The average attendance is 15. Due to the severe situation of the pandemic, the fellowship programmes have been held by online video conferencing. The fellowship keeps using Daily Bread as the material of devotional sharing. Besides, we set up a prayer group in which about 14 brothers and sisters are participating. For bible study, there are two groups which meet once a month. The average number of participants in each group is 7-8.

3. Faith, Hope, Love Fellowship

The fellowship members needed to learn how to use the video conferencing software to participate the programme since lockdown. It was obvious that less people joined the physical fellowship since Feb and Mar. Then since Apr, people attempted to join the online fellowship which seems back to the normal attendance. The fellowship maintained to meet once a month with topics and was divided into three groups to have bible study once a month. Besides, some of the members form prayer groups in the size of 3 to 4 people to have closer support.

4. Caleb Fellowship

The fellowship mainly serves the elderly in the church. Since lockdown, the fellowship was suspended and no online fellowship could be held due to their lack of knowledge in technology. But our voluntary pastor still kept taking care of the participants over the phone. She also provided materials and reminded the members to study at home.

Chinese Language School

2020 was an unprecedented year full of challenges caused by the deadly Covid-19 pandemic. Nevertheless, it was the year of experiencing God's faithfulness and wonderful guidance. In March, most of the classes were suspended due to the national lockdown. Our school could only manage to send out the homework by email or WhatsApp. The two classes in International GCSE course maintained having lessons via WhatsApp. Instead of taking the public examination in the summer, the students were given the centre assessed grade for their International GCSE qualification. Six students entered for the 2020 International GCSE examination and attained very good results (4 achieved Grade 8 and 2 achieved Grade 7). Since the pandemic was still serious in September, our school decided to conduct online teaching in the new academic year (2020/21) until the situation improved. The number of students dropped from 59 (2019/20) to 34 students (2020/21) and the number of classes reduced from 10 to 9 classes. Conducting online teaching is very new and challenging to us because we have no experience and skill of doing it. However, we give thanks to God that we are equipped by Him and develop the technical as well as online teaching skill from scratch. Teachers and TAs are supported via online trainings. After stopping for a few months, parents meeting started again in form of online gathering in October. It is held every two months. It is hoped that the church and school can still keep in touch with parents through this activity during the pandemic. In retrospect, we have been strengthened to serve God wholeheartedly in unity and it will be our impetus to thriving for God in future.

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

4. Financial Review

This past year had indeed been a challenging year for MAC due to the impact of COVID-19 pandemic on all church activities. Thanks to the persistent effort of brothers & sisters we managed to migrate and continue most of our activities online. In terms of collection of donations, we were able to deal with it via online banking which is completely new for us. We are also encouraged by our congregations' faithfulness to God, expressed by their participation in various online church activities and through tithing. We are especially thankful because the donation received is sufficient to cover our expenses despite of the harsh economic reality.

Policy on reserves

It is the policy of the Church to maintain a level of unrestricted General Fund reserve that is sufficient to cover the Church's running costs for 3 months around £47,000. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, the Church is able to continue its current activities while consideration is given to ways in which additional funding may be raised. As at 31 December 2020, the amount of reserves in General Fund was £59,792.

General Fund: the donation received has decreased by £23,370 as compared with previous year (£123,020 and £146,390 for 2020 and 2019 respectively). The net income for the year is £2,521 after the transfer of £91,672 to other funds.

Personnel Fund: the total outgoing was £93,544 in 2020. In contrast, donation for the year was only £16,987 (2019 is £10,033). The deficit is covered by transfers from General Fund of £75,115 and accumulated balance from previous years. Note: The Personnel Fund balance decreased from £6,121 at 2019 to £4,679 at 2020.

Property Fund: Phase 3 construction work was commenced in October 2019 and completed in January 2020. The cost of the construction work is about £245,498. The building project is mainly financed by accumulated loans of £87,500 as at 31/12/2020 and loans of £50,000 received from Manchester Alliance Mandarin Fellowship during the year as well as donations of £57,316 received from the Church believers and donations of £11,377 received from overseas supporters in 2020. At the beginning of 2020, the cash balance was £7,528 for property maintenance and loan repayment. At the end of 2020, the cash balance was £60,792 which will be used for repayment of the loans of £18,500 from the Church believers due in 2021.

Note: The church owes long-term bank loan of £424,663 (to be repaid by monthly instalments).

Property Maintenance: The total venue related charges for 2020 were £75,892 (£70,394 at 2019) (see table C, "Summary of property maintenance expenses"). This included the mortgage monthly repayment and all utility expenses. According to the current data, we estimate the total venue related charges for 2021 at £89,633 including repayment of loans of £18,500 from the Church believers.

Brief summary of fund movements in 2020

(A) General Fund

Income	2019	2020	Expenses	2019	2020
General Donations	£123,605	£117,583	General Expenses	£36,003	£28,827
Other Incomes (from fellowship, church activities, etc.)	£22,785	£5,437	Transfer *	£163,491	£91,672
Total Income	£146,390	£123,020	Total Expenditure	£199,494	£120,499
			Net Income/ (Expenditure)	(£53,104)	£2,521

* Transfer of General Fund : £16,557 to Mission Fund; £75,115 to Personnel Fund

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

4. Financial Review (continued)

(B) Other Fund

Fund Titles	To Support	Expenses
Mission Fund	CACU (Mission)	£11,613
	CACU (Admin)	£13,302
	Hong Kong Alliance Mission - missionaries	£4,100
	Pastor Luis Sanchez – missionary	£1,200
Charity Fund	Tear Fund (UK)	£130
	City Hearts (UK)	£415
	World Vision (UK)	£480
	Barnabus Manchester (UK)	£415
	Acts 435 (UK)	£1,017
	Breakthrough (Hong Kong)	£939
Personnel Fund	Employment expenses for office and pastoral staff	£93,544
Property Fund	Total venue related expenses	£75,892

(C) Summary of property maintenance expenses:

Property Maintenance Items	2019	2020	2021
	Actual Expenses	Actual Expenses	Estimated Expenses
Bank Loan Repayment	£37,956	£38,079	£38,079
Water	£2,730	£760	£1,500
Electricity	£9,150	£6,243	£8,000
Management Fee	£8,214	£13,281	£11,254
Waste Collection	£871	£310	£600
Maintenance & Repair	£5,590	£5,656	£6,000
Insurance	£5,883	£5,563	£5,700
Repayment of loans to MAC believers	£0	£6,000	£18,500
Total	£70,394	£75,892	£89,633

(D) Summary of Property Fund Incomes:

Income Item	Amount	Percentage
Donations from MAC believers	£57,316	51.2
Donations from overseas supporters in the custody of Hong Kong Alliance Mission	£11,377	10.2
Other -Tax rebate for tax year 2019/20	£36,074	32.2
Other - Bank Interest	£13	-
Other - donation from MAMF	£1,740	1.6
Other - donation from CACU (UK)	£4,800	4.4
Other - donation from religious organisation/fellowship	£460	0.4
Total	£111,780	100%

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

5. Structure, Governance and Management

The Church was incorporated on 1st November 1995 under the Companies Act 2006 as a private limited company and the company is limited by guarantee. The type of governing document is the constitution.

Trustees selection and induction

Any prospective new trustees are recommended by the current church council to the congregation for their consideration. Church members are then able to vote the appointment of the prospective trustee. A majority vote confirms the appointment. New trustees are kept updated through trustees' meetings and communication throughout the year.

The Church as a member church in federation with the Chinese Alliance Churches Union (UK) (abbreviated to CACU) is governed by the voting members of the Church Council, which include the Minister-in-charge or his deputy, elders and deacons. Therefore, these voting members are constituted as the board of trustees/directors of the Church. The Minister-in-charge who must be approved and assigned by CACU should be appointed to the ministry of the Church by the Church Council. The elders who must receive approval from the CACU should be nominated by the Church Council and elected in the Annual General meeting. Deacons should be nominated by the Church Council and elected in Annual General Meeting every year. The newly elected trustees will be given a brief induction regarding their duties and responsibilities set out in the constitution and according to the guidelines of Companies House and Charity Commission.

Risk Management

The trustees have a duty to identify and review the risks of which the charity is exposed and to ensure appropriate controls in place to provide reasonable assurance against fraud and error.

The Church Council

The Church Council is formed by the directors/trustees and non-voting members. They meet regularly to discuss, pray and organize the work of ministry. The Church Council consists of the ministers (one of whom is Minister-in-charge or Deputy), the elders, the deacons, and any other appointed church officers or leaders.

The Church Council Members

Trustees	
Chairperson	Rev. Wai Chor Chiu
Treasurer	Paul Ngok Loi Ho
Other Members	Yun Liem Po Man Tsui (until AGM 2020) Kiu Fai Tung Angel H.T. Wong (from AGM 2020)
Company Secretary:	Oi San lu (resigned June 2020) Paul Ngok Loi Ho (from November 2020)
Non-voting members:	Oi San lu (resigned AGM 2020) Pastor Chris S.M. Lau, Angel H.T. Wong (until AGM 2020), Andy Y.M. Chan Helen Y.Y. Chow (from AGM 2020) Karen K.W. Fong (from AGM 2020)
The Church Staff	
Minister-in-charge:	Rev. Wai Chor Chiu
Pastoral Staff:	Pastor Chris S. M. Lau
Church Administrator:	Wing Chung Lam (resigned August 2020) Mei Fung Lam (part-time, from Sept 2020)
Business Secretary:	Winnie Leung (part-time)

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

6. Statement of trustees' responsibilities

The trustees (who are also directors of Manchester Alliance Church) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting practice), including Financial Reporting Standard 102 " The Financial Reporting Standard applicable in the UK and Republic Ireland". Company law and the law applicable to charities in England and Wales require the trustees 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 its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the trustees are required to :-

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under Company Law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the result of the company for that period.

7. Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to small companies' regime.

The above trustees' report (including directors' report) was approved by the trustees of the charity on 26 February 2021 and signed on their behalf by :



.....
Rev. Wai Chor Chiu, Chairman
Trustee



.....
Ngok Loi Ho, Treasurer
Trustee

MANCHESTER ALLIANCE CHURCH
INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Charity No. 1092291
Company No. 3120814

I report to the trustees on my examination of the accounts of the charity for the year ended 31 December 2020.

Respective responsibilities of trustees and examiner

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2006 ("the Act").

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

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Association of Chartered Certified Accountants.

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

- the accounting records were not kept in accordance with section 386 of the 2006 Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)].

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

H. E. Murray
Hannah Murray FCCA

The Association of Chartered Certified Accountants

Hannah Murray Accountancy
61 Falconers Green
Westbrook
Warrington
Cheshire
WA5 7XF

Dated : 26 February 2021

MANCHESTER ALLIANCE CHURCH
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

		Unrestricted funds		Restricted funds	Total funds 2020	Total funds 2019
		General Fund	Designated Fund			
	Note	£	£	£	£	£
Income and endowments from:						
Donations	4a	118,836	-	135,719	254,555	327,834
Charitable activities	4b	4,184	-	-	4,184	18,259
Investments	4c	-	-	13	13	190
Total income		123,020	-	135,732	258,752	346,283
Expenditure on:						
Charitable activities	5	28,827	105,515	106,578	240,920	279,255
Total expenditure		28,827	105,515	106,578	240,920	279,255
Net income/(expenditure) for the year		94,193	(105,515)	29,154	17,832	67,028
Transfers between funds		(91,672)	91,672	-	-	-
Net movement in funds		2,521	(13,843)	29,154	17,832	67,028
Reconciliation of funds:						
Fund Balances b/f at 1 January 2020		57,271	24,738	1,210,104	1,292,113	1,225,085
Fund Balances c/f at 31 December 2020		59,792	10,895	1,239,258	1,309,945	1,292,113

MANCHESTER ALLIANCE CHURCH
BALANCE SHEET
AS AT 31 DECEMBER 2020

Charity No. 1092291
Company No. 3120814

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Fixed assets					
Tangible assets	10	5,516	1,692,044	1,697,560	1,707,255
Concessionary loan	11	-	5,332	5,332	6,000
Current assets					
Stock	12	278	-	278	278
Debtors	13	3,199	41,839	45,038	43,904
Cash at bank and in hand		63,876	62,724	126,600	85,952
		67,353	104,563	171,916	130,134
Creditors: amounts falling due within one year	14	(2,182)	(51,895)	(54,077)	(56,451)
Net current assets		65,171	52,668	117,839	73,683
Total assets less current liabilities		70,687	1,750,044	1,820,731	1,786,938
Creditors: amounts falling due after one year	15	-	(510,786)	(510,786)	(494,825)
Total net assets		70,687	1,239,258	1,309,945	1,292,113
Funds of the Charity					
Unrestricted funds		70,687	-	70,687	82,009
Restricted funds		-	1,239,258	1,239,258	1,210,104
Total funds	16	70,687	1,239,258	1,309,945	1,292,113

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The financial statements were approved by all trustees/directors, and authorised for issue on 26 February 2021 and signed on their behalf by



Rev. Wai Chor Chiu, Chairman
Trustee



Ngok Loi Ho, Treasurer
Trustee

MANCHESTER ALLIANCE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Basis of preparation

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Charities Act 2011.

Manchester Alliance Church constitutes a public benefit entity as defined by FRS102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees therefore continue to adopt going concern basis in preparing the accounts.

2. Accounting policies

2.1 Funds Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's charitable objectives unless the funds have been designated for specific purposes.

Restricted funds are subject to specific restrictive conditions imposed by donors or through the terms of an appeal. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

2.2 Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and the amount of income receivable can be measured reliably.

Cash donations are recognised on receipt. Income tax recoverable in relation to donations received under Gift Aid is included in income when there is a valid declaration from the donor.

Income from investment relates to bank interest received is recognised when the amount is certain.

No amounts are included in the accounts for services donated by volunteers.

2.3 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accrual basis when a liability is incurred. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Direct costs attributable to a single activity are allocated directly to that activity.

Costs of charitable activities relate to the operation of the charity comprising direct charitable expenditure to meet the objectives of the charity. Support costs and governance costs relate to the management and operation of the charity and also in compliance with constitutional and statutory requirements.

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

2.4 Tangible fixed assets

Capital expenditure is stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of each asset over its expected useful life as follows:-

Leasehold property and improvements	2% straight line basis
Computer and equipment	25% reducing balance basis

2.5 Stock

Stock is valued at the lower of cost or net realisable value after making allowance for obsolete and slow

2.6 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

2.7 Creditors

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to settle the debt. Amounts which are owed in more than a year are shown as long term creditors.

2.8 Foreign currency translation

Transactions in foreign currency are recorded in sterling at the rate of exchange ruling on the date of transactions or the average exchange rate of the year where applicable. Monetary assets and liabilities denominated in foreign currency are re-translated at the rate of exchange ruling at the balance sheet date.

2.9 Taxation

Manchester Alliance Church, as a registered charity, is exempt from taxation of its income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that they are applied to its charitable objectives. No tax charge arises on the results of the year.

3. Company status

Manchester Alliance Church is a company limited by guarantee. Every member of the Church undertakes to contribute such amount as may be required not exceeding £1 in the event of the company being wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the company's debts and liabilities contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributions among

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

4. Income and endowments from

	Unrestricted funds		Restricted funds	Total funds 2020	Unrestricted funds		Restricted funds	Total funds 2019
	General Fund	Designated Fund			General Fund	Designated Fund		
	£	£	£	£	£	£	£	£
a. Donations								
General Fund (local donations)	115,572	-	-	115,572	123,605	-	-	123,605
General Fund (overseas donations)	2,011	-	-	2,011	-	-	-	-
Mission Fund	-	-	1,257	1,257	-	-	3,419	3,419
Personnel Fund	-	-	16,987	16,987	-	-	10,033	10,033
Property Fund (local donations)	-	-	64,317	64,317	-	-	91,687	91,687
Property Fund (overseas donations)	-	-	11,720	11,720	-	-	57,373	57,373
Charity Fund	-	-	3,608	3,608	-	-	4,302	4,302
Bursary Fund	-	-	-	-	-	-	165	165
Gift Aid	-	-	37,830	37,830	-	-	32,724	32,724
Fellowships Offerings	596	-	-	596	3,619	-	-	3,619
Children Sunday School	21	-	-	21	235	-	-	235
Other	636	-	-	636	672	-	-	672
	118,836	-	135,719	254,555	128,131	-	199,703	327,834
b. Charitable activities								
Chinese Language School	4,184	-	-	4,184	8,337	-	-	8,337
Summer Camps and Projects	-	-	-	-	6,455	-	-	6,455
Welcome Camp and Programs	-	-	-	-	3,467	-	-	3,467
	4,184	-	-	4,184	18,259	-	-	18,259
c. Investments								
Bank interest	-	-	13	13	-	-	190	190
Total income	123,020	-	135,732	258,752	146,390	-	199,893	346,283

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

5. Expenditure on charitable activities

Note	Unrestricted funds		Restricted funds	Total funds 2020	Unrestricted funds		Restricted funds	Total funds 2019	
	General Fund	Designated Fund			General Fund	Designated Fund			
	£	£	£	£	£	£	£	£	
Direct Charitable Expenditure									
Donation - Mission Fund	6	-	28,958	1,257	30,215	-	7,754	3,419	11,173
Mission outreach		-	-	-	-	-	1,270	-	1,270
Donation - Charity Fund		-	-	3,396	3,396	-	-	3,641	3,641
Theological student grant		-	-	-	-	-	-	9,024	9,024
Theological student placement		-	-	-	-	-	-	1,400	1,400
Children Sunday School		-	-	-	-	703	-	-	703
Chinese Language School		2,376	-	-	2,376	2,373	-	-	2,373
Fellowships		77	-	-	77	357	-	-	357
Congregational costs		2,603	-	-	2,603	9,062	722	-	9,784
Summer camp and project		-	-	-	-	8,327	-	-	8,327
Welcome camp and programme		-	-	-	-	5,150	-	-	5,150
		5,056	28,958	4,653	38,667	25,972	9,746	17,484	53,202
Support and governance costs									
Staff costs	7	9,633	76,557	16,987	103,177	-	82,607	10,033	92,640
Ministers working expenses		1,540	-	-	1,540	2,428	281	-	2,709
Staff working expenses		1,001	-	-	1,001	-	1,265	-	1,265
Printing and stationery		331	-	-	331	679	-	-	679
Office equipment and repair		5,129	-	-	5,129	446	-	-	446
Telephone and internet charges		1,569	-	-	1,569	749	-	-	749
Church cleaning		1,110	-	-	1,110	-	5,176	-	5,176
Sundry expenses		862	-	-	862	2,017	-	-	2,017
Professional fees		-	-	2,670	2,670	-	-	34,500	34,500
Accountancy fees	9	420	-	-	420	486	-	-	486
Bank charges		481	-	-	481	1,287	-	-	1,287
Depreciation		1,695	-	42,532	44,227	1,939	-	38,046	39,985
Premises maintenance and repair		-	-	5,656	5,656	-	-	5,590	5,590
Church centre utilities		-	-	-	-	-	-	-	-
- building service charge		-	-	13,281	13,281	-	-	8,214	8,214
- electricity		-	-	6,243	6,243	-	-	9,150	9,150
- water		-	-	760	760	-	-	2,730	2,730
- waste collection charge		-	-	310	310	-	-	871	871
Bank loan Interest		-	-	7,721	7,721	-	-	10,497	10,497
Insurance		-	-	5,563	5,563	-	-	5,883	5,883
Exchange loss		-	-	202	202	-	-	1,179	1,179
		23,771	76,557	101,925	202,253	10,031	89,329	128,693	226,053
Total expenditure on charitable activities		28,827	105,515	106,578	240,920	36,003	99,075	144,177	279,255

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

6. Analysis of donations

	2020 £	2019 £
Donations to Chinese Alliance Churches Union (UK) (see note 8.3)	24,915	8,773
Donations to missionaries	5,300	2,400
	<u>30,215</u>	<u>11,173</u>

7. Staff costs

	2020 £	2019 £
Salaries and wages	81,603	82,024
Social security costs	6,754	5,713
Pension costs (defined contribution scheme)	5,187	4,903
Other employee benefits	9,633	-
	<u>103,177</u>	<u>92,640</u>

No employee received employee benefits of more than £60,000 during the year (2019 : £Nil)

The average number of employees calculated on the basis of full-time equivalents during the year is as follows :-

	2020	2019
Charitable activities	2	2
Office Administration	2	2
	<u>4</u>	<u>4</u>

The above staff costs included remuneration and benefits paid to the trustee, Rev Wai Chor Chiu totalling £ 51,748 as detailed in note 8.1.

The Church staff are employed by a related entity, Chinese Alliance Churches Union (UK) to work for the Church.

8. Transactions with trustees and related parties

8.1 Trustees' remuneration and benefits

During the year, one of the trustees, Rev Wai Chor Chiu received total remuneration and benefits in the capacity as the minister-in-charge of the Church as follows: -

	2020 £	2019 £
Salaries	35,038	33,981 (reimbursed CACU (UK))
Social security costs	4,385	2,971 (reimbursed CACU (UK))
Pension contribution	2,692	2,444 (reimbursed CACU (UK))
Other benefits - visa application fees	9,633	- (paid directly by Church)
	<u>51,748</u>	<u>39,396</u>

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

8.1 Trustees' remuneration and benefits (Continued)

The legal authority for the employment of Rev Wai Chor Chiu, as the Church minister-in-charge is provided for in the Bye-Laws of the Memorandum and Articles of Association of CACU (UK) with the employment terms and conditions agreed between the Church and CACU(UK). During the year, Rev Wai Chor Chiu was reimbursed visa application fees of £9,633 for Indefinite Leave to Remain in the UK. The Church paid the benefit so as to secure a more stable circumstances for Rev Wai Chor Chiu in the interest of the Church charitable objectives to perform the role of the Church's minister-in-charge.

No other trustees received remuneration or other benefits from the charity during the year (2019 : £Nil) .

8.2 Trustees' expenses

Expenses were incurred by Rev Wai Chor Chiu during the year as detailed below and these were wholly in fulfilment of charity objectives.

	2020 £	2019 £
Mileage allowance	-	1,030
Car parking space	1,260	1,260
Mobile phone bills	-	49
Book allowance	-	36
	<u>1,260</u>	<u>2,375</u>

No other trustees were paid any expenses during the year (2019 : £Nil).

8.3 Transactions with related party

The Church is a permanent member of Chinese Alliance Churches Union (UK) as set out in the Articles of Association. During the year, the Church has undertaken the following transactions with CACU (UK) :-

	2020 £	2019 £
Contribution to CACU (UK) for the Church personnel	93,544	92,640
Donations to CACU (UK) General Fund	13,302	8,773
Donations to CACU (UK) Mission Fund	11,613	-
Donations received from CACU (UK) for office hire	4,950	1,950

9. Analysis of governance costs

	2020 £	2019 £
Independent examiner's fee		
- Examination of the financial statements	<u>420</u>	<u>486</u>

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

10. Tangible Fixed Assets

	Computer & Equipment £	Long Leasehold Building £	2020 Total £	2019 Total £
Cost				
Balance as at 1 January 2020	55,555	2,099,640	2,155,195	1,945,199
Additions	1,395	33,137	34,532	209,996
Disposals	-	-	-	-
Balance as at 31 December 2020	56,950	2,132,777	2,189,727	2,155,195
Depreciation				
Balance as at 1 January 2020	49,739	398,201	447,940	407,955
Charge for the year	1,695	42,532	44,227	39,985
Disposals	-	-	-	-
Balance as at 31 December 2020	51,434	440,733	492,167	447,940
Net Book Value				
As at 31 December 2020	5,516	1,692,044	1,697,560	1,707,255
As at 31 December 2019	5,816	1,701,439	1,707,255	1,537,244

The leasehold building is purchased under a long lease of 999 years and is primarily held for charity use.

11. Concessionary Loan

	2020 £	2019 £
Loan to individual (see note 13)	5,332	6,000

The interest free loan is provided to the borrower who commenced a theological course of three years term in 2017 at a recognised institute. The purpose of the loan is used exclusively for tuition fee and living costs of the borrower. The loan shall be repaid by monthly instalments within 3 years after the course completion. The loan repayment is expected to commence in September 2021.

12. Stock

	2020 £	2019 £
Books	278	278

13. Debtors

	2020 £	2019 £
Concessionary loan	668	-
Tax Rebate	26,659	24,904
Prepayments & Accrued Income	5,781	5,943
Other Debtor	11,930	13,057
	45,038	43,904

The Other Debtor is Hong Kong Alliance Mission which collects overseas donations in HKD towards the Church Building Project on behalf of the Church. As at 31/12/2020, the accumulated balance of HKD126,463 equivalent to £11,930 is in the custody of HKAM. During the year, HKAM received donations in HKD133,160 equivalent to £13,338, comprising donations in HKD113,160 equivalent to £11,377 towards the Church Building Project and HKD20,000 equivalent to £2,011 towards the Church General Fund.

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

14. Creditors : Amounts falling due within one year

	2020	2019
	£	£
Secured bank loan (see note 15)	32,877	32,696
Unsecured loans from individuals (see note 15)	18,500	21,000
Accruals	2,700	2,755
	<u>54,077</u>	<u>56,451</u>

15. Creditors : Amounts falling due after more than one year

	2020	2019
	£	£
Secured bank loan	391,786	422,325
Unsecured loans from individuals	69,000	72,500
Unsecured loans from Manchester Alliance Mandarin Fellowship	50,000	-
	<u>510,786</u>	<u>494,825</u>

The Church's long leasehold building is pledged as a security to the bank for the loan facility of 25 years term.

The rate of interest is calculated on a floating rate basis equal to the aggregate of the margin of 1.5% per annum and the Base Rate until the third anniversary of 1st July 2008. From 1st July 2011 onwards, the rate of interest remains at the aggregate of the margin of 1.5% per annum and the Base Rate as specified by the bank.

The secured bank loan is repayable by 155 monthly instalments as follows and are currently based on equal capital repayments :

	2020	2019
	£	£
In one year or less	32,877	32,696
Between one and two years	32,877	32,696
Between two and five years	98,631	98,088
After five years	260,278	291,541
	<u>424,663</u>	<u>455,021</u>

Unsecured interest-free loans from individuals represent borrowings to provide finance for the building fitting out work. The year end balances of these loans amounted to £87,500 are repayable as follows :

	2020	2019
	£	£
In one year or less	18,500	21,000
Between one and two years	46,000	18,500
Between two and five years	23,000	54,000
	<u>87,500</u>	<u>93,500</u>

Unsecured interest-free loans from Manchester Alliance Mandarin Fellowship represent borrowings to provide finance for the building fitting out work. The year end balances of these loans amounted to £50,000 are wholly repayable between 2 and 5 years.

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

16. Statement of Funds

	Balance 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance 31 December 2020 £
Unrestricted Funds					
General Fund	57,271	123,020	(28,827)	(91,672)	59,792
Designated Funds					
Personnel Fund	6,121	-	(76,557)	75,115	4,679
Mission Fund	18,617	-	(28,958)	16,557	6,216
	24,738	-	(105,515)	91,672	10,895
Total Unrestricted Funds	82,009	123,020	(134,342)	-	70,687
Restricted Funds					
Personnel Fund	-	16,987	(16,987)	-	-
Mission Fund	-	1,257	(1,257)	-	-
Property Fund	1,194,820	113,880	(84,938)	-	1,223,762
Charity Fund	9,284	3,608	(3,396)	-	9,496
Bursary Fund	6,000	-	-	-	6,000
Total Restricted Funds	1,210,104	135,732	(106,578)	-	1,239,258
Total Funds	1,292,113	258,752	(240,920)	-	1,309,945

	Balance 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance 31 December 2019 £
Unrestricted Funds					
General Fund	110,375	146,390	(36,003)	(163,491)	57,271
Designated Funds					
Personnel Fund	11,451	-	(90,051)	84,721	6,121
Mission Fund	15,280	-	(9,024)	12,361	18,617
	26,731	-	(99,075)	97,082	24,738
Total Unrestricted Funds	137,106	146,390	(135,078)	(66,409)	82,009
Restricted Funds					
Personnel Fund	-	10,033	(10,033)	-	-
Mission Fund	-	3,419	(3,419)	-	-
Property Fund	1,069,506	181,974	(116,660)	60,000	1,194,820
Charity Fund	8,623	4,302	(3,641)	-	9,284
Bursary Fund	9,850	165	(10,424)	6,409	6,000
Total Restricted Funds	1,087,979	199,893	(144,177)	66,409	1,210,104
Total Funds	1,225,085	346,283	(279,255)	-	1,292,113

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

16. Statement of Funds (Continued)

Designated Fund

A designated fund is a particular form of unrestricted funds, consisting of amounts of unrestricted funds which have been allocated or designated for specific purposes by the church itself. The use of designated funds for their designated purposes will remain at the decision of the directors.

Personnel Fund

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used for the employment of ministers and church workers. £75,115 has been designated from General Fund to Personnel Fund throughout the year (£84,721 in 2019).

Mission Fund

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used for the advancement of national and world-wide mission primarily but not exclusively through church planting. £16,557 has been designated from General Fund to Mission Fund throughout the year (£12,361 in 2019).

Restricted fund

Restricted funds are funds subject to specific conditions, imposed by the donors and binding on the directors or the Church Council. They represent unexpended restricted income and/or assets to which restrictions as to their use apply. The conditions may alternatively be imposed not by the donors but by the trusts relating to the donation.

Property fund

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used to acquire any church properties or maintain properties belonging to the Church. £Nil has been designated from General Fund to Property Fund throughout the year (£60,000 in 2019).

Charity fund

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used to provide assistance to individuals who are unconnected with the Church Council members and who encounter short term financial hardship or Christian charities whose purposes are to provide humanitarian aids to the poor in general. £Nil has been designated from General Fund to Charity Fund throughout the year (£Nil in 2019).

Bursary fund

It is a pool of unexpended resources, held and maintained separately from other pools. It should only be used to provide assistance to certified individuals who undertake qualified theological courses organized by a recognized institute. In return, the recipient of the bursary is expected to work for the Church or the Union for a period of time if there are vacancies at the time of their graduation. £Nil has been designated from General Fund to Bursary Fund throughout the year (£6,409 in 2019).

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

17. Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds 2020
	General Fund	Designated Fund		
	£	£	£	£
Fixed Assets	5,516	-	1,692,044	1,697,560
Non-Current Assets	-	-	5,332	5,332
Current Assets	55,129	12,224	104,563	171,916
Current Liabilities	(853)	(1,329)	(51,895)	(54,077)
Long Term Liabilities	-	-	(510,786)	(510,786)
Net Assets as at 31 December 2020	59,792	10,895	1,239,258	1,309,945

	Unrestricted funds		Restricted funds	Total funds 2019
	General Fund	Designated Fund		
	£	£	£	£
Fixed Assets	5,816	-	1,701,439	1,707,255
Non-Current Assets	-	-	6,000	6,000
Current Assets	52,900	25,086	52,148	130,134
Current Liabilities	(1,445)	(348)	(54,658)	(56,451)
Long Term Liabilities	-	-	(494,825)	(494,825)
Net Assets as at 31 December 2019	57,271	24,738	1,210,104	1,292,113