THE MESSAGE ENTERPRISE CENTRE

England & Wales · Charity number 1147287

Details

Other names	The Message Community Centre
Status	Registered
Legal form	Charitable company
Company number	07892774
Registered	2012-05-17
Register	View on the Charity Commission register

Contact

Address	The Message Enterprise Centre 6 Harper Road Sharston Manchester Lancashire M22 4RG
Phone	01619462300
Email	info@message.org.uk
Website	http://www.themec.org.uk

Activities

Objects: TO ADVANCE THE CHRISTIAN FAITH AND RELIEVE UNEMPLOYMENT FOR THE BENEFIT OF THE PUBLIC WITH A SPECIFIC FOCUS ON YOUNG PEOPLE AND VULNERABLE ADULTS WHO ARE AT RISK OF REOFFENDING OR WHO HAVE POOR EMPLOYMENT POTENTIAL, THROUGH EDUCATION, ENTERPRISE, BEFRIENDING, MENTORING, FAITH-BASED ACTIVITIES AND OUTREACH.?

Activities: We work with ex-offenders and those at risk of offending. Our programme starts with providing full time jobs in one of our businesses, gaining valuable work experience and skills as well as on the job training and support. Through this work we give people the chance to overcome the cycles of reoffending and continue to transform their lives as they grow in their Christian faith.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Religious Activities, Economic/community Development/employment
- **Who:** Children/young People

Geography

- Manchester City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£248,044	£450,468	-	-
2024-08-31	£218,917	£221,273	-	-
2023-08-31	£1,430,855	£1,168,051	£3,651,277	13
2022-08-31	£1,243,282	£1,326,159	£3,388,473	16
2021-08-31	£1,340,858	£1,103,094	£3,125,195	20
2020-08-31	£1,475,642	£1,106,193	£2,188,042	24

Trustees

Name	Role	Appointed
GORDON HAYNES	Chair	2014-07-30
ANDREW CHRISTOPER LEAKEY		2012-01-20
Amy Orr-Ewing		2022-03-25
Dr Laura Neilson		2023-12-14
Fiona Claire Bruce		2025-12-03
Rev ROBERT WHITE		2017-03-15

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THE MESSAGE ENTERPRISE CENTRE

England & Wales - Charity number 1147287

Accounts

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THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2025

Company Limited by Guarantee

Company Registration Number 07892774

Registered Charity Number 1147287

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THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDING 31 AUGUST 2025

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THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2025

REFERENCE AND ADMINISTRATIVE DETAILS

The Board of Trustees	G. J. Haynes (Chairman) A. C. Leakey R. D. White A. L. Orr-Ewing Dr. L. Neilson F.C. Bruce (Appointed 3 December 2025)
Company Secretary	I. Rowbottom
Global Chief Executive	A. Hawthorne
UK Chief Executive	S. Ward
Business Centre Manager	S. Hawthorne
Registered Office	6 Harper Road Sharston Manchester Lancashire M22 4RG
External Auditors	Menzies LLP One Express 1 George Leigh Street Ancoats Manchester M4 5DL
Bankers	National Westminster Bank PLC 699 Wilmslow Road Didsbury Manchester M20 6NW

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THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2025

The Trustees have pleasure in presenting their report (including the directors' report as required by company law) and the financial statements of the charity for the year ending 31 August 2025.
The Message Enterprise Centre is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 1147287. Company number 07892774. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

BACKGROUND AND OBJECTIVES

The Message Enterprise Centre (MEC) was incorporated on 28 December 2011, as a company limited by guarantee, and became a registered charity on 17 May 2012.

The Message Enterprise Centre changed its objects by special resolution on 5 February 2019. Our objective is now:

- To advance the Christian faith and relieve unemployment for the benefit of the public with a specific focus on young people and vulnerable adults who are at risk of re-offending or who have poor employment potential, through education, enterprise, befriending, mentoring, faith-based activities and outreach.

These objectives are being worked out primarily through the provision of housing to The Message Trust (parent charity), principally as accommodation for students of The Message School of Evangelism, a 10-month training programme that helps young people to understand the gospel deeply, grow in faith, and teach them how to provide hope to a world in need.

Furthermore, The Message Trust Group is currently developing a partnership with the external charity, Homes of Hope, to provide housing for their work with people suffering the effects of homelessness and exclusion. The intention is to support Homes of Hope through office space at The Message Enterprise Centre, monthly giving from the group tithe fund, and affordable housing from the stock owned by The MEC for their projects in Wythenshawe.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees' recruitment is by personal contact of existing Trustees and the Executive Team. Potential Trustees typically attend board meetings prior to their appointment to meet other members of the Board and Executive team to ensure they are a sound match and share the vision and values of the charity. They are then elected by the Board of Trustees in consultation with the Chief Executives, based on their expertise, professional experience and qualifications, wisdom and advice that they can bring to the Management and Administration of the Trust. Training and induction are provided to new Trustees as appropriate.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board of Trustees has a variety of experience including both Christian ministry and commercial business skills. They meet quarterly to oversee the vision and strategies of the charity. Executive Directors and the Business Centre Manager have been appointed by the Trustees to oversee the day-to-day operations of the charity. The Board is accountable to the Charity Commission for the careful use of charitable and other public funds provided in a variety of forms, and for the achievement of appropriate performance standards in service delivery. The Board also undertakes at least one additional annual away-day for the purposes of further developing The Message Enterprise Centre Mission and Vision, and to concentrate on continuous improvement in performance.

The Trust's senior management team is the Executive Board, headed by the Global Chief Executive Officer (CEO), Mr A Hawthorne. The Executive Board meets monthly, and its members are both jointly and individually accountable via the Global CEO to the Board of Trustees. The Global CEO provides overall strategic leadership, with particular responsibility for global development and oversight of international Message hubs and ministries, while retaining input into UK operations. Day-to-day leadership of the Trust's UK-based ministries and hubs is delegated to the UK Chief Executive Officer, Mr S Ward. The Global and UK CEOs work closely together to ensure alignment across all activities.

Day-to-day management matters are further scrutinised by a cross-functional team of internal departmental managers who meet regularly, and monthly management accounts are utilised by the Senior Management team to ensure financial budgets and fundraising targets are being met. This group's work is referred to the Trustee's whenever a more significant matter of policy or other key decision-making arises.

The Message recognises the importance of our staff and aims to help them to develop their potential, improve their skills and gain greater job satisfaction.

Summary of priorities:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our mission is to advance the Christian faith, relieve unemployment and help break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

With the parent charity (The Message Trust) taking over the activities of The Message Enterprise Centre, the executive leadership team of the parent charity seeks to achieve the priorities of The MEC through the provision of housing to the students at The Message School of Evangelism and other strategic partnerships.

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THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2025

ACHIEVEMENTS AND PERFORMANCE

The Message Enterprise Centre: 2024-25 in review

In prior year, the operations and related assets (excluding investment properties) of The Message Enterprise Centre transferred to sit within the parent charity, The Message Trust.

Following this successful transfer, The Message Enterprise Centre charity remained in existence and retained 15 (2024: 16) investment properties, 2 of these properties are Held for Sale with accepted offers at year end and are therefore moved into current assets on the balance sheet. One property was sold during the year with a profit on sale recognised in the accounts of £25k, while the rest of the properties were revalued at year end, and a revaluation gain of £504k was recognised, with total gains on investments in the year being £529k. The net proceeds from the property sale were transferred to the parent charity for its general use, and this gift is recognised in the expenditure note.

The charitable purposes of the Message Enterprise Centre are still being outworked through the MEC by way of the provision of property, primarily to The Message Trust, for Christian missional activities, such as The Message School of Evangelism. The Message Trust continue to operate The Mess Café and Neal Street Espresso coffee shops, offering an enterprise programme of work-based training and discipleship to those at risk of reoffending or with poor employment potential.

As partnerships across the UK grow, our vision is to expand our enterprise work into other areas of the UK, offering training and discipleship opportunities to team members remains and continued to grow under The Message Trust.

MEC - SUPPORTER EVENTS AND FUNDRAISING

Following the transfer of the charity's activities, and therefore major operating costs, to the parent charity at the start of the year, there were no direct fundraising activities this year to raise money for the MEC. The MEC continues to have the full support of its parent charity.

PLANS FOR FUTURE PERIODS

Since the activities of the MEC transferred to the parent charity, The Message Trust, in September 2023, there are no operating goals for The Message Enterprise Charity this year and its primary charitable goals are being outworked by The Message Trust and are reported within its 2024–25 Annual Report and Financial Statements.

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THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2025

FINANCIAL REVIEW

The 2025 accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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), as published January 2022.

The Trustees have taken the opportunity to review all The Message Enterprise Centre's key accounting policies to ensure that they are in accordance with the requirements of the Charities SORP (FRS 102) and best accounting practice.

Review of the year

Total income for the year was £248k (2024: £219k), with total expenditure of £450k (2024: £221k), resulting in a net expenditure before gains on investments of (£202k) (2024: (£2k)). The principal reason for the deficit in the year is the donation of the proceeds from the sale of an investment property on the charities balance sheet to the parent charity, The Message Trust, of £232k. After gains on investments of £529k (2024: £109k) the net surplus was £327k (2024: £106k), leaving Unrestricted total funds carried forward of £4,084k (2024: £3,758k) available for future periods, of which £3,809k (2024: £3,709k) is designated for future projects, and £275k (2024: £49k) is general funds freely available to spend on any of the charity's purposes.

Income and Expenditure

Following the transfer of The Message Enterprise Centre's main charitable activities to The Message Trust, the MEC relies on the support of its parent charity as its principal source of funding. Total donations, including Gift Aid and donations received from The Message Trust amounted to £172k (2024: £117k) and remained the charity's primary source of income for the year, reflecting a £30k increase over the previous year. Another significant income in the year was the £76k of intercompany rent received from TMT for the Community Grocery warehouse, and housing for The Message School of Evangelism Students.

Other gifts from individuals and Trusts were £nil in the year, due to the transfer of activities, all fundraising for the group was focussed on The Message Trust charity.

Direct costs of the Charitable Activities were £219k a slight drop from prior year by £2k (2024: £221k), Support costs were £12k (2024: £35k), and there was no fundraising cost in 2025 as well £nil (2024: £nil). MEC also incurred a separate material item of expenditure totalling £232k (2024: nil) being the donation made to The Message Trust from the proceeds of the sale of an investment property.

Governance

The £7.6k governance (2024: £7.2k) includes the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, audit fees and core executive management.

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FINANCIAL REVIEW (continued)

Balance Sheet

Included in the Balance Sheet as at 31st August 2025 is Cash at bank of £54k (2024: £62k), Net current assets are £275k (2024: Current liabilities £5.5k), and Total net assets are £4.08m (2024: £3.76m). The increase in current assets is largely due to the £234k of investment properties held for sale at the year end. The sale of these properties was completed post-year end in early 2026. The MEC owns no tangible fixed assets at the year end, as these were transferred in the prior year to the parent charity, The Message Trust, which now operates the activities (including the Mess Café and Neal Street Espresso) for which the assets are used.

Investment Powers and Policies

The Trustees have the power to invest surplus funds of the charity in investments, securities and property as they think fit. The current policy of the Trustees is to invest funds not immediately required by the charity into a range of Deposit accounts which bear competitive rates of interest. This policy is reviewed periodically by the Trustees.

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, to ensure the continuing ability of The MEC to meet its objectives and obligations.

The total funds held by MEC at 31 August 2025 are £4,084k (2024: £3,758k), all unrestricted and available for the general purposes of the charity.

To be prudent, The MEC aims to accumulate, in general reserves, an amount at least equal to one month's operating costs, approx. £8k (2024: £22k). This has been achieved in the current year. The amount of General Funds, excluding restricted and designated funds, freely available to spend on any of the charity's purposes as at 31 August 2025 was £275k (2024: £49k). Over the coming year the Trustees' have set financial budgets, which aim to increase the amounts held in general reserves, in order to maintain this policy as the charity grows.

In addition, at 31 August 2025 the Trustees have designated funds of £3,809k (2024: £3,709k) to Future Projects, including the provision of accommodation for Message School of Evangelism students and houses for partnerships with Homes of Hope. These designated funds are held in the form of buildings and other fixed assets, which are ongoing resource for future mission projects across the charity. The designated funds for Future Mission Projects can only be realised by disposing of £3,809k (2024: £3,709k) the amount of investment properties held by The MEC.

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FINANCIAL POLICIES

Remuneration Policy

The remuneration policy seeks to balance our Christian values and the need to attract and retain staff with appropriate qualifications and skills.

The UK Leadership Team review the organisations pay scales by benchmarking against similar jobs in the North-west and a London weighting is applied where appropriate. We review the retail price and consumer price indices for inflation on an annual basis, before deciding upon any annual increments for inflation. Individual staff salaries are reviewed annually, with mid-term reviews every 6 months. The Executive pay is set within the same pay grade structure.

The Trustees set and approve the salary for the Chief Executives on an annual basis, by benchmarking against similar sized Charities with reference to the Association of Chief Executives of Voluntary Organisations (ACEVO) annual Pay and Equalities Survey.

The key management personnel for The Message Enterprise Centre are common to the parent charity The Message Trust. They include the Trustees, Global Chief Executive Officer, UK Chief Executive Officer and other members of the Executive. The Trustees do not receive any remuneration for their services, whilst the Executive Officers are reimbursed by The Message Trust.

Social Investment Policy

To provide appropriate affordable housing for The Message School of Evangelism Students during their one-year course, as well as providing refurbishment and building maintenance opportunities for our Message Enterprise Building Team Members the charity has adopted a policy of investing in local Wythenshawe properties, rather than renting properties from local landlords. This policy started in 2016 and has continued since then.

Principal Risks and Uncertainties

The Trustees have identified four principal risk areas for both The Message Trust and its subsidiary The Message Enterprise Centre. These cover potential risks to the reputation of both charities, financial sustainability, safeguarding of young people & vulnerable adults, and cyber security, arising from both internal and external factors. The principal financial sustainability risks present at the year-end are related to the sustained price rises and high levels of inflation across the UK which are increasing operational costs for the charity. The Trustees have adopted a number of measures to counter each of these risks, to reduce the likelihood that they will adversely affect the charity. These strategies are reviewed periodically to ensure they remain effective and are considered sufficient measures to protect the charitable group, its staff, and beneficiaries from significant harm.

The Trustees assessment of these financial risks is discussed in more detail in the 'Going concern' note on page 16.

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THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2025

DIRECTORS AND TRUSTEES

The directors of the charity ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.
The Trustees serving during the year and since the year-end were as follows:

G.J. Haynes
A. L. Orr-Ewing
R.D. White
A.C. Leakey
Dr L. Neilson
F.C Bruce (appointed 3 December 2025)

RELATED PARTIES

A summary of transactions with related parties is set out in note 18 of the financial statements.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Message Enterprise Centre for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the income and expenditure for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies, as described on pages 16 to 19, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operations.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the Trustees of the charity on 03 June 2026 and signed on its behalf by:



Gordon Haynes, Chairman of Trustees
03 June 2026

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THE MESSAGE ENTERPRISE CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MESSAGE ENTERPRISE CENTRE

Opinion

We have audited the financial statements of The Message Enterprise Centre ("the charitable company") for the year ended 31 August 2025 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 August 2025 and of its incoming resources and application of resources loss 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 Auditor's 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 the Trustees' Responsibilities on page 8, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions 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 directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

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Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our knowledge and experience of the charity sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, taxation legislation, data protection and employment legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on income and salaries to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

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 an auditor's report 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.

Signed by:
Menzies LLP
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Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of

Menzies LLP
Statutory Auditor
1 George Leigh Street
Manchester
M4 5DL

04-Jun-2026

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THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDING 31 AUGUST 2025

	Note	Unrestricted Funds £	Restricted Funds £	**Total 2025 £**	Total 2024 £
INCOME					
Donations and Legacies	3a	171,728	-	**171,728**	141,972
Income from Charitable activities	3b	76,316	-	**76,316**	76,820
Investment Income	3c	-	-	**-**	125
TOTAL INCOME		248,044	-	**248,044**	218,917
EXPENDITURE					
Charitable Activities	4b	218,465	-	**218,465**	221,273
Separate material expense item	4c	232,003	-	**232,003**	-
TOTAL EXPENDITURE		450,468	-	**450,468**	221,273
Net (Expenditure) before Investment gains		(202,424)	-	**(202,424)**	(2,356)
Realised gain on property sales		25,000	-	**25,000**	-
Revaluation gain on investments		504,000	-	**504,000**	108,619
NET INCOME		326,576	-	**326,576**	106,263
NET INCOME BEFORE TRANSFERS		326,576	-	**326,576**	106,263
NET MOVEMENT IN FUNDS		326,576	-	**326,576**	106,263
Total Funds Brought Forward		3,757,540	-	**3,757,540**	3,651,277
TOTAL FUNDS CARRIED FORWARD		4,084,116	-	**4,084,116**	3,757,540

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity, as shown above, are classed as continuing operations.

The notes on pages 16 to 26 form an integral part of these financial statements**.**

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THE MESSAGE ENTERPRISE CENTRE

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	**The Message Enterprise Centre 2025**	The Message Enterprise Centre 2024
		£	£
FIXED ASSETS			
Tangible fixed assets	9	**-**	14,063
Investment property	10	**3,809,000**	3,749,000
Total Fixed assets		**3,809,000**	3,763,063
CURRENT ASSETS			
Property held for sale	11	**234,000**	-
Debtors	12	**10,803**	13,538
Cash at bank and in hand	13	**54,215**	62,309
Total current assets		**299,018**	75,847
CREDITORS: Amounts falling due within one year	14	**(23,902)**	(81,370)
NET CURRENT ASSETS / (LIABILITIES)		**275,116**	(5,523)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,084,116**	3,757,540
TOTAL NET ASSETS		**4,084,116**	3,757,540
FUNDS OF THE CHARITY			
Restricted Income Funds	15a	**-**	-
Unrestricted Funds	15b	**4,084,116**	3,757,540
TOTAL FUNDS		**4,084,116**	3,757,540

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 16 to 26 form an integral part of these financial statements, which were approved and authorised for issue by the Trustees on 03 June 2026 and signed on their behalf by:

Andrew Leakey, Trustee

Gordon Haynes, Trustee

Company Registration Number 07892774

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THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDING 31 AUGUST 2025

	Note	2025	2024
Cash flows from operating activities		**£**	£
Net movement in funds		**326,576**	106,263
Adjustments to cash flows from non-cash items			
Depreciation	9	**11,719**	28,125
Loss on disposal of tangible fixed assets	9	**2,344**	1,000
Investment income	3c	**-**	(125)
Disposal of Tangible Fixed Assets	9	**-**	11,308
Gains on sales of investment property		**(25,000)**	-
Revaluation of investments	10	**(504,000)**	(108,619)
		(188,361)	37,953
Working capital adjustments			
Decrease in stocks		**-**	11,113
Decrease in debtors	12	**2,735**	59,062
Decrease in creditors		**(15,279)**	(87,854)
Decrease / (Increase) in deferred income	14	**(42,189)**	41,329
Net cash flows from operating activities		**(243,094)**	61,603
Cash flows from investing activities			
Interest receivable and similar income	3c	**-**	125
Proceeds from sale of investments		**235,000**	-
Purchase of investments	10	**-**	(94,000)
Net cash flows from investing activities		**235,000**	(93,875)
Cash flows from financing activities			
Net cash flows from financing activities		**-**	-
Net (Decrease) in cash and cash equivalents		**(8,094)**	(32,272)
Cash and cash equivalents at 1 September		**62,309**	94,581
Cash and cash equivalents at 31 August	13	**54,215**	62,309

The notes on pages 16 to 26 form an integral part of these financial statements.

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THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 AUGUST 2025

1. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements of the charity are made up to 31 August 2025.

The accounts (financial statements) have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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 (FRS 102) as published January 2022, with the Charities Act 2022, the Companies Act 2006 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS102. The Charity exists for the benefit of the public through the promotion of Christian values and spiritual development, providing education, mentoring and enterprise services, in particular to those who have poor employment potential.

Financial statements

The financial statements are presented in GBP and rounded to the nearest £. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going concern

The Trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, particularly as it continues to have the full support of its parent charity – The Message Trust, having all its Trustees in common with the parent charity.

The Trustees have considered this, as well as the current levels of reserves and cash including general funds available to the Charity, in their assessment and believe the charity is well-placed to manage its risks and continue to operate as a going concern.

Key Judgements and sources of estimation uncertainty

In the application of the charity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other relevant factors, including reasonable expectations of future events. However, because balances cannot be determined with certainty, actual results may differ from these estimates and assumptions. The main areas which involve such estimates and judgements include the valuation of the Group's investment properties.

The Trustees have based the charity's investment property valuations on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset, combined with comparison to movements in Housing Price Indices since their last independent professional valuation – see note 10 for details.

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THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 AUGUST 2025

INCOME

Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the Trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants
Donations and grants are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 Charities SORP (FRS102)).

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 Charities SORP (FRS 102)).

Income is deferred only when there are conditions to fulfil before becoming entitled to it and where the donor has specified that the income is to be expended in a future period.

Offsetting
There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP (FRS 102) or FRS 102.

Legacies
Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts
Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Donated services and facilities (Gifts in Kind)
Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Income from interest
This is included in the accounts when receipt is probable, and the amount receivable can be measured reliably.

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EXPENDITURE and LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff costs by the time spent and other costs by their usage.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition at cost, as per paragraph 11.7 SORP (FRS102). Subsequent measurement is at fair value (their market value), as per paragraphs 11.17 to 11.19, SORP (FRS102).

ASSETS

Investments

Fixed asset investments are valued initially at cost and subsequently at fair value (their market value) at the year-end unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale (or pending their sale) and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Investment property and property held for sale

Investment properties are carried at fair value, based on market values for comparable properties. Valuations are determined by external valuers on a rolling basis, typically every five years, with interim valuations updated by management where there is evidence of material changes in market conditions.

Valuations are derived from observable market data, adjusted as necessary to reflect differences in the nature, location or condition of the asset. Changes in fair value are recognised in the Statement of Financial Activities in the period in which they arise.

Where investment properties are actively marketed for sale and a disposal is considered highly probable, they may be presented within current asset investments where their realisation is expected in the short term.

Such properties continue to be measured at fair value at each reporting date. Where an offer has been accepted, the agreed sale price is considered the best evidence of fair value at the reporting date, adjusted where appropriate for directly attributable costs to sell. Changes in value are recognised in the Statement of Financial Activities.

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Debtors
Debtors (including trade debtors) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments
The charity has investments which it holds for resale (or pending their sale) and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.
They are valued at fair value except where they qualify as basic financial instruments.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds

These are unrestricted funds that have been earmarked for a particular project. This designation is for administrative purposes only and does not restrict the Trustees' discretion to apply the fund within the objects of the charity.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The charity currently holds no restricted funds at the end of the year.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the term of the lease.

2. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee, incorporated in England and Wales, and has no share capital. The registered office is 6 Harper Road, Manchester, M22 4RG. The liability of each member in the event of winding-up is limited to £1.

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THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 AUGUST 2025

3. INCOME

	Unrestricted Funds Total £	Restricted Funds Total £	**Total 2025 £**	Unrestricted Funds Total £	Restricted Funds Total £	Total 2024 £
3a Donations and Legacies						
Gift Aid	150	-	**150**	-	-	-
Gifts in Kind	129,390	-	**129,390**	116,657	-	116,657
Legacies	-	-	**-**	250	-	250
Donation from The Message Trust	42,188	-	**42,188**	25,065	-	25,065
	171,728	-	**171,728**	141,972	-	141,972
3b Income from Charitable Activities						
Sundry Income	76,316	-	**76,316**	76,820	-	76,820
	76,316	-	**76,316**	76,820	-	76,820
3c Investment Income						
Bank Interest Received	-	-	**-**	125	-	125
	-	-	**-**	125	-	125
TOTAL INCOME	248,044	-	**248,044**	218,917	-	218,917

4. EXPENDITURE

Unrestricted Funds	Staff £	Depreciation £	Project Costs £	**Direct Costs £**	Staff £	Depreciation £	Other Support Costs £	**Total Support Costs £**	**Total 2025 £**	Total 2024 £
4b Charitable Activities										
Business Enterprises	-	-	199,111	**199,111**	-	11,719	-	**11,719**	**210,830**	214,090
Governance	-	-	-	**-**	-	-	7,635	**7,635**	**7,635**	7,183
	-	-	199,111	**199,111**	-	11,719	7,635	**19,354**	**218,465**	221,273
4c Separate Material Item of Expenditure										
Donation to the Message Trust	-	-	232,003	**232,003**	-	-	-	**-**	**232,003**	-
	-	-	232,003	**232,003**	-	-	-	**-**	**232,003**	-
Total Expenditure Unrestricted	-	-	431,114	**431,114**	-	11,719	7,635	**19,354**	**450,468**	221,273
TOTAL EXPENDITURE	**-**	**-**	**431,114**	**431,114**	**-**	**11,719**	**7,635**	**19,354**	**450,468**	221,273

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5. NET INCOME

This is stated after charging:

	2025	2024
	£	£
Auditors' remuneration	**6,528**	6,276
Depreciation of owned assets	**11,719**	28,125
(Profit) / Loss on disposal of asset	**2,344**	-
Annual charges from operating leases:		
Building Lease	-	1,822
Rental of Property	**75,000**	75,000
Hire of equipment	**1,974**	607

6. ANALYSIS OF SUPPORT COSTS

All Support costs have been allocated directly to each project on a basis consistent with the use of resources.

	Admin, HR & Other Support Staff	**2025 Total**	2024 Total
	£	**£**	£
Charitable Activities			
Business Enterprises	11,719	**11,719**	28,126
	11,719	**11,719**	28,126

7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

There were no staff employed by the charity during the year (2024: nil). This includes both full-time and part-time staff.

Amounts paid or reimbursed to Trustees £nil (2024: £nil)

The key management personnel are defined as the Trustees, CEOs and other Executive Directors of the group in office during the year. They do not receive any remuneration from The MEC, and there was no Executive Officers for The MEC cost recharged by the parent charity, The Message Trust. Their total remuneration for the year from the parent charity was £436k (2024: £375k) and there was no recharges to MEC in the year for the services of the Executive officers (2024: £nil).

A Gift-in-kind for £8,970 (2024: £20,500) has been recognised in the accounts to represent the administrative time The Message Trust (Parent Charity) staff have spent on managing the affairs of The MEC.

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8. TAX ON SURPLUS ON ORDINARY ACTIVITES

	2025	2024
	£	£
Corporation tax based on the trading results for the year at Nil% (2024: Nil%)	**-**	-
	-	-

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

9. TANGIBLE FIXED ASSETS

	Leasehold Property	Property Fixtures & Fittings	Business Equipment	Motor Vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 September 2024	140,628	27,935	52,263	1,208	**222,034**
Additions	-	-	-	-	**-**
Disposals	(140,628)	(27,935)	(52,263)	(1,208)	**(222,034)**
At 31 August 2025	-	-	-	-	**-**
Depreciation					
At 1 September 2024	126,565	27,935	52,263	1,208	**207,971**
Charge for year	11,719	-	-	-	**11,719**
Disposals	(138,284)	(27,935)	(52,263)	(1,208)	**(219,690)**
At 31 August 2025	-	-	-	-	**-**
Net Book Value					
At 31 August 2025	-	-	-	-	**-**
At 31 August 2024	14,063	-	-	-	**14,063**

10. INVESTMENT PROPERTY

	2025	2024
	£	£
Investment Properties		
The Oaks	**950,000**	650,000
Other Wythenshawe Properties	**2,859,000**	3,099,000
	3,809,000	3,749,000

As at 31 August 2025 the MEC owns 15 Investment Properties in total (2024: 16 properties). During the year 1 property was sold for £235k, while 2 others are held-for-sale at year end (note 11), and measured at their net-realisable value, based on the accepted offers received prior to year-end, being lower than their brought forward investment property carrying value.

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10. INVESTMENT PROPERTY (Continued)

1 new property was purchased during the prior year in Stockton-On-Tees in the North East, and is currently held at cost, since the Trustees consider that it's fair value has not materially changed in the 15 months since purchase, based on analysis of the movement of house price indices in the area, and the fact that it is a comparatively low value investment property of the stock currently held.

The remaining 12 Investment Properties were all revalued by independent valuers Longden & Cook, members of the Royal Institute of Chartered Surveyors (RICS), as at 31 August 2025 following inspections on 13 August 2025 and 10 September 2025, and are held at their revalued amounts at year end.

The Trustees have a policy of using professional independent valuers to revalue investment properties on a rolling basis at least every 5 years or sooner if conditions indicate a material shift in the fair value.

On an annual basis, the Trustees review these valuations for any significant changes in the local property market and any impairment in the properties and will make adjustments as necessary.

	2025	2024
Valuation	£	£
At 1 September 2024	3,749,000	3,546,381
Revaluation	504,000	108,619
Disposals	(210,000)	-
Transfer to stock	(234,000)	-
Additions	-	94,000
At 31 August 2025	**3,809,000**	**3,749,000**

11. PROPERTY HELD FOR SALE

	2025	2024
	£	£
Property held for sale	**234,000**	-
	234,000	-

12. DEBTORS

	2025	2024
	£	£
Trade debtors	**552**	3,594
Other debtors	**3,444**	1,456
Prepayments and accrued income	**6,807**	8,488
	10,803	13,538

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13. CASH AT BANK & IN HAND

	2025	2024
	£	£
Current Accounts	**54,215**	62,309
	54,215	62,309

14. CREDITORS: Amounts falling due within one year

	2025	2024
	£	£
Trade Creditors	**-**	12,985
Amounts owed to Group undertakings	**-**	374
Accruals & Deferred Income	**23,806**	68,011
Taxation and Social Security	**96**	-
	23,902	81,370

Included in accruals and deferred income of £23,806 (2024: £68,011) is deferred income of:

	2025	2024
	£	£
Deferred income brought forward	**48,439**	7,110
Income released in the year	**(93,949)**	(56,093)
Amounts added in the year	**51,760**	97,422
Deferred income carried forward	**6,250**	48,439

15. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at 01/09/2024	**Movement in Resources** Incoming	Outgoing	Transfers Between Funds	Gains on Investment	**Balance at 31/08/2025**
	£	£	£	£	£	**£**
15a. Restricted Funds						
Apprentice Funding	-	-	-	-	-	**-**
	-	-	-	-	-	**-**
15b. Unrestricted Funds						
General Fund	48,044	248,044	(450,468)	404,496	25,000	**275,116**
Designated Funds						
- Revaluation Reserve	1,231,638	-	-	(170,496)	504,000	**1,565,142**
- Future Projects	2,477,858	-	-	(234,000)	-	**2,243,858**
	3,757,540	248,044	(450,468)	-	529,000	**4,084,116**
	3,757,540	248,044	(450,468)	-	529,000	**4,084,116**

This year the Trustees have set aside funds for Future Projects, including the provision of accommodation for Message School of Evangelism students and houses for partnerships with Homes of Hope, that are the equivalent of the Net Book Value of Investment Properties.

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16. ANALYSIS OF NET ASSETS BY FUND

	Tangible Fixed Assets £	Intangible Assets / Investments £	Net Current Assets £	2025 Total £	2024 Total £
Unrestricted Funds	-	3,809,000	275,116	**4,084,116**	3,757,540
	-	3,809,000	275,116	**4,084,116**	3,757,540

At year end, the value in net current assets equivalent to the total of the properties held for sale (£234k) is planned to be donated to the parent charity, The Message Trust, upon completion of the sales post year end.

17. CONTINGENCIES

The Trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2025 (2024: £nil).

18. RELATED PARTIES

The Message Trust (Parent Charity – registered charity number 1081467 and company limited by guarantee, registered in the UK with company number 03961183) did not sell goods and services (2024: £nil) to The Message Enterprise Centre during the year. The Message Enterprise Centre (MEC) did not sell goods and services (2024: £nil) to The Message Trust (TMT) during the year.

The only expense in 2025 recharged from TMT to The MEC was £604 (2024: £105) which was a subscription expense during the year.

The MEC did not pay anything in rent (2024: £nil) to TMT, whilst TMT paid £76,920 (2024: £76,820) in rent to The MEC for the School of Evangelism students' accommodation and the Community Grocery Distribution Hub property which is owned by The MEC for rental purposes.

The MEC received £42,189 (2024: £25,065) from TMT as compensation for surrendering the short-term lease on Neal Street Espresso in order that the parent charity could complete the purchase of the long leasehold from London City Mission. TMT gave £129,390 (2024: £116,657) as a Gift in Kind, related to the extension of the Oaks property, for future MEC projects. The MEC donated the proceeds from the sale of an investment property (£232,002) to TMT for ongoing costs, maintenance and refurbishment of properties rented from MEC, which are used to accommodate students at the Message School of Evangelism and other staff and beneficiaries of the charities.

At 31 August 2025, The MEC owed TMT £nil (2024: £374) and TMT owed The MEC £nil (2024: £nil).

TMT and The MEC share the same Trustees and Executive directors. Consolidated accounts for the group are available from the Charity Commission or Companies House website.

Collectively the Trustees and their related party companies including gift aid gave £nil to The MEC (2024: £nil).

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19. OPERATING LEASE COMMITMENTS

At the year end the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		**Other**	
	2025	2024	**2025**	2024
	£	£	**£**	£
Not later than one year	**75,000**	75,000	**152**	1,822
Later than one year and not later than five years	**300,000**	100,000	**-**	607
Later than five years	**100,000**	-	-	-

20. CAPITAL COMMITMENTS

The Trustees have confirmed there were no capital commitments at 31 August 2025.

21. ANALYSIS OF CHANGES IN NET DEBT

	At 01/09/2024	**Cashflows**	**At 31/08/2025**
	£	**£**	**£**
Cash	62,309	(8,094)	**54,215**
	62,309	(8,094)	**54,215**

THE MESSAGE ENTERPRISE CENTRE

England & Wales - Charity number 1147287

Accounts

THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2024

Company Limited by Guarantee

Company Registration Number 07892774

Registered Charity Number 1147287

THE MESSAGE ENTERPRISE CENTRE

FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2024

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THE MESSAGE ENTERPRISE CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

The Board of Trustees	G. J. Haynes (Chairman) A. C. Leakey R. D. White A. L. Orr-Ewing Dr L. Neilson – *Appointed 14 December 2023*
Company Secretary	I. Rowbottom
Chief Executive	S. Ward
Business Centre Manager	S. Hawthorne
Registered Office	6 Harper Road Sharston Manchester Lancashire M22 4RG
External Auditors	Beever and Struthers One Express 1 George Leigh Street Ancoats Manchester M4 5DL
Bankers	National Westminster Bank PLC 699 Wilmslow Road Didsbury Manchester M20 6NW

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2024

The Trustees have pleasure in presenting their report (including the directors' report as required by company law) and the financial statements of the charity for the year ending 31 August 2024.

The Message Enterprise Centre is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 1147287. Company number 07892774. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

BACKGROUND AND OBJECTIVES

The Message Enterprise Centre was incorporated on 28 December 2011, as a company limited by guarantee, and became a registered charity on 17 May 2012.

The Message Enterprise Centre changed its objects by special resolution on 5 February 2019. Our objective is now:

- To advance the Christian faith and relieve unemployment for the benefit of the public with a specific focus on young people and vulnerable adults who are at risk of re-offending or who have poor employment potential, through education, enterprise, befriending, mentoring, faith-based activities and outreach.

These objects are being worked out in three main areas:

- Building on relationships established by The Message Trust's Prisons team, providing long-term, one-to-one mentoring and support to ex-offenders upon their release from prison.

- Following a period of probation, offering training and employment to prison leavers in one of our businesses (currently on-site café and catering services, property and events management, and building services) as 'apprentices'. In addition, we seek to offer the same training and development opportunities in our businesses to those who have poor employment potential, including those previously homeless or suffering from addictions.

- In partnership with local churches, providing resettlement help and supportive community in local areas across Greater Manchester, especially in areas where the Eden Network has a presence.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees' recruitment is by personal contact of existing Trustees and the Executive Team. Potential Trustees typically attend board meetings prior to their appointment in order to meet other members of the Board and Executive team to ensure they are a sound match and share the vision and values of the charity. They are then elected by the Board of Trustees in consultation with the Chief Executive, on the basis of their expertise, professional experience and qualifications, wisdom and advice that they can bring to the Management and Administration of the Trust. Training and induction are provided to new Trustees as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board of Trustees has a variety of experience including both Christian ministry and commercial business skills. They meet quarterly to oversee the vision and strategies of the charity. Executive Directors and the Business Centre Manager have been appointed by the Trustees to oversee the day-to-day operations of the charity. The Board is accountable to the Charity Commission for the careful use of charitable and other public funds provided in a variety of forms, and for the achievement of appropriate performance standards in service delivery. The Board also undertakes at least one additional annual away-day for the purposes of further developing The Message Enterprise Centre Mission and Vision, and to concentrate on continuous improvement in performance.

With the growth of activities of the Trust an increasing level of expertise is required on a day-to-day basis and an established senior management team is in place that is capable of running the affairs of the Trust. The Trust's senior management team is the Executive Board, headed by the Chief Executive, Mr A Hawthorne. The Executive Board meets monthly, and its members are both jointly and individually accountable via the Chief Executive to the Board of Trustees.

Day-to-day management matters are further scrutinised by a cross-functional team of internal departmental managers who meet regularly, and monthly management accounts are utilised by the Senior Management team to ensure financial budgets and fundraising targets are being met. This group's work is referred back to the Trustee's whenever a more significant matter of policy or other key decision-making arises.

The Message recognises the importance of our staff and aims to help them to develop their potential, improve their skills and gain greater job satisfaction.

Summary of priorities:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our mission is to advance the Christian faith, relieve unemployment and help break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre's Executive leadership team seek to achieve this by motivating staff and volunteers with a compelling vision and supporting them within a robust management framework.

Volunteers are crucial to the smooth running of the Centre. Our team of regular volunteers provides support to our businesses, particularly The Mess Café when catering for large functions. We ensure they have comprehensive support in their roles through appropriate policies and procedures, clarifying the extent of their remit and providing checks and balances in relation to the key areas of the Management & HR Strategy.

THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2024

ACHIEVEMENTS AND PERFORMANCE

The Message Enterprise Centre: 2023-24 in review

MEC - OUR YEAR

This year, the operations and related assets (excluding investment properties) of the Message Enterprise Centre transferred to sit within in the parent charity, The Message Trust.

As the financial stability of the activities associated with the Message Enterprise Centre have increased over the past few years, and the related risks reduced to an acceptable level, discussions began about transferring the activity to sit within The Message Trust in order to bring about efficiencies and reduce the administrative burden of operating two closely linked charities.

This transfer of the business activities started at the end of the prior year, and concluded at the start of this financial year, in September 2023. There are no current plans to close the Message Enterprise Centre charity, and the charity retains the 16 investment properties on its balance sheet, which are all leased on a rolling basis to The Message Trust.

The charitable purposes of the Message Enterprise Centre are still being outworked in The Message Trust going forwards, including the operating of The Mess Café and Neal Street Espresso coffee shops, offering an enterprise programme of work-based training and discipleship to those at risk of reoffending or with poor employment potential.

As partnerships across the UK grow, our vision to expand our enterprise work into other areas of the UK, offering training and discipleship opportunities to team members remains and continued to grow under The Message Trust.

MEC - SUPPORTER EVENTS AND FUNDRAISING

Following the transfer of the charity's activities, and therefore major operating costs, to the parent charity at the start of the year, there were no direct fundraising activities this year to raise money for the MEC. The MEC continues to have the full support of its parent charity

CHARITABLE GIVING

Our charitable giving this year totalled £nil (2023: £39) which was mainly gifts to staff of The Message Enterprise Centre.

PLANS FOR FUTURE PERIODS

Since the operations of the MEC transferred to the parent charity, The Message Trust, in September 2023, there are no operating goals for The Message Enterprise Charity this year, but goals being outworked by The Message Trust and reported on in their 2023-24 Annual report and Financial Statements.

THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2024

FINANCIAL REVIEW

The 2024 accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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), as published January 2022.

The Trustees have taken the opportunity to review all The Message Enterprise Centre's key accounting policies to ensure that they are in accordance with the requirements of the Charities SORP (FRS 102) and best accounting practice.

Review of the year

Total income for the year was £219k (2023: £1,431k), with total expenditure of £221k (2023: £1,168k), resulting in a net loss before gains on investments of (£2k). Net surplus after gains on investments was £106k, leaving Unrestricted total funds carried forward of £3,758k (2023: £3,651k) available for future periods, of which £3,709k (2023: £3,601k) is designated for future projects, and £49k (2023: £50k) is general funds freely available to spend on any of the charity's purposes.

Income and Expenditure

Following the transfer of The Message Enterprise Centre's main charitable activities to The Message Trust, the MEC relies on the support of its parent charity as its principal source of funding. The significant income in the year is the £76,820 of intercompany rent received from TMT for the Community Grocery warehouse, and housing for the Message School of Evangelism Students. Total donations, including Gift Aid amounted to £117k (2023: £122k), whilst The Message Trust gave a separate material item of income to The Message Enterprise Centre totalling £25k (2023: £458k).

Other gifts from individuals and Trusts were £nil in the year, due to the transfer of activities, all fundraising for the group was focussed on the Message Trust charity.

Direct costs of the Charitable Activities were £221k down £1.1m from prior year (2023: £1.1m), due to the transfer activity to the Parent charity. Support costs were £35k (2023: £92k), and the cost of Raising Funds were £nil in 2024 (2023: £310).

Governance

The £7.2k governance (2023: £8.7k) includes the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, audit fees and core executive management.

FINANCIAL REVIEW (continued)

Balance Sheet

Included in the Balance Sheet as at 31st August 2024 is Cash at bank of £62k (2023: £95k), Net current liabilities are £5.5k (2023: Current Assets £50k), and Total net assets are £3.76m (2023: £3.65m). The small net current liability position is largely due to a £43k balance on deferred income, relating to a donation from The Message Trust, which was deferred until the transfer of the Neal Street property to The Message concluded. The Message completed on the purchase of the head lease of the property post year-end in November 2024, after MEC surrendered its sub-lease, so once this deferred income is released post year end, the charity will return to a net current asset position.

Investment Powers and Policies

The Trustees have the power to invest surplus funds of the charity in investments, securities and property as they think fit. The current policy of the Trustees is to invest funds not immediately required by the charity into a range of Deposit accounts which bear competitive rates of interest. This policy is reviewed periodically by the Trustees.

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, to ensure the continuing ability of The Message Enterprise Centre to meet its objectives and obligations.

The total funds held by MEC at 31 August 2024 are £3,758k (2023: £3,651k), are all unrestricted and available for the general purposes of the charity.

In order to be prudent, The Message Enterprise Centre aims to accumulate, in general reserves, an amount at least equal to one month's operating costs, approx. £22k (2023: £22k). This has been achieved in the current year. The amount of General Funds, excluding restricted and designated funds, freely available to spend on any of the charity's purposes as at 31 August 2024 was £49k (2023: £50k). Over the coming year the Trustees' have set financial budgets, which aim to increase the amounts held in general reserves, in order to maintain this policy as the charity grows.

In addition, the Trustees have designated funds to Future Projects arising over the next 5 years £3,709k at 31 August 2024 (2023: £3,601k). These designated funds are held in the form of buildings and other fixed assets, which are an ongoing resource for future mission projects across the charity. The designated fund for Future Mission Projects can only be realised by disposing of £3,709,496 (2023: £3,600,877) the amount of tangible fixed assets and investment properties held by The Message Enterprise Centre.

FINANCIAL POLICIES

Remuneration Policy

The remuneration policy seeks to balance our Christian values and the need to attract and retain staff with appropriate qualifications and skills.

The UK Leadership Team review the organisations pay scales by benchmarking against similar jobs in the North-west and a London weighting is applied where appropriate. We review the retail price and consumer price indices for inflation on an annual basis, before deciding upon any annual increments for inflation. Individual staff salaries are reviewed annually, with mid-term reviews every 6 months. The Executive pay is set within the same pay grade structure.

The Trustees set and approve the salary for the Chief Executive on an annual basis, by benchmarking against similar sized Charities with reference to the Association of Chief Executives of Voluntary Organisations (ACEVO) annual Pay and Equalities Survey.

The key management personnel for the Message Enterprise Centre are common to the parent charity The Message Trust. They include the Trustees, Chief Executive Officer and other members of the Executive. The Trustees do not receive any remuneration for their services, whilst the Executive Officers are reimbursed by The Message Trust and their time recharged to The Message Enterprise Centre at cost, as appropriate.

Social Investment Policy

In order to provide appropriate affordable housing for The Message School of Evangelism Students during their one-year course, as well as providing refurbishment and building maintenance opportunities for our Message Enterprise Building Team Members the charity has adopted a policy of investing in local Wythenshawe properties, rather than renting properties from local landlords. This policy started in 2016 and has continued since then.

Principal Risks and Uncertainties

The Trustees have identified four principal risk areas for both The Message Trust and its subsidiary The Message Enterprise Centre. These cover potential risks to the reputation of both charities, financial sustainability, safeguarding of young people & vulnerable adults, and cyber security, arising from both internal and external factors. The principal financial sustainability risks present at the year-end are related to the sustained price rises and high levels of inflation across the UK which are increasing operational costs for the charity. The Trustees have adopted a number of measures to counter each of these risks, to reduce the likelihood that they will adversely affect the charity. These strategies are reviewed periodically to ensure they remain effective and are considered sufficient measures to protect the charitable group, its staff, and beneficiaries from significant harm.

The Trustees assessment of these financial risks is discussed in more detail in the 'Going concern' note on page 17.

THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2024

DIRECTORS AND TRUSTEES

The directors of the charity ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.
The Trustees serving during the year and since the year-end were as follows:

G.J. Haynes
A. L. Orr-Ewing
R.D. White
A.C. Leakey
Dr L. Neilson (appointed 14 December 2023)

RELATED PARTIES

A summary of transactions with related parties is set out in note 18 of the financial statements.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Message Enterprise Centre for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the income and expenditure for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies, as described on pages 17 to 21, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operations.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the Trustees of the charity on 23 May 2025 and signed on its behalf by:



Gordon Haynes, Chairman of Trustees Date: 23 May 2025

THE MESSAGE ENTERPRISE CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MESSAGE ENTERPRISE CENTRE

Opinion

We have audited the financial statements of The Message Enterprise Centre 'the charitable company' for the year ended 31 August 2024 which comprise Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources loss 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 Auditor's 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 the Trustees' Responsibilities on page 9, 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report within the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, Charities Act England & Wales and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.

- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 an auditor's report 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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
One Express
1 George Leigh Street
Manchester M4 5DL

Date: 28 May 2025

THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDING 31 August 2024

	Note	Unrestricted Funds £	Restricted Funds £	**Total 2024 £**	Total 2023 £
INCOME					
Donations and Legacies	3a	116,907	-	**116,907**	121,514
Income from Charitable activities	3b	76,820	-	**76,820**	845,974
Income from Other trading activities	3c	-	-	**-**	4,987
Investment Income	3d	125	-	**125**	768
Separate material item of income	3e	25,065	-	**25,065**	457,612
TOTAL INCOME		218,917	-	**218,917**	1,430,855
EXPENDITURE					
Raising Funds	4a	-	-	**-**	310
Charitable Activities	4b	221,273	-	**221,273**	1,167,741
TOTAL EXPENDITURE		221,273	-	**221,273**	1,168,051
Net (Expenditure) / Income before Investment gains		(2,356)	-	**(2,356)**	262,804
Net gains on investments		108,619	-	**108,619**	-
NET INCOME / (EXPENDITURE)		106,263	-	**106,263**	262,804
NET MOVEMENT IN FUNDS		106,263	-	**106,263**	262,804
Total Funds Brought Forward		3,651,277	-	**3,651,277**	3,388,473
TOTAL FUNDS CARRIED FORWARD		3,757,540	-	**3,757,540**	3,651,277

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity, as shown above, are classed as continuing operations.

The notes on pages 17 to 29 form an integral part of these financial statements**.**

THE MESSAGE ENTERPRISE CENTRE

BALANCE SHEET

AS AT 31 AUGUST 2024

	Note	**The Message Enterprise Centre 2024**	The Message Enterprise Centre 2023
		£	£
FIXED ASSETS			
Tangible fixed assets	9	**14,063**	54,496
Investments	10	**3,749,000**	3,546,381
Total Fixed assets		**3,763,063**	3,600,877
CURRENT ASSETS			
Stocks	11	**-**	11,113
Debtors	12	**13,538**	72,599
Cash at bank and in hand	13	**62,309**	94,581
Total current assets		**75,847**	178,293
CREDITORS: Amounts falling due within one year	14	**(81,370)**	(127,893)
NET CURRENT (LIABILITIES) / ASSETS		**(5,523)**	50,400
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,757,540**	3,651,277
TOTAL NET ASSETS		**3,757,540**	3,651,277
FUNDS OF THE CHARITY			
Restricted Income Funds	15a	**-**	-
Unrestricted Funds	15b	**3,757,540**	3,651,277
TOTAL FUNDS		**3,757,540**	3,651,277

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 17 to 29 form an integral part of these financial statements, which were approved and authorised for issue by the Trustees on 29 May 2024 and signed on their behalf by:

R D White

Robert White, Trustee



Gordon Haynes, Trustee

Company Registration Number 07892774

THE MESSAGE ENTERPRISE CENTRE

STATEMENT of CASH FLOWS
YEAR ENDING 31 August 2024

	Note	2024	2023
Cash flows from operating activities		**£**	£
Net movement in funds		**106,263**	262,804
Adjustments to cash flows from non-cash items			
Depreciation		**28,125**	39,146
(Profit) / Loss on disposal of tangible fixed assets		**1,000**	-
Investment income	3d	**(125)**	(768)
Disposal of Tangible Fixed Assets	9	**11,309**	-
Revaluation of investments	10	**(108,619)**	-
		37,953	301,182
Working capital adjustments			
Decrease / (Increase) in stocks	11	**11,113**	(4,357)
Decrease / (Increase) in debtors	12	**59,062**	(7,549)
Decrease / (Increase) in creditors		**(87,854)**	(75,921)
Decrease / (Increase) in deferred income	14	**41,329**	2,850
Net cash flows from operating activities		**61,603**	216,205
Cash flows from investing activities			
Interest receivable and similar income	3d	**125**	768
Purchase of investments	10	**(94,000)**	(151,381)
Net cash flows from investing activities		**(93,875)**	(150,613)
Cash flows from financing activities			
Net cash flows from financing activities		**-**	-
Net (Decrease) / increase in cash and cash equivalents		**(32,272)**	65,592
Cash and cash equivalents at 1 September		**94,581**	28,989
Cash and cash equivalents at 31 August	13	**62,309**	94,581

The notes on pages 17 to 29 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2024

1. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements of the charity are made up to 31 August 2024.

The accounts (financial statements) have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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 (FRS 102) as published January 2022, with the Charities Act 2022, the Companies Act 2006 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS102. The Charity exists for the benefit of the public through the promotion of Christian values and spiritual development, providing education, mentoring and enterprise services, in particular to those who have poor employment potential.

Financial statements

The financial statements are presented in GBP and rounded to the nearest £. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going concern

The Trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, particularly as it continues to have the full support of its parent charity – The Message Trust, having all its Trustees in common with the parent charity.

The Trustees have considered this, as well as the current levels of reserves and cash including general funds available to the Charity, in their assessment and believe the charity is well-placed to manage its risks and continue to operate as a going concern.

Key Judgements and sources of estimation uncertainty

In the application of the charity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other relevant factors, including reasonable expectations of future events. However, because balances cannot be determined with certainty, actual results may differ from these estimates and assumptions. The main areas which involve such estimates and judgements include the useful lives of fixed assets and the valuation of the Group's investment properties.

The carrying value and annual depreciation charges for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets, which are reviewed annually for their current condition and economic utilisation and amended when necessary to reflect current estimates. Impairment on tangible fixed assets is evaluated when an asset is held for sale. See note 9 for the carrying amount of the tangible fixed assets.

The Trustees have based the charity's investment property valuations on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset, combined with comparison to movements in Housing Price Indices since their last independent professional valuation – see note 10 for details.

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2024

INCOME

Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the Trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants
Donations and grants are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 Charities SORP (FRS102)).
In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 Charities SORP (FRS 102)).
Income is deferred only when there are conditions to fulfil before becoming entitled to it and where the donor has specified that the income is to be expended in a future period.

Offsetting
There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP (FRS 102) or FRS 102.

Legacies
Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts
Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Contractual income
This is only included in the SoFA once the charity has provided the related goods or services.

Donated services and facilities
Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale and recognised in 'Income from other trading

activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the Trustees' annual report.

Many volunteers give freely of their time in the service of our Lord for the Trust, the value of which is unquantifiable.

Income from interest and royalties

This is included in the accounts when receipt is probable, and the amount receivable can be measured reliably.

EXPENDITURE and LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff costs by the time spent and other costs by their usage.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation is recognised.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition at cost, as per paragraph 11.7 SORP (FRS102). Subsequent measurement is at fair value (their market value), as per paragraphs 11.17 to 11.19, SORP (FRS102).

ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year and cost at least £1,000 (Prior to 1 September 2021, if they cost at least £500). They are valued at cost.

Depreciation is provided in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The following annual rates are used:

Leasehold Property	20%
Oaks Fixtures and Fittings	25%
Business Equipment	25%
Motor Vehicles	25%

Depreciation is first charged in the quarter following acquisition and up to the month of disposal. No provision is made for the increased cost of tangible fixed assets.

Investments

Fixed asset investments are valued initially at cost and subsequently at fair value (their market value) at the year-end unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale (or pending their sale) and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined by external valuers, with properties being valued on a rolling basis every five years. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in profit or loss.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Cost is determined using the First-in, First-out (FIFO) methodology.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments

The charity has investments which it holds for resale (or pending their sale) and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

They are valued at fair value except where they qualify as basic financial instruments.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds

These are unrestricted funds that have been earmarked for a particular project. This designation is for administrative purposes only and does not restrict the Trustees' discretion to apply the fund within the objects of the charity.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the term of the lease.

Pension costs and other benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 102. The charity provides a defined contribution scheme for staff.

2. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee, incorporated in England and Wales, and has no share capital. The registered office is 6 Harper Road, Manchester, M22 4RG. The liability of each member in the event of winding-up is limited to £1.

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2024

3. INCOME

	Unrestricted Funds Total £	Restricted Funds Total £	**Total 2024** £	Unrestricted Funds Total £	Restricted Funds Total £	Total 2023 £
3a Donations and Legacies						
Gifts Individuals	-	-	**-**	54,084	1,491	55,575
Gifts via Stewardship / CAF	-	-	**-**	5,239	962	6,201
Gifts Churches, Ministries & Business	-	-	**-**	11,040	7,691	18,731
Gifts Trusts & Foundations	-	-	**-**	3,750	23,500	27,250
Gift Aid	-	-	**-**	12,398	353	12,751
Gifts in Kind	116,657	-	**116,657**	-	-	-
Grants	-	-	**-**	-	1,000	1,000
Sponsored Events	-	-	**-**	-	6	6
Legacies	250	-	**250**	-	-	-
	116,907	0	**116,907**	86,511	35,003	121,514
3b Income from Charitable Activities						
Business Enterprises	-	-	**-**	491,650	-	491,650
Rental Income	-	-	**-**	87,844	-	87,844
Event Income	-	-	**-**	9,379	-	9,379
Sundry Income	76,820	-	**76,820**	257,101	-	257,101
	76,820	-	**76,820**	845,974	-	845,974
3c Income from Other trading activities						
Fundraising Events	-	-	**-**	80	2,135	2,215
Sundry Income	-	-	**-**	2,772	-	2,772
	-	-	**-**	2,852	2,135	4,987
3d Investment Income						
Bank Interest Received	125	-	**125**	768	-	768
	125	-	**125**	768	-	768
3e Separate Material Item of Income						
Donation from The Message Trust	25,065	-	**25,065**	457,612	-	457,612
	25,065	-	**25,065**	457,612	-	457,612
TOTAL INCOME	218,917	-	**218,917**	1,393,717	37,138	1,430,855

Many volunteers give freely of their time in the service of our Lord for the Charity, the value of which is unquantifiable.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2024

4. EXPENDITURE

Unrestricted Funds	Staff	Depreciation	Project Costs	**Direct Costs**	Staff	Depreciation	Other Support Costs	**Total Support Costs**	**Total 2024**	Total 2023
	£	£	£	**£**	£	£	£	**£**	**£**	£
4a Raising Funds										
Fundraising - Events	-	-	-	**-**	-	-	-	**-**	**-**	310
	-	-	-	**-**	-	-	-	**-**	**-**	310
4b Charitable Activities										
Business Enterprises	-	-	185,963	**185,963**	-	28,127	-	**28,127**	**214,090**	1,069,186
Governance	-	-	-	**-**	-	-	7,183	**7,183**	**7,183**	8,716
	-	-	185,963	**185,963**	-	28,127	7,183	**35,310**	**221,273**	1,077,902
Total Expenditure Unrestricted	-	-	185,963	**185,963**	-	28,127	7,183	**35,310**	**221,273**	1,078,212
Restricted Funds										
4b Charitable Activities										
Business Enterprises	-	-	-	**-**	-	-	-	**-**	**-**	3,414
Neal Street Espresso	-	-	-	**-**	-	-	-	**-**	**-**	5,841
Apprentice Funding	-	-	-	**-**	-	-	-	**-**	**-**	80,584
	-	-	-	**-**	-	-	-	**-**	**-**	89,839
Total Expenditure Restricted	-	-	-	**-**	**-**	**-**	-	**-**	**-**	89,839
TOTAL EXPENDITURE	**-**	**-**	**185,963**	**185,963**	**-**	**28,127**	**7,183**	**35,310**	**221,273**	1,168,051

5. NET INCOME

This is stated after charging / (crediting):

	2024	2023
	£	£
Auditors' remuneration	**6,276**	8,452
Depreciation of owned assets	**28,125**	39,146
Annual charges from operating leases:		
Building Lease	**1,822**	28,488
Rental of Property	**75,000**	75,000
Hire of equipment	**607**	1,266

6. ANALYSIS OF SUPPORT COSTS

All Support costs have been allocated directly to each project on a basis consistent with the use of resources.

	Admin, HR & Other Support Staff	**2024 Total**	2023 Total
	£	**£**	£
Charitable Activities			
Business Enterprises	28,126	**28,126**	83,261
	28,126	**28,126**	83,261

7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2024	2023
Employee costs during the year:	**£**	£
Wages and salaries	-	334,990
Social security costs	-	17,155
Pension costs	-	8,876
	-	361,021

There was no staff employed by the charity during the year (2023: 13). This includes both full-time and part-time staff. When expressed as full-time equivalents this was as follows:

	2024	2023
Average number of full-time equivalent staff employed:	**No.**	No.
Charitable Activities	-	12
Cost of Generating Funds	-	0
Governance / Management	-	0
Others - Support	-	1
	-	13

No employee received emoluments of more than £60,000 in the year.

Amounts paid or reimbursed to Trustees £nil (2023: £nil)

The key management personnel are defined as the Trustees, CEO and other Executive Directors of the group in office during the year. They do not receive any remuneration from The Message Enterprise Centre, and there was no Executive Officers for The Message Enterprise Centre cost recharged by the parent charity, The Message Trust. Their total remuneration for the year from the parent charity was £375k (2023: £380k) and there was no recharges to MEC in the year for the services of the Executive officers (2023: £85k).

8. TAX ON SURPLUS ON ORDINARY ACTIVITES

	2024	2023
	£	£
Corporation tax based on the trading results for the year at Nil% (2023: Nil%)	-	-
	-	-

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

9. TANGIBLE FIXED ASSETS

	Leasehold Property	Property Fixtures & Fittings	Business Equipment	Motor Vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 September 2023	140,628	27,935	89,999	7,708	**266,270**
Additions	-	-	-	-	**-**
Disposals	-	-	(37,736)	(6,500)	**(44,236)**
At 31 August 2024	140,628	27,935	52,263	1,208	**222,034**
Depreciation					
At 1 September 2023	98,440	27,935	78,691	6,708	**211,774**
Charge for year	28,125	-	-	-	**28,125**
Disposals	-	-	(26,428)	(5,500)	**(31,928)**
At 31 August 2024	126,565	27,935	52,263	1,208	**207,971**
Net Book Value					
At 31 August 2024	14,063	-	-	-	**14,063**
At 31 August 2023	42,188	-	11,308	1,000	**54,496**

10. INVESTMENTS

	2024	2023
	£	£
Investment Properties		
The Oaks	**650,000**	650,000
Other Wythenshawe Properties	**3,099,000**	2,896,381
	3,749,000	3,546,381

The Oaks opened in 2016, as a fully refurbished home in Wythenshawe, offering a residential support programme for up to 8 residents, today it houses students on the Message School of Evangelism programme. As at 31 August 2024 the MEC owns 16 Investment Properties in total, including The Oaks (2023: 15 properties). Thirteen of these Investment Properties were revalued by Longden & Cook, members of the Royal Institute of Chartered Surveyors (RICS) as at 6th January 2023 and 1 other by Spendlove Surveyors, also members of the RICS, as at 25th January 2023, following inspections on those dates. One property completed refurbishment during 2023/24 and was revalued as at 31 August 2024 by Longden & Cook. The final property, purchased in June 2024, is held at its cost price of £94k.

The charity performed analysis of the average property sale prices in the region around the investment properties, as well as the movement in 3 different house price indices, which indicated that the carrying value of the properties in the financial statements may differ by as

10. INVESTMENTS (continued)

little 2.5% overall from the independent valuations carried out in the prior years, which is immaterial and on that basis the movement in valuation has not been reflected in the above.

Therefore, the Trustees consider the investment properties are carried in the Balance Sheet at their fair value as at 31 August 2024, given the independent valuations were carried out within 2 years of the year end and the lack of evidence to suggest a materially different valuation.

The Trustees have a policy of using professional independent valuers to revalue investment properties on a rolling basis at least every 5 years or sooner if conditions indicate a material shift in the fair value.

On an annual basis, the Trustees review these valuations for any significant changes in the local property market and any impairment in the properties and will make adjustments as necessary.

	2024	2023
Valuation	£	£
At 1 September 2023	3,546,381	3,395,000
Revaluation	108,619	-
Additions	94,000	151,381
At 31 August 2024	**3,749,000**	**3,546,381**

11. STOCKS

	2024	2023
	£	£
Stocks of finished goods and goods for resale	**-**	11,113
	-	11,113

12. DEBTORS

	2024	2023
	£	£
Trade debtors	**6,922**	40,132
Amounts due from Group undertakings	**-**	2,184
Other debtors	**1,456**	-
Prepayments and accrued income	**8,488**	30,283
	16,866	72,599

13. CASH AT BANK & IN HAND

	2024	2023
	£	£
Reserve Accounts	**-**	45,797
Current Accounts	**62,309**	48,123
Cash in Hand	**-**	661
	62,309	94,580

14. CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Trade Creditors	**12,985**	27,707
Amounts owed to Group undertakings	**374**	-
Accruals & Deferred Income	**68,012**	73,213
Taxation and Social Security	**-**	25,951
Other Creditors	**-**	1,022
	81,371	127,893

Included in accruals and deferred income of £68,012 (2023: £73,213) is deferred income of:

	2024	2023
	£	£
Deferred income brought forward	**7,110**	4,260
Income released in the year	**(56,093)**	(80,334)
Amounts added in the year	**97,422**	83,184
Deferred income carried forward	**48,439**	7,110

15. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at	**Movement in Resources**		Transfers Between	Gains on Revaluation	**Balance at**
	01/09/2023	Incoming	Outgoing	Funds	Fixed Assets	**31/08/2024**
	£	£	£	£	£	**£**
15a. Restricted Funds						
	-	-	-	-	-	**-**
15b. Unrestricted Funds						
General Fund	50,400	218,917	(221,273)	-	-	**48,044**
Designated Funds						
- Revalution Reserve	1,123,019	-	-	-	108,619	**1,231,638**
- Future Projects	2,477,858	-	-	-	-	**2,477,858**
	3,651,277	218,917	(221,273)	-	108,619	**3,757,540**
	3,651,277	218,917	(221,273)	-	108,619	**3,757,540**

This year the Trustees have set aside a further £108,619 (2023: £257,235). The aim is to ensure Future Projects are the equivalent of the Net Book Value of Tangible Fixed assets and Investment Properties, to be used for future projects, arising over the next five years.

15. RECONCILIATION OF MOVEMENTS IN FUNDS (continued)

During the year we did not receive personal support (2023: £19,243) for employees who work in Unrestricted areas of ministry.

16. ANALYSIS OF NET ASSETS BY FUND

	Tangible Fixed Assets £	Intangible Assets / Investments £	Net Current Assets £	2024 Total £	2023 Total £
Restricted Funds					
Business Enterprises	-	-	-	**-**	-
	-	-	-	**-**	-
Unrestricted Funds	14,063	3,749,000	(5,523)	**3,757,540**	3,651,277
	14,063	3,749,000	(5,523)	**3,757,540**	3,651,277

17. CONTINGENCIES

The Trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2024 (2023: £nil).

18. RELATED PARTIES

The Message Trust (Parent Charity – registered charity number 1081467 and company limited by guarantee, registered in the UK with company number 03961183) did not sell goods and services (2023: £13,308) to The Message Enterprise Centre during the year. The Message Enterprise Centre did not sell goods and services (2023: £207,545) to The Message Trust (Parent Charity) during the year. There were no expenses in 2024 (2023: £85,847) (wages, premises costs, etc) recharged from The Message Trust (Parent Charity) to The Message Enterprise Centre.

The Message Enterprise Centre did not pay anything in rent (2023: £30,000) to The Message Trust, whilst The Message Trust paid £76,820 (2023: £87,924) in rent to The Message Enterprise Centre for the School of Evangelism students' accommodation and the Community Grocery Distribution Hub property which is owned by The Message Enterprise Centre for rental purposes.

The Message Trust donated £25,065 (2023: £312,612) and £116,657 as Gift in kind (2023: £nil) to The Message Enterprise Centre for general funds and future Message Enterprise projects, to enable the charity to continue to meet the needs of its existing apprentices and new trainees. As at 31 August 2024, The Message Enterprise Centre owed The Message Trust £374 (2023: £2,184 The Message Trust Owed The Message Enterprise Centre).

The Message Trust and The Message Enterprise Centre share the same Trustees and Executive directors. Consolidated accounts for the group are available from the Charity Commission or Companies House website.

Collectively the Trustees and their related party companies including gift aid gave £nil to The Message Enterprise (2023: £2,168).

19. OPERATING LEASE COMMITMENTS

At the year end the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2024	2023	**2024**	2023
	£	£	**£**	£
Not later than one year	**75,000**	31,318	**1,822**	-
Later than one year and not later than five years	**100,000**	75,000	**607**	1,822

20. CAPITAL COMMITMENTS

The Trustees have confirmed that there were no capital commitments at 31 August 2024 £nil.

21. ANALYSIS OF CHANGES IN NET DEBT

	At 01/09/2023	**Cashflows**	**At 31/08/2024**
	£	**£**	**£**
Cash	94,580	(32,271)	**62,309**
	94,580	(32,271)	**62,309**

THE MESSAGE ENTERPRISE CENTRE

England & Wales - Charity number 1147287

Accounts

THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2023

Company Limited by Guarantee

Company Registration Number 07892774

Registered Charity Number 1147287

THE MESSAGE ENTERPRISE CENTRE

FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2023

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THE MESSAGE ENTERPRISE CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

The Board of Trustees	G. J. Haynes (Chairman) A. C. Leakey R. D. White J. A. Wainwright – *Resigned 30 March 2023* A. L. Orr-Ewing Dr L. Neilson – *Appointed 14 December 2023*
Company Secretary	I. Rowbottom
Chief Executive	A. Hawthorne OBE
Business Centre Manager	S. Hawthorne
Registered Office	6 Harper Road Sharston Manchester Lancashire M22 4RG
External Auditors	Beever and Struthers One Express 1 George Leigh Street Ancoats Manchester M4 5DL
Bankers	National Westminster Bank PLC 699 Wilmslow Road Didsbury Manchester M20 6NW

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2023

The Trustees have pleasure in presenting their report (including the directors' report as required by company law) and the financial statements of the charity for the year ending 31 August 2023.

The Message Enterprise Centre is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 1147287. Company number 07892774. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

BACKGROUND AND OBJECTIVES

The Message Enterprise Centre was incorporated on 28 December 2011, as a company limited by guarantee, and became a registered charity on 17 May 2012.

The Message Enterprise Centre changed its objects by special resolution on 5 February 2019. Our objective is now:

- To advance the Christian faith and relieve unemployment for the benefit of the public with a specific focus on young people and vulnerable adults who are at risk of re-offending or who have poor employment potential, through education, enterprise, befriending, mentoring, faith-based activities and outreach.

These objects are being worked out in three main areas:

- Building on relationships established by The Message Trust's Prisons team, providing long-term, one-to-one mentoring and support to ex-offenders upon their release from prison.

- Following a period of probation, offering training and employment to prison leavers in one of our businesses (currently on-site café and catering services, property and events management, and building services) as 'apprentices'. In addition, we seek to offer the same training and development opportunities in our businesses to those who have poor employment potential, including those previously homeless or suffering from addictions.

- In partnership with local churches, providing resettlement help and supportive community in local areas across Greater Manchester, especially in areas where the Eden Network has a presence.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees' recruitment is by personal contact of existing Trustees and the Executive Team. Potential Trustees typically attend board meetings prior to their appointment in order to meet other members of the Board and Executive team to ensure they are a sound match and share the vision and values of the charity. They are then elected by the Board of Trustees in consultation with the Chief Executive, on the basis of their expertise, professional experience and qualifications, wisdom and advice that they can bring to the Management and Administration of the Trust. Training and induction are provided to new Trustees as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board of Trustees has a variety of experience including both Christian ministry and commercial business skills. They meet quarterly to oversee the vision and strategies of the charity. Executive Directors and the Business Centre Manager have been appointed by the Trustees to oversee the day-to-day operations of the charity. The Board is accountable to the Charity Commission for the careful use of charitable and other public funds provided in a variety of forms, and for the achievement of appropriate performance standards in service delivery. The Board also undertakes at least one additional annual away-day for the purposes of further developing The Message Enterprise Centre Mission and Vision, and to concentrate on continuous improvement in performance.

With the growth of activities of the Trust an increasing level of expertise is required on a day-to-day basis and an established senior management team is in place that is capable of running the affairs of the Trust. The Trust's senior management team is the Executive Board, headed by the Chief Executive, Mr A Hawthorne. The Executive Board meets monthly, and its members are both jointly and individually accountable via the Chief Executive to the Board of Trustees.

Day-to-day management matters are further scrutinised by a cross-functional team of internal departmental managers who meet regularly, and monthly management accounts are utilised by the Senior Management team to ensure financial budgets and fundraising targets are being met. This group's work is referred back to the Trustee's whenever a more significant matter of policy or other key decision-making arises.

The Message recognises the importance of our staff and aims to help them to develop their potential, improve their skills and gain greater job satisfaction.

Summary of priorities:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our mission is to advance the Christian faith, relieve unemployment and help break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre's Executive leadership team seek to achieve this by motivating staff and volunteers with a compelling vision and supporting them within a robust management framework.

Volunteers are crucial to the smooth running of the Centre. Our team of regular volunteers provides support to our businesses, particularly The Mess Café when catering for large functions. We ensure they have comprehensive support in their roles through appropriate policies and procedures, clarifying the extent of their remit and providing checks and balances in relation to the key areas of the Management & HR Strategy.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2023

ACHIEVEMENTS AND PERFORMANCE

The Message Enterprise Centre: 2022-23 in review

MEC - OUR BUSINESSES

This year, the Message Enterprise Centre continued with its model for training – a model that has skills and discipleship at its heart whilst also aiming to maximise skills development and financial sustainability for our team members. Team member opportunities were offered to individuals in our different social enterprise businesses as well in store, warehouse and logistics roles at the Community Grocery in Sharston.

2022/23 marked the tenth anniversary of the Message Enterprise Centre which first opened its doors and began offering team member opportunities in 2013. In those 10 years:

- 89 team members have received employment, training, housing and discipleship.
- 100% of our graduates have achieved qualifications and entered employment.
- The programme has helped reduce reoffending rates – the Message Enterprise Centre's 10-year reoffending rate is just 13% compared to a national nine-year average of 75%. For many of those we work with who have reoffended, we also know through our continued contact with them that prison is not the end of their story.

This landmark anniversary was celebrated with a Message Business Network dinner event in February 2023. This was an event which supporters who have stood with us to help make enterprise work happen were invited to celebrate all that's been achieved. Attendees got to hear first-hand from team members, who have been part of our enterprise in the Message Enterprise Centre about the transformational impact programme has had on their lives. The guest speaker at the dinner was Sir John Timpson CBE, chairman of Timpson's, who shared a masterclass in upside down management and his experiences in business. The Message Business Network dinner also saw the opening of the larger Sharston Community Grocery store within the enterprise centre.

Demand for the **Community Grocery** in Sharston continues to increase, as more people find it difficult to put food on the tables amidst the soaring food costs and cost-of-living crisis in the UK. The scale of demand means that the grocery located within the Message Enterprise Centre now serves over 4,000 member families and helps keep them fed, whilst also being the location where wrap-around support courses run from. As member numbers grew, space within the initial store became limited, and a larger store space was required to meet surging demand. Around this time, the organisation renting the adjoining larger unit within the enterprise centre made the decision to vacate the premises and this provided the ideal opportunity to relocate the Community Grocery into the space. The new store was opened in February 2023, and the previous space repurposed into a dedicated courses space which now sees community events and support courses, each designed to help members and their families, running every day of the working week.

Growing food poverty has led to demand for further Community Grocery stores across the UK to continue to grow, so in response to this we have continued to open further stores during 2022/23. There are now 22 stores operating across the UK each launched since September 2020 by The

MEC - OUR BUSINESSES (continued)

Message Trust in partnership with local churches, and there are plans to launch more stores in 2023/24. By the end of August 2023, more than 50,000 member families were relying on Community Grocery stores to keep their families fed.

The location of the Community Grocery next to **The Mess Café**, coupled with growing food offer, media coverage and increasingly positive Trip Advisor reviews saw the café's popularity continue to grow, and footfall continue to build. In early 2023, the positivity of reviews led to The Mess Café being rated the no.1 café in Manchester. Throughout the year further opportunities to ensure the café's efficiency were continually identified and implemented to help reduce costs.

Following the easing of all Covid restrictions, the **MEC Events** business was able to fully operate and host large-scale events such as live acoustic music nights, weddings and conferences again this year. As awareness of the MEC Events offering has grown we have received an increased number of enquiries and bookings for events, helping to increase the profitability of this area of our work. Tenants within the office space this year included the charity Early Essentials, Our Boards and Pure Innovations, with more tenants due to move into the space during 2023/24.

As in 2021/22, the work of the **MEC Building Services** has focused primarily on refurbishment and development projects this year, with the team undertaking projects both for The Message, the shop fitting of Community Grocery stores and the refurbishment of the MEC's rental properties. The team were again involved in the fit out of all the Community Grocery stores that opened this year, as well as continued work on the Sheffield Enterprise Centre in Woodseats and the renovation of the properties to be used by Message School of Evangelism students in 2023/24 due to the course taking on its largest ever intake.

Message School of Evangelism students were housed in MEC properties, with properties also being rented to Message School of Evangelism graduates, team members, some employees of The Message Trust as well as commercial rents.

Following conversations with our Community Grocery church partner in Telford, **Wedding Angels** was transitioned across to All Nations Church. This decision came at a time when demand for the services of the social enterprises had declined slightly locally and gave the church the opportunity to reach out into their community. The space occupied by Wedding Angels in the MEC was repurposed to be used by the Community Grocery.

As partnerships across the UK grow, our vision to expand our enterprise work into other areas of the UK, offering training and discipleship opportunities to team members remains and continued to grow. **Neal Street Espresso**, our speciality coffee shop in Covent Garden, continues to go from strength to strength. The quality of its coffee offer has made it popular with visitors, residents and workers in Covent Garden. A pipeline for team members continues to be developed and in 2022/23 new team members joined the team, we also celebrated the graduation of a team member from the Neal Street Espresso enterprise programme and the transformation that had taken place in his life. The function space within Neal Street Espresso continues to be popular with external clients and has been rented out for meetings and events throughout the year, including to clients who are committing to regular bookings. This provides an extra income stream and gives the opportunity to introduce our enterprise work to a wider audience.

MEC - OUR BUSINESSES (continued)

As the financial stability of the activities associated with the Message Enterprise Centre has increased and the risk reduced, discussions began about transferring the activity to sit within The Message Trust, the charity that the Message Enterprise Centre is a subsidiary of. This transfer of the business activities took place in September 2023, however there are no current plans to close the Message Enterprise Centre charity.

MEC - SUPPORTER EVENTS AND FUNDRAISING

Many individuals, businesses and organisations have chosen to support the Message Enterprise Centre during the past year, and we are very grateful to them all.

The majority of our work is funded by sales income from our various social enterprises and support from our parent charity, The Message Trust, which carries out its own fundraising campaigns and events through a centrally employed team as well as using the services of Chell Perkins Ltd for grant funding applications. Both The Message Trust and Chell Perkins Ltd are registered with the Fundraising Regulator and subscribe to The Code of Fundraising Practice.

In February 2023, we celebrated 10 years of the Message Enterprise Centre with a Message Business Network (MBN) dinner which successfully shared the impact of our work and vision with supporters. To build on this, another MBN event is planned for 2023/24.

MEC Businesses: Outcomes against our 2022 – 2023 goals

MEC Businesses

- **To open the Mess Café 6 days a week, including Saturdays, and so increase gross profits**
  Achieved – the Mess Café was opening six days a week for a period of time during 2022/23 however team member availability and the income being received against expenditure meant that the café reverted to opening five days a week.

- **To employ another team member for Neal Street Espresso, and increase gross profits**
  Achieved – a new team member joined the team and the profitability of the Neal Street Espresso continued to grow during 2022/23.

- **For the events business to host 100 training bookings and 15 external events (e.g. weddings, conferences, parties)**
  Achieved – following the easing of Covid restrictions our events bookings have grown again with the Message Enterprise Centre hosting events of all sizes from training conferences and team aways days to weddings and leaving parties.

- **To provide accredited training to 4 team members**
  Ongoing – where team members have required accredited training this has been sourced externally, however the training requirements for a number of team members this year centred around skills that can be addressed through internal training.

MEC Businesses: Outcomes against our 2022 – 2023 goals (Continued)

MEC The Oaks

- **For each room to be occupied throughout the year by our Message School of Evangelism students**
  Ongoing – the Oaks was used to accommodate a number of students as required by the course numbers. The anticipated course growth for 2023/24 means we anticipate the property being at full capacity next year.

MEC Recruitment Pipeline

- **To recruit another 5 team members**
  Ongoing – new team members have continued to join the programme and we are still offering support to ex-offenders looking to turn their lives around, as well as increasingly to those who experience significant barriers to employment.
- **To train a further 50 new volunteers**
  Achieved – throughout 2022/23 new volunteers have continued to give their time to not only serve in the Mess Café and our social enterprises but at the Community Grocery in Sharston too.

MEC Supporter events and fundraising

- **To host 2 business networking / fundraising events**
  Achieved – a Message Business Network event was held in February 2023 celebrating 10 years of the Message Enterprise Centre as well as a London vision night that informed supporters about our enterprise work.

CHARITABLE GIVING

Our charitable giving this year totalled £39 (2022: £364) which was mainly gifts to staff of The Message Enterprise Centre.

FINANCIAL REVIEW

The 2023 accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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), as published January 2022.

The Trustees have taken the opportunity to review all The Message Enterprise Centre's key accounting policies to ensure that they are in accordance with the requirements of the Charities SORP (FRS 102) and best accounting practice.

Review of the year

The total income for the year was £1,431k (2022: £1,243k), with total expenditure of £1,168k (2022: £1,326k). Leaving Unrestricted total funds carried forward of £3,651k (2022: £3,388k) available for future periods, of which £3,601k (2022: £3,344k) is designated for future projects, and £50k (2022: £40k) is general funds freely available to spend on any of the charity's purposes. There are £nil (2022: £2k) restricted funds carried forward at year-end.

Income and Expenditure

The Message Enterprise Centre' relies on donations as its principal source of funding, whilst the business enterprises are still working towards breaking even. Total donations, including Gift Aid amounted to £122k (2022: £163k).

In addition, The Message Trust gave a separate material item of income to The Message Enterprise Centre totalling £458k (2022: £450k).

Gifts from Foundations and Trusts was £27k (2022: £7k) which is 22.4% (2022: 4%) of all donations. Gifts from individuals (including Gift Aid & Legacies) of £68k (2022: £92k) provided an additional 56.2% (2022: 62%) of all donations, while income from Churches, Ministries and Businesses provided £19k – 15.4% (2022: £12k – 7%). The charity did not receive any government grants in the year £Nil – 0% (2022: £27k – 17%), last year due to COVID the charity received government grants under the furlough scheme. Grants from other sources totalled £1k – 0.8% (2022: £16k – 10%).

Other funds were generated through Charitable Activities, namely the five business enterprises (2022: five), namely The Mess Café, Neal Street Espresso, Property Rental, Building Maintenance, Events & Conferences. Sales, Rental and Event income from the Business Enterprises in the year was £589k (2022: £467k), the increase from prior year is predominantly due to the businesses being able to trade for the full financial year this year, whereas the government-imposed lockdowns during the pandemic restricted trading for parts of the previous year.

Direct costs of the Charitable Activities were £1.1m down £0.2m from prior year (2022: £1.3m), due to the closure of The Oaks project in April 2022, and the transfer of our Wedding Angels business to our Community Grocery church partner in Telford in 2023. 100% was spent on the social enterprises including the salaries of the Apprentices which are partly funded through restricted funds. Support costs were £92k (2022: £70k), and the cost of Raising Funds amounted to £310 in 2023 (2022: £24).

Governance

The £8.7k governance (2022: £7k) includes the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, audit fees and core executive management.

FINANCIAL REVIEW (continued)

Net Expenditure / Income

Net Income before investment gains in the year is £263k (2022: net expenditure £83k) of which £316k net income (2022: net expenditure £2k) is within unrestricted funds and £53k net expenditure (2022: £81k net expenditure) is within restricted funds. During the year the Trustees designated £257k (2022: £184k) to establish sufficient funds for future Message Enterprise projects. In 2023 £51k was transferred from General funds to finance the deficit on Apprentice Funding in the year, while £nil (2022: £145k) funds were released from designated funds.

Balance Sheet

The Balance Sheet as at 31st August 2023 ensures that the charity has the assets required to deliver its commitments to the community. Cash at bank is £95k (2022: £29k), Net Current Assets are £50k (2022: Net liability £100k), and Total net assets are £3.65m (2022: £3.39m) demonstrating that the charity is in a strong position and is comfortably able to meet all its liabilities.

Investment Powers and Policies

The Trustees have the power to invest surplus funds of the charity in investments, securities and property as they think fit. The current policy of the Trustees is to invest funds not immediately required by the charity into a range of Deposit accounts which bear competitive rates of interest. This policy is reviewed periodically by the Trustees.

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, to ensure the continuing ability of The Message Enterprise Centre to meet its objectives and obligations.

The total funds held by MEC at 31 August 2023 are £3,651k (2022: £3,388k), of which £Nil (2022: £2k) are restricted and not available for the general purposes of the charity.

In order to be prudent, The Message Enterprise Centre aims to accumulate, in general reserves, an amount at least equal to one month's staff costs, approx. £22k (2022: £37k). This has been achieved in the current year. The amount of General Funds, excluding restricted and designated funds, freely available to spend on any of the charity's purposes as at 31 August 2023 was £50k (2022: £40k). Over the coming year the Trustees' have set financial budgets, which aim to increase the amounts held in general reserves, in order to maintain this policy as the charity grows.

In addition, the Trustees have designated funds to Future Projects arising over the next 5 years £3,601k at 31 August 2023 (2022: £3,344k). These designated funds are held in the form of buildings and other fixed assets, which are an ongoing resource for future mission projects across the charity. The designated fund for Future Mission Projects can only be realised by disposing of £3,600,877 (2022: £3,488,642) the amount of tangible fixed assets and investment properties held by The Message Enterprise Centre.

FINANCIAL POLICIES

Remuneration Policy

The remuneration policy seeks to balance our Christian values and the need to attract and retain staff with appropriate qualifications and skills.

The UK Leadership Team review the organisations pay scales by benchmarking against similar jobs in the North-west and a London weighting is applied where appropriate. We review the retail price and consumer price indices for inflation on an annual basis, before deciding upon any annual increments for inflation. Individual staff salaries are reviewed annually, with mid-term reviews every 6 months. The Executive pay is set within the same pay grade structure.

The Trustees set and approve the salary for the Chief Executive on an annual basis, by benchmarking against similar sized Charities with reference to the Association of Chief Executives of Voluntary Organisations (ACEVO) annual Pay and Equalities Survey.

The key management personnel for the Message Enterprise Centre are common to the parent charity The Message Trust. They include the Trustees, Chief Executive Officer and other members of the Executive. The Trustees do not receive any remuneration for their services, whilst the Executive Officers are reimbursed by The Message Trust and their time recharged to The Message Enterprise Centre at cost, as appropriate.

Social Investment Policy

In order to provide appropriate affordable housing for The Message School of Evangelism Students during their one-year course, as well as providing refurbishment and building maintenance opportunities for our Message Enterprise Building Team Members the charity has adopted a policy of investing in local Wythenshawe properties, rather than renting properties from local landlords. This policy started in 2016 and has continued since then.

Principal Risks and Uncertainties

The Trustees have identified four principal risk areas for both The Message Trust and its subsidiary The Message Enterprise Centre. These cover potential risks to the reputation of both charities, financial sustainability, safeguarding of young people & vulnerable adults, and cyber security, arising from both internal and external factors. The principal financial sustainability risks present at the year-end are related to the sustained price rises and high levels of inflation across the UK which are increasing operational costs for the charity, limiting the disposable income of our donors, which has potential impacts on fundraising for The Message Enterprise Centre. The Trustees have adopted a number of measures to counter each of these risks, to reduce the likelihood that they will adversely affect the charity. These strategies are reviewed periodically to ensure they remain effective and are considered sufficient measures to protect the charitable group, its staff, and beneficiaries from significant harm.

The Trustees assessment of these financial risks is discussed in more detail in the 'Going concern' note on page 21.

PLANS FOR FUTURE PERIODS

Goals for 2023-24

Our teams set the following objectives, for the next financial year. Since the operations of the MEC transferred to the parent charity, The Message Trust, in September 2023, the goals below will remain but will be outworked by The Message Trust and reported on in their 2023-24 Annual report and Financial Statements.

MEC Businesses and fundraising

- To employ another team member for **Mess Café**, and increase gross profits
- To employ another team member for **Neal Street Espresso**, and increase gross profits
- For the events business to host 100 training bookings and 15 external events (e.g. weddings, conferences, parties)
- To continue providing accredited training to 4 team members
- To host 2 business networking / fundraising events

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2023

DIRECTORS AND TRUSTEES

The directors of the charity ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.
The Trustees serving during the year and since the year-end were as follows:

G.J. Haynes
A. L. Orr-Ewing
R.D. White
A.C. Leakey
J.A. Wainwright (resigned 20 March 2023)
Dr L. Neilson (appointed 14 December 2023)

RELATED PARTIES

A summary of transactions with related parties is set out in note 19 of the financial statements.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Message Enterprise Centre for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the income and expenditure for the year then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies, as described on pages 21 to 26, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operations.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 2006. The Trustees 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the Trustees of the charity on 29 May 2024 and signed on its behalf by:



.....
Gordon Haynes, Chairman of Trustees
Date: 29 May 2024

THE MESSAGE ENTERPRISE CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MESSAGE ENTERPRISE CENTRE

Opinion

We have audited the financial statements of The Message Enterprise Centre 'the charitable company' for the year ended 31 August 2023 which comprise Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources loss 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 Auditor's 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 the Trustees' Responsibilities on page 13, 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report within the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, Charities Act England & Wales and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.

- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 an auditor's report 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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
One Express
1 George Leigh Street
Manchester M4 5DL

Date: 30 May 2024

THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDING 31 August 2023

	Note	Unrestricted Funds £	Restricted Funds £	**Total 2023 £**	Total 2022 £
INCOME					
Donations and Legacies	3a	86,511	35,003	**121,514**	162,925
Income from Charitable activities	3b	845,974	-	**845,974**	627,695
Income from Other trading activities	3c	2,852	2,135	**4,987**	2,166
Investment Income	3d	768	-	**768**	59
Separate material item of income	3e	457,612	-	**457,612**	450,437
TOTAL INCOME		1,393,717	37,138	**1,430,855**	1,243,282
EXPENDITURE					
Raising Funds	4a	310	-	**310**	24.00
Charitable Activities	4b	1,077,902	89,839	**1,167,741**	1,326,135
TOTAL EXPENDITURE		1,078,212	89,839	**1,168,051**	1,326,159
Net (Expenditure) / Income before Investment gains		315,505	(52,701)	**262,804**	(82,877)
Net gains on investments		-	-	**-**	346,155
NET INCOME / (EXPENDITURE)		315,505	(52,701)	**262,804**	263,278
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		315,505	(52,701)	**262,804**	263,278
Transfers between funds		(50,701)	50,701	**-**	-
NET MOVEMENT IN FUNDS		264,804	(2,000)	**262,804**	263,278
Total Funds Brought Forward		3,386,473	2,000	**3,388,473**	3,125,195
TOTAL FUNDS CARRIED FORWARD		3,651,277	-	**3,651,277**	3,388,473

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity, as shown above, are classed as continuing operations.

The notes on pages 21 to 34 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE

BALANCE SHEET

AS AT 31 AUGUST 2023

	Note	**The Message Enterprise Centre 2023**	The Message Enterprise Centre 2022
		£	£
FIXED ASSETS			
Tangible fixed assets	9	**54,496**	93,642
Investments	10	**3,546,381**	3,395,000
Total Fixed assets		**3,600,877**	3,488,642
CURRENT ASSETS			
Stocks	11	**11,113**	6,756
Debtors	12	**72,599**	65,050
Investments			
Cash at bank and in hand	13	**94,581**	28,989
Total current assets		**178,293**	100,795
CREDITORS: Amounts falling due within one year	14	**(127,893)**	(200,964)
NET CURRENT (LIABILITIES) / ASSETS		**50,400**	(100,169)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,651,277**	3,388,473
TOTAL NET ASSETS		**3,651,277**	3,388,473
FUNDS OF THE CHARITY			
Restricted Income Funds	15a	**-**	2,000
Unrestricted Funds	15b	**3,651,277**	3,386,473
TOTAL FUNDS		**3,651,277**	3,388,473

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 21 to 34 form an integral part of these financial statements, which were approved and authorised for issue by the Trustees on 29 May 2024 and signed on their behalf by:

Andrew Leakey (May 29, 2024 15:40 GMT+1)

..... Andrew Leakey, Trustee

..... Gordon Haynes, Trustee

THE MESSAGE ENTERPRISE CENTRE

Company Registration Number 07892774

STATEMENT of CASH FLOWS
YEAR ENDING 31 August 2023

	Note	2023	2022
Cash flows from operating activities		**£**	£
Net movement in funds		**262,804**	263,278
Adjustments to cash flows from non-cash items			
Depreciation		**39,146**	41,048
Investment income	3d	**(768)**	(59)
Revaluation of investments	10	**-**	(346,155)
		301,182	(41,888)
Working capital adjustments			
Decrease / (Increase) in stocks	11	**(4,357)**	7,886
Decrease / (Increase) in debtors	12	**(7,549)**	64,431
Decrease / (Increase) in creditors		**(75,921)**	92,568
Decrease / (Increase) in deferred income	14	**2,850**	(1,292)
Net cash flows from operating activities		**216,205**	121,705
Cash flows from investing activities			
Interest receivable and similar income	3d	**768**	59
Purchase of tangible fixed assets	9	**-**	(1,375)
Purchase of investments	10	**(151,381)**	(368,845)
Net cash flows from investing activities		**(150,613)**	(370,161)
Cash flows from financing activities			
Net cash flows from financing activities		**-**	-
Net (Decrease) / increase in cash and cash equivalents		**65,592**	(248,456)
Cash and cash equivalents at 1 September		**28,989**	277,445
Cash and cash equivalents at 31 August	13	**94,581**	28,989

The notes on pages 21 to 34 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2023

1. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements of the charity are made up to 31 August 2023.

The accounts (financial statements) have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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 (FRS 102) as published January 2022, with the Charities Act 2022, the Companies Act 2006 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS102. The Charity exists for the benefit of the public through the promotion of Christian values and spiritual development, providing education, mentoring and enterprise services, in particular to those who have poor employment potential.

Financial statements

The financial statements are presented in GBP and rounded to the nearest £. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going concern

The Trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, particularly as it continues to have the full support of its parent charity – The Message Trust, having all its Trustees in common with the parent charity.

As the financial stability of the activities associated with the Message Enterprise Centre has increased over the years and the risk reduced, discussions began about transferring the activity to sit within The Message Trust, the charity that the Message Enterprise Centre is a subsidiary of. This transfer of the significant business activities, including The Mess Café and Neal Street Espresso, took place post year-end in September 2023, however there are no current plans to close the Message Enterprise Centre charity. This transfer required the parent charity to assume the principal operating costs, and consequently the financial risks, associated with the business activities of The Message Enterprise Centre.

The Trustees have considered this, as well as the current levels of reserves and cash including general funds available to the Charity, in their assessment and believe the charity is well-placed to manage its risks and continue to operate as a going concern.

Key Judgements and sources of estimation uncertainty

In the application of the charity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other relevant factors, including reasonable expectations of future events. However, because balances cannot be determined with certainty, actual results may differ from these estimates and assumptions. The main areas which involve such estimates and judgements include the useful lives of fixed assets and the valuation of the Group's investment properties.

Key Judgements and sources of estimation uncertainty (continued)

The carrying value and annual depreciation charges for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets, which are reviewed annually for their current condition and economic utilisation and amended when necessary to reflect current estimates. Impairment on tangible fixed assets is evaluated when an asset is held for sale. See note 11 for the carrying amount of the tangible fixed assets.

The Trustees have based the charity's investment property valuations on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset, combined with comparison to movements in Housing Price Indices since their last independent professional valuation – see note 10 for details.

INCOME

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the Trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants

Donations and grants are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 Charities SORP (FRS102)).

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 Charities SORP (FRS 102)).

Income is deferred only when there are conditions to fulfil before becoming entitled to it and where the donor has specified that the income is to be expended in a future period.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP (FRS 102) or FRS 102.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Contractual income

This is only included in the SoFA once the charity has provided the related goods or services.

Donated services and facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the Trustees' annual report.

Many volunteers give freely of their time in the service of our Lord for the Trust, the value of which is unquantifiable.

Income from interest and royalties

This is included in the accounts when receipt is probable, and the amount receivable can be measured reliably.

EXPENDITURE and LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff costs by the time spent and other costs by their usage.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation is recognised.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition at cost, as per paragraph 11.7 SORP (FRS102). Subsequent measurement is at fair value (their market value), as per paragraphs 11.17 to 11.19, SORP (FRS102).

ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year and cost at least £1,000 (Prior to 1 September 2021, if they cost at least £500). They are valued at cost.

Depreciation is provided in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The following annual rates are used:

Leasehold Property	20%
Oaks Fixtures and Fittings	25%
Business Equipment	25%
Motor Vehicles	25%

Depreciation is first charged in the quarter following acquisition and up to the month of disposal. No provision is made for the increased cost of tangible fixed assets.

Investments

Fixed asset investments are valued initially at cost and subsequently at fair value (their market value) at the year-end unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale (or pending their sale) and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined by external valuers, with properties being valued on a rolling basis every five years. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in profit or loss.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Cost is determined using the First-in, First-out (FIFO) methodology.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments

The charity has investments which it holds for resale (or pending their sale) and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

They are valued at fair value except where they qualify as basic financial instruments.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds

These are unrestricted funds that have been earmarked for a particular project. This designation is for administrative purposes only and does not restrict the Trustees' discretion to apply the fund within the objects of the charity.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the term of the lease.

Pension costs and other benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 102. The charity provides a defined contribution scheme for staff.

2. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee, incorporated in England and Wales, and has no share capital. The registered office is 6 Harper Road, Manchester, M22 4RG. The liability of each member in the event of winding-up is limited to £1.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2023

3. INCOME

	Unrestricted Funds Total £	Restricted Funds Total £	**Total 2023** £	Unrestricted Funds Total £	Restricted Funds Total £	Total 2022 £
3a Donations and Legacies						
Gifts Individuals	54,084	1,491	**55,575**	64,565	11,388	75,953
Gifts via Stewardship / CAF	5,239	962	**6,201**	5,605	3,560	9,165
Gifts Churches, Ministries & Business	11,040	7,691	**18,731**	3,120	9,229	12,349
Gifts Trusts & Foundations	3,750	23,500	**27,250**	-	7,000	7,000
Government Grants	-	-	**-**	12,135	15,112	27,247
Gift Aid	12,398	353	**12,751**	14,845	866	15,711
Grants	-	1,000	**1,000**	6,500	9,000	15,500
Sponsored Events	-	6	**6**	-	-	-
	86,511	35,003	**121,514**	106,770	56,155	162,925
3b Income from Charitable Activities						
Business Enterprises	491,650	-	**491,650**	327,339	-	327,339
Rental Income	87,844	-	**87,844**	133,009	-	133,009
Event Income	9,379	-	**9,379**	6,918	-	6,918
Sundry Income	257,101	-	**257,101**	160,429	-	160,429
	845,974	-	**845,974**	627,695	-	627,695
3c Income from Other trading activities						
Fundraising Events	80.00	2,135	**2,215**	-	1,040	1,040
Sundry Income	2,772	-	**2,772**	1,126	-	1,126
	2,852	2,135	**4,987**	1,126	1,040	2,166
3d Investment Income						
Bank Interest Received	768	-	**768**	59	-	59
	768	-	**768**	59	-	59
3e Separate Material Item of Income						
Donation from The Message Trust	457,612	-	**457,612**	450,437	-	450,437
	457,612	-	**457,612**	450,437	-	450,437
TOTAL INCOME	1,393,717	37,138	**1,430,855**	1,186,087	57,195	1,243,282

Many volunteers give freely of their time in the service of our Lord for the Charity, the value of which is unquantifiable.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2023

4. EXPENDITURE

Unrestricted Funds	Staff £	Depreciation £	Project Costs £	**Direct Costs £**	Staff £	Depreciation £	Other Support Costs £	**Total Support Costs £**	**Total 2023 £**	Total 2022 £
4a Raising Funds										
Fundraising - Events	-	-	310	**310**	-	-	-	**-**	**310**	24
	-	-	310	**310**	-	-	-	**-**	**310**	24
4b Charitable Activities										
Business Enterprises	225,165	1,901	758,859	**985,925**	46,017	37,244	-	**83,261**	**1,069,186**	1,181,253
Governance	-	-	-	**-**	-	-	8,716	**8,716**	**8,716**	6,958
	225,165	1,901	758,859	**985,925**	46,017	37,244	8,716	**91,977**	**1,077,902**	1,188,211
Total Expenditure Unrestricted	225,165	1,901	759,169	**986,235**	46,017	37,244	8,716	**91,977**	**1,078,212**	1,188,235
Restricted Funds										
4b Charitable Activities										
Business Enterprises	3,414	-	-	**3,414**	-	-	-	-	**3,414**	8,061
Neal Street Espresso	5,841	-	-	**5,841**	-	-	-	**-**	**5,841**	10,547
Apprentice Funding	80,584	-	-	**80,584**	-	-	**-**	**-**	**80,584**	98,410
The Oaks	-	-	-	**-**	-	-	-	**-**	**-**	13,243
Wythenshawe Properties	-	-	-	**-**	-	-	-	**-**	**-**	7,663
	89,839	-	-	**89,839**	-	-	-	-	**89,839**	137,924
Total Expenditure Restricted	89,839	-	-	**89,839**	**-**	**-**	-	**-**	**89,839**	137,924
TOTAL EXPENDITURE	**315,004**	**1,901**	**759,169**	**1,076,074**	**46,017**	**37,244**	**8,716**	**91,977**	**1,168,051**	1,326,159

5. NET INCOME

This is stated after charging / (crediting):

	2023	2022
	£	£
Auditors' remuneration	**8,452**	5,780
Depreciation of owned assets	**39,146**	41,048
Annual charges from operating leases:		
Building Lease	**28,488**	31,258
Rental of Property	**75,000**	31,250
Hire of equipment	**1,266**	2,012

6. ANALYSIS OF SUPPORT COSTS

All Support costs have been allocated directly to each project on a basis consistent with the use of resources.

	Admin, HR & Other Support Staff	**2023 Total**	2022 Total
Business Enterprises	83,261	**83,261**	62,723
	83,261	**83,261**	62,723

7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

Employee costs during the year:	**2023 £**	2022 £
Wages and salaries	**334,990**	423,664
Social security costs	**17,155**	31,648
Pension costs	**8,876**	11,256
	361,021	466,568

The monthly average number of persons (including the senior management team) employed by the charity during the year was 13 (2022: 16). This includes both full-time and part-time staff. When expressed as full-time equivalents this was as follows:

Average number of full-time equivalent staff employed:	**2023 No.**	2022 No.
Charitable Activities	**12**	14
Cost of Generating Funds	**0**	0
Governance / Management	**0**	0
Others - Support	**1**	2
	13	16

No employee received emoluments of more than £60,000 in the year.

Amounts paid or reimbursed to Trustees £Nil (2022: £Nil)

The key management personnel are defined as the Trustees, CEO and other Executive Directors of the group in office during the year. They do not receive any remuneration from The Message Enterprise Centre, but the services of the Executive Officers for The Message Enterprise Centre are recharged at cost by the parent charity, The Message Trust. Their total remuneration for the year from the parent charity was £380k (2022: £365k) and the total recharges to MEC in the year for the services of the Executive officers, which is not included in the remuneration of employees above is £85k (2022: £85k).

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2023

8. TAX ON SURPLUS ON ORDINARY ACTIVITES

	2023	2022
	£	£
Corporation tax based on the trading results for the year at Nil% (2022: Nil%)	**-**	-
	-	-

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

9. TANGIBLE FIXED ASSETS

	Leasehold Property	Property Fixtures & Fittings	Business Equipment	Motor Vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 September 2022	140,628	27,935	89,999	7,708	**266,270**
Additions	-	-	-	-	**-**
At 31 August 2023	140,628	27,935	89,999	7,708	**266,270**
Depreciation					
At 1 September 2022	70,315	27,602	68,003	6,708	**172,628**
Charge for year	28,125	333	10,688	-	**39,146**
At 31 August 2023	98,440	27,935	78,691	6,708	**211,774**
Net Book Value					
At 31 August 2023	42,188	-	11,308	1,000	**54,496**
At 31 August 2022	70,313	333	21,996	1,000	**93,642**

10. INVESTMENTS

	2023	2022
	£	£
Investment Properties		
The Oaks	**650,000**	650,000
Other Wythenshawe Properties	**2,896,381**	2,745,000
	3,546,381	3,395,000

The Oaks opened in 2016, as a fully refurbished home in Wythenshawe, offering a residential support programme for up to 8 residents, today it houses students on the Message School of Evangelism programme. As at 31 August 2023 the MEC owns 15 Investment Properties in total, including The Oaks (2022: 14 properties). Thirteen of these Investment Properties were revalued by Longden & Cook, members of the Royal Institute of Chartered Surveyors (RICS) as at 6th January 2023 and 1 other by Spendlove Surveyors, also members of the RICS, as at 25th January 2023, following inspections on those dates. The final property, purchased in March 2023, is held at its cost price of £151k.

10. INVESTMENTS (continued)

The charity performed analysis of the average property sale prices in the region around the investment properties, as well as the movement in the general house price index, which indicated that the carrying value of the properties in the financial statements may differ by as little 0.57% overall from the independent valuations carried out in the prior year. Therefore, the Trustees consider the investment properties are carried in the Balance Sheet at their fair value as at 31 August 2023, given the independent valuations were carried out within 8 months of the year end and the lack of evidence to suggest a materially different valuation. The Trustees have a policy of using professional independent valuers to revalue investment properties on a rolling basis at least every 5 years.

On an annual basis, the Trustees review these valuations for any significant changes in the local property market and any impairment in the properties and will make adjustments as necessary.

	2023	2022
Valuation	£	£
At 1 September 2022	3,395,000	2,680,000
Revaluation	-	346,155
Additions	151,381	368,845
At 31 August 2023	**3,546,381**	**3,395,000**

11. STOCKS

	2023	2022
	£	£
Stocks of finished goods and goods for resale	**11,113**	6,756
	11,113	6,756

12. DEBTORS

	2023	2022
	£	£
Trade debtors	**40,132**	26,298
Amounts due from Group undertakings	**2,184**	-
Other debtors	**-**	4,315
Prepayments and accrued income	**30,283**	34,437
	72,599	65,050

13. CASH AT BANK & IN HAND

	2023	2022
	£	£
Reserve Accounts	**45,797**	6,723
Current Accounts	**48,123**	21,747
Cash in Hand	**661**	519
	94,580	28,989

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2023

14. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Trade Creditors	**27,707**	44,679
Amounts owed to Group undertakings	**-**	58,924
Accruals & Deferred Income	**73,213**	65,113
Taxation and Social Security	**25,951**	30,723
Other Creditors	**1,022**	1,525
	127,893	200,964

Included in accruals and deferred income of £73,213 (2022: £65,113) is deferred income of:

	2023	2022
	£	£
Deferred income brought forward	**4,260**	5,552
Income released in the year	**(80,334)**	(18,037)
Amounts added in the year	**83,184**	16,745
Deferred income carried forward	**7,110**	4,260

15. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at	**Movement in Resources**		Transfers Between	Gains on Revaluation	**Balance at**
	01/09/2022	Incoming	Outgoing	Funds	Fixed Assets	**31/08/2023**
	£	£	£	£	£	**£**
15a. Restricted Funds						
Business Enterprises	2,000	1,415	(3,415)	-	-	**-**
Neal Street Espresso	-	5,841	(5,841)	-	-	**-**
Apprentice Funding	-	29,882	(80,583)	50,701	-	**-**
	2,000	37,138	(89,839)	50,701	-	**-**
15b. Unrestricted Funds						
General Fund	42,831	1,393,717	(1,078,212)	(307,936)	-	**50,400**
Designated Funds						
- Revalution Reserve	1,123,019	-	-	-	-	**1,123,019**
- Future Projects	2,220,623	-	-	257,235	-	**2,477,858**
	3,386,473	1,393,717	(1,078,212)	(50,701)	0	**3,651,277**
	3,388,473	1,430,855	(1,168,051)	0	0	**3,651,277**

This year the Trustees have set aside a further £257,235 (2022: £184,172). The aim is to ensure Future Projects are the equivalent of the Net Book Value of Tangible Fixed assets and Investment Properties, to be used for future projects, arising over the next five years

During the year £19,243 (2022: £27,613) was received by way of personal support for employees who work in Unrestricted areas of ministry. The gifts received have been fully utilised by way of a contribution to the salaries and associated costs of the individual employees specifically supported.

16. ANALYSIS OF NET ASSETS BY FUND

	Tangible Fixed Assets £	Intangible Assets / Investments £	Net Current Assets £	2023 Total £	2022 Total £
Restricted Funds					
Business Enterprises	-	-	-	-	2,000
	-	-	-	-	2,000
Unrestricted Funds	54,496	3,546,381	50,401	**3,651,277**	3,386,473
	54,496	3,546,381	50,401	**3,651,277**	3,388,473

17. PENSIONS

The charity operates a defined contribution pension scheme on behalf of its employees. All contributions due have been fully paid.

18. CONTINGENCIES

The Trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2023 (2022: £Nil).

19. RELATED PARTIES

The Message Trust (Parent Charity – registered charity number 1081467 and company limited by guarantee, registered in the UK with company number 03961183) sold goods and services to the value of £13,308 (2022: £16,921) at cost to The Message Enterprise Centre during the year. The Message Enterprise Centre sold goods and services to the value of £207,545 (2022: £157,523) at cost to The Message Trust (Parent Charity) during the year. Appropriate expenses totalling £85,847 in 2023 (2022: £85,264) (wages, premises costs, etc) were recharged from The Message Trust (Parent Charity) to The Message Enterprise Centre at cost. The Message Enterprise Centre paid £30,000 (2022: £30,000) in rent to The Message Trust, whilst The Message Trust paid £87,924 (2022: £48,720) in rent to The Message Enterprise Centre for the School of Evangelism students' accommodation and the Community Grocery Distribution Hub in property which is owned by The Message Enterprise Centre for rental purposes. The Message Trust donated £312,612 (2022: £450,437) to The Message Enterprise Centre for general funds and future Message Enterprise projects, to enable the charity to continue to meet the needs of its existing apprentices and new trainees. As at 31 August 2023, The Message Trust owed The Message Enterprise Centre £2,184. (2022: £58,924).

The Message Trust and The Message Enterprise Centre share the same Trustees and Executive directors. Consolidated accounts for the group are available from the Charity Commission or Companies House website.

Collectively the Trustees and their related party companies including gift aid gave £2,168 to The Message Enterprise (2022: £8,031).

20. OPERATING LEASE COMMITMENTS

At the year end the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2023	2022	**2023**	2022
	£	£	**£**	£
Not later than one year	**66,077**	31,318	**-**	-
Later than one year and not later than five years	**75,000**	75,000	**1,822**	-

21. CAPITAL COMMITMENTS

The Trustees have confirmed that there were no capital commitments at 31 August 2023 £Nil.

22. ANALYSIS OF CHANGES IN NET DEBT

	At 01/09/2022	**Cashflows**	**At 31/08/2023**
	£	**£**	**£**
Cash	28,989	65,592	**94,581**
	28,989	65,592	**94,581**

THE MESSAGE ENTERPRISE CENTRE

England & Wales - Charity number 1147287

Accounts

THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2022

Company Limited by Guarantee

Company Registration Number 07892774

Registered Charity Number 1147287

THE MESSAGE ENTERPRISE CENTRE

FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2022

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THE MESSAGE ENTERPRISE CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

The Board of Trustees	C. Hardicre – Resigned 30 Sept 2021 G. J. Haynes (Chairman) A. C. Leakey R. D. White J. A. Wainwright – Resigned 30 March 2023 D. I. Moore – Resigned 30 Sept 2021 A. L. Orr-Ewing – appointed 25 March 2022
Company Secretary	I. Rowbottom
Chief Executive	A. Hawthorne OBE
Business Centre Manager	S. Hawthorne
Registered Office	6 Harper Road Sharston Manchester Lancashire M22 4RG
External Auditors	Beever and Struthers One Express 1 George Leigh Street Manchester M4 5DL
Bankers	National Westminster Bank PLC 699 Wilmslow Road Didsbury Manchester M20 6NW
Solicitors	Knights Plc (formerly known as Croftons Solicitors LLP) Riverside Court Wilmslow SK9 1DL

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2022

The Trustees have pleasure in presenting their report (including the directors' report as required by company law) and the financial statements of the charity for the year ending 31 August 2022.

The Message Enterprise Centre is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 1147287. Company number 07892774. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

BACKGROUND AND OBJECTIVES

The Message Enterprise Centre was incorporated on 28 December 2011, as a company limited by guarantee, and became a registered charity on 17 May 2012.

The Message Trust changed its objects by special resolution on 5 February 2019. Our object is now:

- To advance the Christian faith and relieve unemployment for the benefit of the public with a specific focus on young people and vulnerable adults who are at risk of re-offending or who have poor employment potential, through education, enterprise, befriending, mentoring, faith-based activities and outreach.

These objects are being worked out in three main areas:

- Building on relationships established by The Message Trust's Prisons team, providing long-term, one-to-one mentoring and support to ex-offenders upon their release from prison

- Following a period of probation, offering training and employment to prison leavers in one of our businesses (currently on-site café and catering services, property and events management, and building services) as 'apprentices'

- In partnership with local churches, providing resettlement help and supportive community in local areas across Greater Manchester, especially in areas where the Eden Network has a presence

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees' recruitment is by personal contact of existing Trustees. They are then elected by the Board of Trustees in consultation with the Chief Executive, on the basis of their expertise, wisdom and advice that they can bring to the Management and Administration of the Charity. Training and induction is provided to new trustees as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board of Trustees has a variety of experience including both Christian ministry and commercial business skills. They meet quarterly to oversee the vision and strategies of the charity. Executive Directors and the Business Centre Manager have been appointed by the Trustees to oversee the day-to-day operations of the charity. The Board is accountable to the Charity Commission for the careful use of charitable and other public funds provided in a variety of forms, and for the achievement of appropriate performance standards in service delivery. The Board also undertakes at least one additional annual away-day for the purposes of further developing The Message Enterprise Centre Mission and Vision, and to concentrate on continuous improvement in performance.

A senior management team is in place that is capable of running the day-to-day affairs of the charity. The Charity's Executive Board, headed by the Chief Executive, Mr A Hawthorne, is accountable via the Chief Executive to the Board of Trustees. Day-to-day management matters are further scrutinised by a cross-functional team of internal departmental managers, who meet on a monthly basis. This latter group's work is fed into the Executive process whenever a more significant matter of policy or other key decision-making arises.

The Trustees remain committed to the policy of helping break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre recognises the importance of our staff and aims to help them to develop their potential, improve their skills and gain greater job satisfaction.

Summary of priorities:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our mission is to help break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre's Executive leadership team seek to achieve this by motivating staff and volunteers with a compelling vision and supporting them within a robust management framework.

Volunteers are crucial to the smooth running of the Centre. Our team of regular volunteers provides support to our businesses, particularly The Mess Café when catering for large functions. We ensure they have comprehensive support in their roles through appropriate policies and procedures, clarifying the extent of their remit and providing checks and balances in relation to the key areas of the Management & HR Strategy.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2022

ACHIEVEMENTS AND PERFORMANCE

The Message Enterprise Centre: 2021-22 in review

MEC - OUR BUSINESSES

This year The Message Enterprise Centre continued with its apprenticeship model for training, aiming to maximise skills development and financial sustainability for our team members. We were delighted to hold a graduation for one of our team members on the two-year programme this year. The Community Grocery in Sharston continued to create new team member roles both in store and in logistics.

The location of the Community Grocery next to **The Mess Café**, coupled with growing food offer, media coverage and increasingly positive Trip Advisor reviews saw the cafés popularity continue to grow, and footfall continue to build. Further opportunities to ensure the café's efficiency were continually identified and implemented to help reduce costs.

The **Community Grocery** in Sharston continues to operate in the Message Enterprise Centre and serves over 2,500 member families and keep them fed, whilst also being the location where wrap-around support courses run from. The Community Grocery is supplied through the redistribution of surplus food from supermarkets and food suppliers, as well as the purchase of food from wholesale. For £4 per shop each member gets to do a full shop up to three times a week, that will keep their families fed.. We believe Community Grocery stores could be significant in helping to feed our nation's poorest families. Coupled with providing food, grocery members also have access to a range of courses and services, such as job clubs, counselling, debt advice and opportunities for members to learn more about Christianity. Demand for membership was significant with over 2,500 members now signed up at the Wythenshawe store. Growing food poverty across the UK led to demand for further Community Grocery stores, so in partnership with local churches a further 17 stores have been launched by The Message Trust since September 2020 with plans to launch more stores in 2022/23.

The easing of Covid-19 restrictions, meant that in 2021/22 the **MEC Events** business was able to return to full operations and host large-scale events such as live acoustic music nights, weddings and conferences again. As awareness of the MEC Events offering has grown we received an increased number of enquiries and bookings for events, helping to increase the profitability of this area of our work. Current tenants within the office space include the charity 'Gospel for Asia' and Pure Innovations.

MEC - OUR BUSINESSES (continued)

The work of **MEC Building Services** has focused primarily on refurbishment and development projects this year, with the team undertaking projects both for The Message, the shop fitting of Community Grocery stores and the refurbishment of the MEC's rental properties. The team were involved in the fit out of all the Community Grocery stores that opened September 2021 – August 2022, as well as continued work on the Sheffield Enterprise Centre in Woodseats and the renovation of the properties to be used by Message School of Evangelism (formerly Message Academy) students in 2022/23.

No new properties were added to the **MEC Property Management** in 21/22 meaning that our portfolio of properties remained at 12. Message School of Evangelism students were housed in MEC properties, with properties also being rented to Message School of Evangelism graduates, team members, families who are connected to our Eden teams, as well as some employees of The Message Trust.

Wedding Angels has maintained its presence this year. Our partnerships with local churches have continued and the growth of the wedding offer within the events business has seen a number of Wedding Angels customers decide to hold their wedding within the MEC. Discussions about the long-term future of Wedding Angels are ongoing with options for transitioning this across to a Community Grocery partner church being considered and discussed.

As partnerships across the UK grow, our vision to expand our enterprise work into other areas of the UK, offering training and discipleship opportunities to team members remains. **Neal Street Espresso**, our speciality coffee shop in Covent Garden, continues to go from strength to strength. The quality of its coffee offer has made it popular with visitors, residents and workers in Covent Garden. A pipeline for team members continues to be developed and in 2022/23 it is hope to increase the number of team members in place in Neal Street Espresso. As part of the stores offer a function space was created and this is being rented out for meetings and events this year, providing another income stream and introducing our enterprise work to a wider audience. Bookings for this space have increased throughout this year with income from this increasing.

MEC Businesses: Outcomes against our 2021 – 2022 goals

- **To average 100 customers a day in the Mess Café**
  Achieved: We now average 120 customers a day.

- **To average 125 Customers a day in Neal St**
  Achieved: We average 140 customers a day in our London Café.

- **To launch a new social enterprise located in the Message Enterprise Centre**
  Ongoing: This year we focused our efforts on helping The Message to launch Community Groceries outside of our Enterprise Centre, so we didn't launch any new businesses in The Enterprise Centre itself. However, to make the best use of our units and to continue benefiting the wider community, we turned one of our adjacent units to the grocery into a dedicated courses room for Community Grocery members to engage with. We also partnered with children's charity 'Early Essentials' and prisons charity 'Homes of Hope' who will be renting space from us long term, whilst also providing services to our members

MEC - OUR BUSINESSES (continued)

- **To host 24 external full price events**
  Ongoing: We hosted 9 full price external events in the 21/22 year. This included 6 weddings and 3 conferences. This is below our target due to a combination of factors, but most notably because we lost a lot of advance bookings during Covid, which we have struggled to build back up again. We have also struggled to recruit the right person to take on our external events and grow them once again. We have since appointed someone with events experience who we feel can reach the potential for this space moving forward.

- **To refurbish a further 3 houses**
  Achieved – three of our properties were refurbished this year.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2022

MEC - SUPPORT AND DISCIPLESHIP

Discipleship continues to be at the heart of our work. Our discipleship programme focused on support and the development continues to prove successful.

The Oaks, our supported house in Wythenshawe, is also a hub for its community, being used for Alpha courses, outreach events and Bible studies for both residents and non-residents, in person and online. The residents have been actively sharing the stories of how their lives have been transformed in churches, sometimes online, as well as at local, regional and national events, gaining confidence in the process. Over the past few years the number of residents within The Oaks has continued to decline, despite a strategy to development a referral pipeline. Therefore, the difficult decision was made to close The Oaks to new residents in April 2022. The property was refurbished in August 2022 to repurpose the house as accommodation for Message School of Evangelism students from September 2022.

The Oaks: Outcomes against our 2021 - 2022 goals

- **Refurbish The Oaks, with a view to renting it to Message School of Evangelism students**
  Achieved – a partial refurbishment of the property was undertaken and completed in August 2022.

- **Take on five new residents in The Oaks**
  Achieved in September 2022: During this year the MEC team members living in the Oaks were moved to other MEC properties and a decision was taken to house some of the new intake of Message School of Evangelism students in The Oaks with effect from September 2022. Therefore, the Oaks currently has 8 new residents.

- **Reduce The Oaks vacancy rate**
  Achieved: By agreeing in 2021-22 to repurpose The Oaks, to serve as accommodation for the Message School of Evangelism students, we have been able to fill The Oaks from the start of the new academic year in September 2022.

MEC Recruitment pipeline: Outcomes against our 2021 - 2022 goals

- **to take on a further 3 enterprise team members**
  Achieved – This year we have been able to help more people develop their skills and gain work experience, through the governments' Kickstarter programme. We supported 27 people in total, each on a 6-month placement within our social enterprises. In addition to this we took on 2 new enterprise team members, one in London and one in Manchester.

MEC - SUPPORTER EVENTS AND FUNDRAISING

Many businesses and organisations have chosen to support the Message Enterprise Centre during the past year, and we are very grateful to them all. In 2022/23, we plan to re-commence the Message Business Network (MBN) dinners with a 10-year celebration of the Message Enterprise Centre.

Supporter events and fundraising: Outcomes against our 2021 - 2022 goals

- **Recruit 50 new staff personal supporters**
  Ongoing: It has been a difficult year for staff to gain new personal supporters due to the economic impact on households, from steeply rising food and fuel costs and the overall impact of the cost-of-living crisis across our country. However, we did gain 23 new supporters in 2021-22.

- **Fundraise positions for up to 5 team members**
  Achieved: Through the government funding for the Kickstarter programme, we were able to offer positions which were equivalent to almost 14 team members. We had 27 people join the 6 month Kickstarter programme, as well as being able to fund new and existing team member posts during the year.

CHARITABLE GIVING

Following a further change in policy, our charitable giving this year totalled £483 (2021: £2,571) and was distributed in the following ways, to organisations or individuals who share similar objectives to The Message Enterprise Centre:

- Light UK for their Christian music ministry to young people in Schools and Festivals - £119 (2021: £Nil). We gave 50p for every “Light” burger sold in the Mess Café.
- Wedding Gifts to Apprentices - £Nil (2021: £1,000)
- Hardship funding to support those in need - £Nil (2021: £713)
- Other gifts to Apprentices - £364 (2021: £858)

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2022

FINANCIAL REVIEW

The 2022 accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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), as published January 2022.

The Trustees have taken the opportunity to review all The Message Enterprise Centre's key accounting policies to ensure that they are in accordance with the requirements of the Charities SORP (FRS 102) and best accounting practice.

Review of the year

The total income for the year was £1,243k (2021: £1,341k), with total expenditure of £1,326k (2021: £1,103k). Leaving Unrestricted total funds carried forward of £3,386k (2021:£ 3,045k) available for future periods, of which £3,344k (2021: £2,958k) is designated for future projects, and £2k (2021: £80k) of restricted funds, of which £Nil is for Apprentice funding (2021: £68k); £Nil for Neal Street Espresso (2021: £5k); £Nil for The Oaks (2021: £5k); £2k for the Business Enterprises (2021:£2k).

Income and Expenditure

The Message Enterprise Centre relies on donations as its principal source of funding, whilst the business enterprises are still working towards breaking even. Total donations, including Gift Aid amounted to £163k (2021: £312k).

In addition, The Message Group gave a separate material item of income to The Message Enterprise totalling £450,437 (2021: £517,428).

Gifts from Foundations and Trusts was £7k (2021: £23k) which constitutes 4% (2021: 7%) of all donations. Gifts from individuals (including Gift Aid & Legacies) of £101k (2021: £127k) provided an additional 62% (2021: 41%) of all donations, while income from Churches, Ministries and Businesses provided £12k - 7% (2021: £25k – 8%). Sponsored Events raised £Nil – 0% (2021: £1k – 0%) and Gifts in Kind contributed £Nil – 0% (2021: £2k – 1%). Whilst the charity does not receive any government grants to fund its apprenticeships, this year due to COVID the charity received government grants under the various staff furlough schemes totalling £27k – 17% (2021: £93k – 30%) the charity received grants from other sources of £16k – 10% (2021: £41k – 13%).

The cost of Raising Funds in the financial statements, amounted to just £24 in 2022 (2021: £Nil).

Other funds were generated through charitable activities such as the five business enterprises (2021: five), namely Property Rental, Building Maintenance, The Mess Café, Events & Conferences and Wedding Angels.

Governance

The £7k governance (2021: £8k) includes the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, audit fees and core executive management.

FINANCIAL REVIEW (continued)

Net Expenditure / Income

Net expenditure in the year is £83k (2021: Net income £238k) of which £2k net expenditure (2021: £277k net income) is within unrestricted funds and £81k net expenditure (2021: £39k net expenditure) is within restricted funds. During the year the Trustees agreed to designate £184k (2021: £94k) to establish sufficient funds for future Message Enterprise projects. In 2022: £145k was released from funds designated in 2021 for the purchase of a new housing unit. This property was acquired in November 2021, and no further funds were designated in 2022.

Balance Sheet

The Balance Sheet as at 31st August 2022 ensures that the charity has the assets required to deliver its commitments to the community.

Investment Powers and Policies

The Trustees have the power to invest surplus funds of the charity in investments, securities and property as they think fit. The current policy of the Trustees is to invest funds not immediately required by the charity into a range of Deposit accounts which bear competitive rates of interest. This policy is reviewed periodically by the Trustees.

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, to ensure the continuing ability of The Message Enterprise Centre to meet its objectives and obligations.

The total funds held by MEC at 31 August 2022 are £3,388k (2021: £3,125k), of which £4k (2021: £80k) are restricted and not available for the general purposes of the charity.

In order to be prudent, The Message Enterprise Centre aims to accumulate, in general reserves, an amount at least equal to one month's staff costs, approx. £37k (2021: £48k). This has been achieved in the current year. The amount of General Funds, excluding restricted and designated funds, freely available to spend on any of the charity's purposes as at 31 August 2022 was £40k (2021: £87k). Over the coming year the Trustees' have set financial budgets, which aim to increase the amounts held in general reserves, in order to maintain this policy as the charity grows.

In addition, the Trustees have designated funds to Future Projects arising over the next 5 years £3,344k at 31 August 2022 (2021: £2,813k). These designated funds are held in the form of buildings and other fixed assets, which are an ongoing resource for future mission projects across the charity. The designated fund for Future Mission Projects can only be realised by disposing of £3,488,642 (2021: £2,813,315) the amount of tangible fixed assets and investment properties held by The Message Enterprise Centre.

The Trustees have this year designated £Nil (2021: £145k) to spend on investment properties. The Charity had no capital commitments at 31 August 2022 (2021: £145k for the purchase of a new housing unit).

Instead, after the year end, the trustees are considering the sale of a property we acquired through a legacy during the year, in order to release the cash from the sale back into general funds.

FINANCIAL POLICIES

Remuneration Policy

The remuneration policy seeks to balance our Christian values and the need to attract and retain staff with appropriate qualifications and skills.

The UK Leadership Team review the organisations pay scales by benchmarking against similar jobs in the North-west and a London weighting is applied where appropriate. We review the retail price and consumer price indices for inflation on an annual basis, before deciding upon any annual increments for inflation. Individual staff salaries are reviewed annually, with mid-term reviews every 6 months. The Executive pay is set within the same pay grade structure.

The Trustees set and approve the salary for the Chief Executive on an annual basis, by benchmarking against similar sized Charities with reference to the Association of Chief Executives of Voluntary Organisations (ACEVO) annual Pay and Equalities Survey.

The key management personnel for the Message Enterprise Centre are common to the parent charity The Message Trust. They include the Trustees, Chief Executive Officer and other members of the Executive. The Trustees do not receive any remuneration for their services, whilst the Executive Officers are reimbursed by The Message Trust and their time recharged to The Message Enterprise Centre at cost, as appropriate.

Social Investment Policy

In order to provide appropriate affordable housing for The Message School of Evangelism Students during their one-year course, as well as providing refurbishment and building maintenance opportunities for our Message Enterprise Building Team Members the charity has adopted a policy of investing in local Wythenshawe properties, rather than renting properties from local landlords. This policy started in 2016 and has continued since then.

Principal Risks and Uncertainties

The Trustees have identified four principal risk areas for both The Message Trust and its subsidiary The Message Enterprise Centre. These cover potential risks to the reputation of both charities, financial sustainability, safeguarding of young people & vulnerable adults, and cyber security, arising from both internal and external factors. The principal financial sustainability risks present at the year-end are related to the current high levels of inflation which are increasing operational costs, and the cost-of-living crisis facing our donors which has potential impacts on fundraising for The Message Enterprise Centre. The trustees have adopted a number of measures to counter each of these risks, to reduce the likelihood that they will adversely affect the charity. These strategies are reviewed periodically to ensure they remain effective and are considered sufficient measures to protect the charitable group from significant harm.

The trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern. Please refer to the notes on page 22 'Going Concern' for more details.

PLANS FOR FUTURE PERIODS

Goals for 2022-23

Our teams set the following objectives, for the next financial year. We will keep these plans under review over the coming months, in the light of any new legislation and ongoing changes to government guidance which might affect our businesses and our customers. However, we are still aiming to complete these goals over the next year.

MEC Businesses

- To open the Mess Café 6 days a week, including Saturdays, and so increase gross profits
- To employee another team member for Neal Street Café, and increase gross profits
- For the events business to host 100 training bookings and 15 external events (e.g. weddings, conferences, parties)
- To provide accredited training to 4 team members

MEC The Oaks

- For each room to be occupied throughout the year by our Message School of Evangelism students.

MEC Recruitment Pipeline

- To recruit another 5 team members
- To train a further 50 new volunteers

MEC Supporter events and fundraising

- To host 2 business networking / fundraising events

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2022

DIRECTORS AND TRUSTEES

The directors of the charity ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.
The trustees serving during the year and since the year-end were as follows:

C. Hardicre (resigned 30 Sept 2021)
D.I. Moore (resigned 30 Sept 2021)
J.A. Wainwright (resigned 20 March 2023)
G.J. Haynes
A.C. Leakey
A. L. Orr-Ewing (appointed 25 March 2022)
R.D. White

RELATED PARTIES

A summary of transactions with related parties is set out in note 19 of the financial statements.

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Message Enterprise Centre for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the income and expenditure for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies, as described on pages 22 to 27, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operations.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the trustees of the charity on 15 September 2023 and signed on its behalf by:



.....
Gordon Haynes, Chairman of Trustees
Date: 15 September 2023

THE MESSAGE ENTERPRISE CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MESSAGE ENTERPRISE CENTRE

Opinion

We have audited the financial statements of The Message Enterprise Centre 'the charitable company' for the year ended 31 August 2022 which comprise Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources loss 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 Auditor's 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 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report within the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, Charities Act England & Wales and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.

- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 an auditor's report 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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
One Express
1 George Leigh Street
Manchester M4 5DL

Date: 15 September 2023

THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDING 31 August 2022

	Note	Unrestricted Funds £	Restricted Funds £	**Total 2022 £**	Total 2021 £
INCOME					
Donations and Legacies	3a	106,770	56,155	**162,925**	311,548
Income from Charitable activities	3b	627,695	-	**627,695**	509,099
Income from Other trading activities	3c	1,126	1,040	**2,166**	2,502
Investment Income	3d	59	-	**59**	281
Separate material item of income	3e	450,437	-	**450,437**	517,428
TOTAL INCOME		1,186,087	57,195	**1,243,282**	1,340,858
EXPENDITURE					
Raising Funds	4a	24	-	**24**	-
Charitable Activities	4b	1,188,211	137,924	**1,326,135**	1,103,094
TOTAL EXPENDITURE		1,188,235	137,924	**1,326,159**	1,103,094
Net (Expenditure) / Income before Investment gains		(2,148)	(80,729)	**(82,877)**	237,764
Net gains on investments		346,155	-	**346,155**	699,389
NET INCOME / (EXPENDITURE)		344,007	(80,729)	**263,278**	937,153
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		344,007	(80,729)	**263,278**	937,153
Transfers between funds		(2,621)	2,621	-	-
NET MOVEMENT IN FUNDS		341,386	(78,108)	**263,278**	937,153
Total Funds Brought Forward		3,045,086	80,109	**3,125,195**	2,188,042
TOTAL FUNDS CARRIED FORWARD		3,386,472	2,001	**3,388,473**	3,125,195

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity, as shown above, are classed as continuing operations.

The notes on pages 22 to 39 form an integral part of these financial statements**.**

THE MESSAGE ENTERPRISE CENTRE

BALANCE SHEET

AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	9	**93,642**	133,314
Investments	10	**3,395,000**	2,680,000
Total Fixed assets		**3,488,642**	2,813,314
CURRENT ASSETS			
Stocks	11	**6,756**	14,642
Debtors	12	**65,050**	129,481
Cash at bank and in hand	13	**28,989**	277,445
Total current assets		**100,795**	421,568
CREDITORS: Amounts falling due within one year	14	**(200,964)**	(109,688)
NET CURRENT (LIABILITIES) / ASSETS		**(100,169)**	311,880
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,388,473**	3,125,194
CREDITORS: Amounts falling due after more than one year		-	-
TOTAL NET ASSETS		**3,388,473**	3,125,194
FUNDS OF THE CHARITY			
Restricted Income Funds	15a	**2,000**	80,109
Unrestricted Funds	15b	**3,386,473**	3,045,086
TOTAL FUNDS		**3,388,473**	3,125,195

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 22 to 39 form an integral part of these financial statements, which were approved and authorised for issue by the trustees on 15 September 2023 and signed on their behalf by:



…….. Andrew Leakey, Trustee



…….. Gordon Haynes, Trustee

Company Registration Number 07892774

THE MESSAGE ENTERPRISE CENTRE

STATEMENT of CASH FLOWS

YEAR ENDING 31 August 2022

Cash flows from operating activities		**£**	£
Net movement in funds		**263,278**	937,153
Adjustments to cash flows from non-cash items			
Depreciation		**41,048**	47,060
(Profit) / Loss on disposal of tangible fixed assets		**-**	1,337
Investment income	3d	**(59)**	(281)
Disposal of Tangible Fixed Assets	9	**-**	2,817
Revaluation of investments	10	**(346,155)**	(699,389)
		(41,888)	288,697
Working capital adjustments			
Decrease / (Increase) in stocks	11	**7,886**	(3,319)
(Increase) in debtors	12	**64,431**	(66,727)
Increase in creditors		**92,568**	8,400
(Decrease) in deferred income	14	**(1,292)**	(3,638)
Net cash flows from operating activities		**121,705**	223,413
Cash flows from investing activities			
Interest receivable and similar income	3d	**59**	281
Proceeds from sale of tangible fixed assets		**-**	(1,337)
Purchase of tangible fixed assets	9	**(1,375)**	(10,338)
Purchase of investments	10	**(368,845)**	(133,723)
Net cash flows from investing activities		**(370,161)**	(145,118)
Cash flows from financing activities			
Net cash flows from financing activities		**-**	-
Net (Decrease) / increase in cash and cash equivalents		**(248,456)**	78,295
Cash and cash equivalents at 1 September		**277,445**	199,150
Cash and cash equivalents at 31 August	13	**28,989**	277,445

All of the cash flows are derived from continuing operations during the two periods above.

The notes on pages 22 to 39 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements of the charity are made up to 31 August 2022.

The accounts (financial statements) have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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 (FRS 102) as published January 2022, with the Charities Act 2022, the Companies Act 2006 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS102. The Charity exists for the benefit of the public through the promotion of Christian values and spiritual development, providing education, mentoring and enterprise services, in particular to those who have poor employment potential.

Financial statements

The financial statements are presented in GBP and rounded to the nearest £. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going concern

The trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, due to the Material Item of Income received during the year. This conclusion has been reached after reviewing the Charity's financial position, the levels of reserves and cash, including general funds available to the Charity and the two-year financial forecast. The Trustees have considered the impact of the current high levels of inflation and cost-of-living crisis in their assessment and they are confident that the charity will continue as a going concern for the foreseeable future.

The Message Enterprise Centre continues to have the full support of its parent charity – The Message Trust, having all its trustees in common with the parent charity.

Judgements

The Trustees have based the charity's investment property valuations on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset, combined with comparison to movements in Housing Price Indices since their last independent professional valuation – see note 10 for details.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

INCOME

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants

Donations and grants are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 Charities SORP (FRS102)).

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 Charities SORP (FRS 102)).

Income is deferred only when there are conditions to fulfil before becoming entitled to it and where the donor has specified that the income is to be expended in a future period.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP (FRS 102) or FRS 102.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Contractual income

This is only included in the SoFA once the charity has provided the related goods or services.

Donated services and facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Many volunteers give freely of their time in the service of our Lord for the Trust, the value of which is unquantifiable.

Income from interest and royalties

This is included in the accounts when receipt is probable, and the amount receivable can be measured reliably.

Settlement of insurance claims

Insurance claims are only included in the SoFA when the general income recognition criteria are met and are included as an item of other income in the SoFA.

EXPENDITURE and LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating staff costs by the time spent and other costs by their usage.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation is recognised.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition at cost, as per paragraph 11.7 SORP (FRS102). Subsequent measurement is at fair value (their market value), as per paragraphs 11.17 to 11.19, SORP (FRS102).

ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year and cost at least £1,000 (Prior to 1 September 2021, if they cost at least £500). They are valued at cost.

Depreciation is provided in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The following annual rates are used:

Leasehold Property	20%
Oaks Fixtures and Fittings	25%
Business Equipment	25%
Motor Vehicles	25%

Depreciation is first charged in the quarter following acquisition and up to the month of disposal. No provision is made for the increased cost of tangible fixed assets.

Investments

Fixed asset investments are valued initially at cost and subsequently at fair value (their market value) at the year-end unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale (or pending their sale) and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined by external valuers, with properties being valued on a rolling basis every five years. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in profit or loss.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Cost is determined using the First-in, First-out (FIFO) methodology.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments

The charity has investments which it holds for resale (or pending their sale) and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

They are valued at fair value except where they qualify as basic financial instruments.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds

These are unrestricted funds that have been earmarked for a particular project. This designation is for administrative purposes only and does not restrict the trustees' discretion to apply the fund within the objects of the charity.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the term of the lease.

Pension costs and other benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 102. The charity provides a defined contribution scheme for staff.

2. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee, incorporated in England and Wales, and has no share capital. The registered office is 6 Harper Road, Manchester, M22 4RG. The liability of each member in the event of winding-up is limited to £1.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

3. INCOME

	Unrestricted Funds Total £	Restricted Funds Total £	**Total 2022** £	Unrestricted Funds Total £	Restricted Funds Total £	Total 2021 £
3a Donations and Legacies						
Gifts Individuals	64,565	11,388	**75,953**	70,407	23,656	94,063
Gifts via Stewardship / CAF	5,605	3,560	**9,165**	5,161	750	5,911
Gifts Churches, Ministries & Business	3,120	9,229	**12,349**	720	24,110	24,830
Gifts Trusts & Foundations	-	7,000	**7,000**	208	22,380	22,588
Government Grants	12,135	15,112	**27,247**	72,117	21,332	93,449
Gift Aid	14,845	866	**15,711**	8,509	4,066	12,575
Gifts in Kind	-	-	**-**	2,480	-	2,480
Grants	6,500	9,000	**15,500**	5,833	35,000	40,833
Sponsored Events	-	-	**-**	115	558	673
Legacies	-	-	**-**	-	14,146	14,146
	106,770	56,155	**162,925**	165,550	145,998	311,548
3b Income from Charitable Activities						
Business Enterprises	327,339	-	**327,339**	198,828	-	198,828
Rental Income	133,009	-	**133,009**	201,963	-	201,963
Event Income	6,918	-	**6,918**	4,385	-	4,385
Sundry Income	160,429	-	**160,429**	103,923	-	103,923
	627,695	-	**627,695**	509,099	-	509,099
3c Income from Other trading activities						
Fundraising Events	-	1,040	**1,040**	40	-	40
Sundry Income	1,126	-	**1,126**	2,462	-	2,462
	1,126	1,040	**2,166**	2,502	-	2,502
3d Investment Income						
Bank Interest Received	59	-	**59**	281	-	281
	59	-	**59**	281	-	281
3e Separate Material Item of Income						
Donation from The Message Trust	450,437	-	**450,437**	517,428	-	517,428
	450,437	-	**450,437**	517,428	-	517,428
TOTAL INCOME	1,186,087	57,195	**1,243,282**	1,194,860	145,998	1,340,858

Many volunteers give freely of their time in the service of our Lord for the Charity, the value of which is unquantifiable.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

4. EXPENDITURE

Unrestricted Funds	Staff £	Depreciation £	Project Costs £	**Direct Costs £**	Staff £	Depreciation £	Other Support Costs £	**Total Support Costs £**	**Total 2022 £**	Total 2021 £
4a Raising Funds										
Fundraising - Events	-	-	24	**24**	-	-	-	**-**	**24**	-
	-	-	24	**24**	-	-	-	**-**	**24**	-
4b Charitable Activities										
Business Enterprises	275,520	36,856	806,155	**1,118,531**	58,530	4,193	-	**62,723**	**1,181,253**	910,341
Governance	-	-	-	**-**	-	-	6,958	**6,958**	**6,958**	7,534
	275,520	36,856	806,155	**1,118,531**	58,530	4,193	6,958	**69,681**	**1,188,211**	917,875
Total Expenditure Unrestricted	275,520	36,856	806,179	**1,118,555**	58,530	4,193	6,958	**69,681**	**1,188,235**	917,875
Restricted Funds										
4b Charitable Activities										
Business Enterprises	8,011	-	50	**8,061**	-	-	-	-	**8,061**	7,400
Neal Street Espresso	5,885	-	4,662	**10,547**	-	-	-	**-**	**10,547**	23,338
Apprentice Funding	97,716	-	694	**98,410**	-	-	**-**	**-**	**98,410**	129,860
The Oaks	13,243	-	-	**13,243**	-	-	-	**-**	**13,243**	24,621
Wythenshawe Properties	7,663	-	-	**7,663**	-	-	-	**-**	**7,663**	-
	132,518	-	5,406	**137,924**	-	-	-	-	**137,924**	185,219
Total Expenditure Restricted	132,518	-	5,406	**137,924**	**-**	**-**	-	**-**	**137,924**	185,219
TOTAL EXPENDITURE	**408,038**	**36,856**	**811,585**	**1,256,479**	**58,530**	**4,193**	**6,958**	**69,681**	**1,326,159**	1,103,094

5. NET INCOME

This is stated after charging / (crediting):

	2022	2021
	£	£
Auditors' remuneration	**5,780**	5,903
Depreciation of owned assets	**41,048**	47,060
(Profit) / Loss on disposal of asset	**-**	1,337
Annual charges from operating leases:		
Building Lease	**31,258**	30,369
Rental of Property	**31,250**	-
Hire of equipment	**2,012**	5,409

6. ANALYSIS OF SUPPORT COSTS

All Support costs have been allocated directly to each project on a basis consistent with the use of resources.

	Admin, HR & Other Support Staff	**2022 Total**	2021 Total
	£	**£**	£
Charitable Activities			
Business Enterprises	90,848	**90,848**	88,875
	90,848	**90,848**	88,875

7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2022	2021
Employee costs during the year:	**£**	£
Wages and salaries	**423,664**	459,718
Social security costs	**31,648**	36,153
Pension costs	**11,256**	42,028
	466,568	537,899

The monthly average number of persons (including the senior management team) employed by the charity during the year was 18 (2021: 22). This includes both full-time and part-time staff. When expressed as full-time equivalents this was as follows:

	2022	2021
Average number of full-time equivalent staff employed:	**No.**	No.
Charitable Activities	**14**	17
Others - Support	**2**	3
	16	20

No employee received emoluments of more than £60,000 in the year.
Amounts paid or reimbursed to Trustees £Nil

The key management personnel are defined as the Trustees, CEO and other Executive Directors of the group in office during the year. They do not receive any remuneration from The Message Enterprise Centre, but the services of the Executive Officers for The Message Enterprise Centre are recharged at cost by the parent charity, The Message Trust. Their total remuneration for the year from the parent charity was £365k (2021: £332k) and the total recharges to MEC in the year for the services of the Executive officers, which is not included in the remuneration of employees above is £85k (2021: £53k - The increase in the recharges in 2022 was due to a temporary reduction in the prior year caused by COVID-19 furloughs, when the MEC was closed temporarily.)

8. TAX ON SURPLUS ON ORDINARY ACTIVITES

	2022	2021
	£	£
Corporation tax based on the trading results for the year at Nil% (2021: Nil%)	**-**	-
	-	-

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

9. TANGIBLE FIXED ASSETS

	Leasehold Property	Property Fixtures & Fittings	Business Equipment	Motor Vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 September 2021	140,628	27,935	88,624	7,708	**264,895**
Additions	-	-	1,375	-	**1,375**
At 31 August 2022	140,628	27,935	89,999	7,708	**266,270**
Depreciation					
At 1 September 2021	42,189	27,218	55,465	6,708	**131,580**
Charge for year	28,126	384	12,538	-	**41,048**
At 31 August 2022	70,315	27,602	68,003	6,708	**172,628**
Net Book Value					
At 31 August 2022	70,313	333	21,996	1,000	**93,642**
At 31 August 2021	98,439	717	33,159	1,000	**133,315**

10. INVESTMENTS

	2022	2021
	£	£
Investment Properties		
The Oaks	**650,000**	650,000
Other Wythenshawe Properties	**2,745,000**	2,030,000
	3,395,000	2,680,000

The Oaks opened in 2016, as a fully refurbished home in Wythenshawe, offering a residential support programme for up to 8 residents.

As at 31 August 2022 the MEC owns fourteen Investment Properties in total, including The Oaks (2021: 12 properties). All 14 Investment Properties were revalued by Longden & Cook, members of the Royal Institute of Chartered Surveyors as at 31 August 2022, following an inspection on 6th January 2023, or in the case of one property on 25th January 2023. This included the latest purchase, the fourteenth property which was acquired in November 2021.

The Trustees consider all these properties are carried in the Balance Sheet at their fair value as at 31 August 2022, given these valuations were carried out within 3 months of the year end and the lack of sales of similar properties within the immediate area, to suggest a different valuation. The Trustees have a policy of using professional independent valuers to revalue investment properties on a rolling basis every 5 years.

On an annual basis, the Trustees review these valuations for any significant changes in the local property market and any impairment in the properties and will make adjustments as necessary.

	£
Valuation	
At 1 September 2021	2,680,000
Revaluation	346,155
Additions	368,845
At 31 August 2022	**3,395,000**

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

11. STOCKS

	2022	2021
	£	£
Stocks of finished goods and goods for resale	**6,756**	14,642
	6,756	14,642

12. DEBTORS

	2022	2021
	£	£
Trade debtors	**26,298**	15,938
Amounts due from Group undertakings	**-**	71,967
Other debtors	**4,315**	6,276
Prepayments and accrued income	**34,437**	35,300
	65,050	129,481

13. CASH AT BANK & IN HAND

	2022	2021
	£	£
Reserve Accounts	**6,723**	104,905
Current Accounts	**21,747**	79,970
Cash in Hand	**519**	92,570
	28,989	277,445

14. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	**44,679**	32,266
Amounts owed to Group undertakings	**58,924**	-
Accruals & Deferred Income	**65,113**	46,893
Taxation and Social Security	**30,723**	12,609
Other Creditors	**1,525**	17,920
	200,964	109,688

Included in accruals and deferred income of £65,113 (2021: £46,893) is deferred income of:

	2022	2021
	£	£
Deferred income brought forward	**5,552**	9,190
Income released in the year	**(18,037)**	(51,155)
Amounts added in the year	**16,745**	47,517
Deferred income carried forward	**4,260**	5,552

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

15. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at 01/09/2021 £	Movement in Resources Incoming £	Outgoing £	Transfers Between Funds £	Gains on Revaluation Fixed Assets £	**Balance at 31/08/2022 £**
15a. Restricted Funds						
Business Enterprises	2,473	8,062	(8,061)	(474)	-	**2,000**
Neal Street Espresso	4,662	5,885	(10,547)	-	-	**-**
Apprentice Funding	67,733	25,117	(98,410)	5,560	-	**-**
The Oaks	5,241	10,468	(13,243)	(2,466)	-	**-**
Wythenshawe Properties	-	7,663	(7,663)	-	-	**-**
	80,109	57,195	(137,924)	2,620	-	**2,000**
15b. Unrestricted Funds						
General Fund	86,771	1,186,087	(1,188,235)	(41,792)	-	**42,831**
Designated Funds						
- Investment Properties	145,000	-	-	(145,000)	-	**-**
- Revalution Reserve	776,864	-	-	-	346,155	**1,123,019**
- Future Projects	2,036,451	-	-	184,172	-	**2,220,623**
	3,045,086	1,186,087	(1,188,235)	(2,620)	346,155	**3,386,473**
	3,125,195	1,243,282	(1,326,159)	-	346,155	**3,388,473**

The Apprentice Fund has been fully expensed this year - £Nil as at 31 August 2022 (2021: £68k). This is a restricted fund held for the purpose of funding both existing and future apprentices in our MEC Business Enterprises over a two-year training period.

Neal Street Espresso in London, opened in 2021. The restricted fund was for their Winter Project to support a local church helping homeless people. This fund was fully utilised by the end of December 2021, so £Nil as at 31 August 2022 (2021: £4,662).

Last year the charity designated £145,000 for the purchase of an investment property in the first quarter of 2022-22, Haveley Road was purchased in November 2021, so this fund now stands at £Nil, having been used for its intended purpose.

This year the Trustees have set aside a further £184,172 (2021: £94,185). The aim is to ensure Future Projects are the equivalent of the Net Book Value of Tangible Fixed assets and Investment Properties, to be used for future projects, arising over the next five years. However, the Future Projects are currently under funded by £145,000 so this year the goal has not been achieved.

During the year £27,613 (2021: £21,728) was received by way of personal support for employees who work in Unrestricted areas of ministry. The gifts received have been fully utilised by way of a contribution to the salaries and associated costs of the individual employees specifically supported.

16. ANALYSIS OF NET ASSETS BY FUND

	Tangible Fixed Assets £	Intangible Assets / Investments £	Net Current Assets £	2022 Total £	2021 Total £
Restricted Funds					
Business Enterprises	-	-	2,000	**2,000**	2,473
Neal Street Espresso	-	-	-	**-**	4,662
The Oaks	-	-	-	**-**	5,241
Apprentice Funding	-	-	-	**-**	67,733
	-	-	2,000	**2,000**	80,109
Unrestricted Funds	93,643	3,395,000	(102,169)	**3,386,473**	3,045,086
	93,643	3,395,000	(100,169)	**3,388,473**	3,125,195

17. PENSIONS

The charity operates a defined contribution pension scheme on behalf of its employees. All contributions due have been fully paid.

18. CONTINGENCIES

The trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2022 (2021: £Nil).

19. RELATED PARTIES

The Message Trust (Parent Charity – registered charity number 1081467 and company limited by guarantee, registered in the UK with company number 03961183) sold goods and services to the value of £16,921 (2021: £22,768) at cost to The Message Enterprise Centre during the year. The Message Enterprise Centre sold goods and services to the value of £157,523 (2021: £98,183) at cost to The Message Trust (Parent Charity) during the year. Appropriate expenses totalling £85,264 in 2022 (2021: £80,781) (wages, premises costs, etc) were recharged from The Message Trust (Parent Charity) to The Message Enterprise Centre at cost. The Message Enterprise Centre paid £31,318 (2021: £30,369) in rent to The Message Trust, whilst The Message Trust paid £48,720 (2021: £42,300) in rent to The Message Enterprise Centre for the School of Evangelism students' accommodation and the Community Grocery Distribution Hub in property which is owned by The Message Enterprise Centre for rental purposes. The Message Trust donated £450,437 (2021: £517,428) to The Message Enterprise Centre for general funds and future Message Enterprise projects, to enable the charity to continue to meet the needs of its existing apprentices and new trainees. As at 31 August 2022, The Message Trust owed The Message Enterprise Centre £86,076. (2021: £71,967). The Message Trust and The Message Enterprise Centre share the same Trustees and Executive directors. Consolidated accounts for the group are available from the Charity Commission or Companies House website.

Collectively the Trustees and their related party companies (Boodle & Dunthorne Limited (trading as Boodles) gave £8,031 including gift aid to The Message Enterprise (2021: £1,500).

20. OPERATING LEASE COMMITMENTS

At the year end the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		**Other**	
	2022	2021	**2022**	2021
	£	£	**£**	£
Not later than one year	**31,318**	31,318	**-**	3,448
Later than one year and not later than five years	**75,000**	-	**-**	862

21. CAPITAL COMMITMENTS

The trustees have confirmed that there were no capital commitments at 31 August 2022 £Nil (2021: £145,000 - for the purchase of an investment property in the first quarter of 2021-22, which took place in November 2021).

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

22. ANALYSIS OF CHANGES IN NET DEBT

	At 01/09/2021	Cashflows	At 31/08/2022
	£	£	£
Cash	277,445	(248,456)	**28,989**
	277,445	(248,456)	**28,989**

THE MESSAGE ENTERPRISE CENTRE

England & Wales - Charity number 1147287

Accounts

ENTERPRISE CENTRE

THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2021

Company Limited by Guarantee

Company Registration Number 07892774

Registered Charity Number 1147287

THE MESSAGE ENTERPRISE CENTRE

FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2021

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THE MESSAGE ENTERPRISE CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

The Board of Trustees	A. C. Leakey C. Hardicre – Resigned 30 Sept 2021 G. J. Haynes (Chairman) R. D. White J. A. Wainwright D. I. Moore – Resigned 30 Sept 2021
Company Secretary	I. Rowbottom
Chief Executive	A. Hawthorne OBE
Business Centre Manager	S. Hawthorne
Registered Office	6 Harper Road Sharston Manchester Lancashire M22 4RG
External Auditors	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE
Bankers	National Westminster Bank PLC 34 High Street Cheadle Cheshire SK8 1AF
Solicitors	Knights Plc (formerly known as Croftons Solicitors LLP) Riverside Court Wilmslow SK9 1DL

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2021

The Trustees have pleasure in presenting their report (including the directors' report as required by company law) and the financial statements of the charity for the year ending 31 August 2021.

The Message Enterprise Centre is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 1147287. Company number 07892774. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

BACKGROUND AND OBJECTIVES

The Message Enterprise Centre was incorporated on 28 December 2011, as a company limited by guarantee, and became a registered charity on 17 May 2012.

The Message Trust changed its objects by special resolution on 5 February 2019. Our object is now:

- To advance the Christian faith and relieve unemployment for the benefit of the public with a specific focus on young people and vulnerable adults who are at risk of re-offending or who have poor employment potential, through education, enterprise, befriending, mentoring, faith-based activities and outreach.

These objects are being worked out in three main areas:

- Building on relationships established by The Message Trust's Prisons team, providing long-term, one-to-one mentoring and support to ex-offenders upon their release from prison

- Following a period of probation, offering training and employment to prison leavers in one of our businesses (currently on-site café and mobile catering firm, health and beauty salon, property and events management, building and garden service firms) as 'apprentices'

- In partnership with local churches, providing resettlement help and supportive community in local areas across Greater Manchester, especially in areas where the Eden Network has a presence

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees' recruitment is by personal contact of existing Trustees. They are then elected by the Board of Trustees in consultation with the Chief Executive, on the basis of their expertise, wisdom and advice that they can bring to the Management and Administration of the Charity. Training and induction is provided to new trustees as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board of Trustees has a variety of experience including both Christian ministry and commercial business skills. They meet quarterly to oversee the vision and strategies of the charity. Executive Directors and the Business Centre Manager have been appointed by the Trustees to oversee the day-to-day operations of the charity. The Board is accountable to the Charity Commission for the careful use of charitable and other public funds provided in a variety of forms, and for the achievement of appropriate performance standards in service delivery. The Board also undertakes at least one additional annual away-day for the purposes of further developing The Message Enterprise Centre Mission and Vision, and to concentrate on continuous improvement in performance.

With the growth of activities of the Enterprise Centre an increasing level of expertise is required on a day-to-day basis and a senior management team is in place that is capable of running the affairs of the charity. The Charity's Executive Board, headed by the Chief Executive, Mr A Hawthorne, is accountable via the Chief Executive to the Board of Trustees. Day-to-day management matters are further scrutinised by a cross-functional team of internal departmental managers, who meet on a monthly basis. This latter group's work is fed into the Executive process whenever a more significant matter of policy or other key decision-making arises.

The Trustees remain committed to the policy of helping break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre recognises the importance of our staff and aims to help them to develop their potential, improve their skills and gain greater job satisfaction.

Summary of priorities:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our mission is to help break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre's Executive leadership team seek to achieve this by motivating staff and volunteers with a compelling vision and supporting them within a robust management framework.

Volunteers are crucial to the smooth running of the Centre. Our team of regular volunteers provides support to our businesses, particularly The Mess Café when catering for large functions. We ensure they have comprehensive support in their roles through appropriate policies and procedures, clarifying the extent of their remit and providing checks and balances in relation to the key areas of the Management & HR Strategy.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE

The Message Enterprise Centre: 2020-21 in review

MEC - OUR BUSINESSES

This year The Message Enterprise Centre continued with its apprenticeship model for training, aiming to maximise skills development and financial sustainability for our team members. Graduations for team members on the two-year programme, that had to be postponed from 2019/20, took place. There were 3 graduations this year. The opening of the Community Grocery in Wythenshawe created new team member roles both in store and in logistics.

The Mess Café reopened following lockdowns with the necessary health and safety arrangements in place. The opening of the Community Grocery next to the café, coupled with growing awareness of what is on offer, has seen its popularity continue to grow, and the footfall to build. There were further opportunities to ensure the Café's efficiency improved, helping to reduce costs.

September 2020 saw the MEC open a **Community Grocery** in Wythenshawe. The first lockdown in March 2020 saw the kitchen of the Mess Café repurposed into a production and distribution centre for meals to those in need/shielding. As 60,000 meals were delivered, we developed an awareness of the need for our nation's poorest families to have access to affordable food, we couldn't stand by and do nothing so the idea of the Community Grocery was born.

The Community Grocery is supplied through partnerships we have established with supermarkets and food suppliers for the redistribution of surplus food. For £3 per shop each member gets to do a full shop up to three times a week, that will keep their families fed. The financial modelling has shown that once the initial shop fit has been undertaken (funded through planned fundraising activities) the groceries business model can be self-sustaining. We believe Community Grocery stores could be significant in helping to feed our nation's poorest families. Coupled with providing food, grocery members also have access to a range of courses and services, such as job clubs, counselling, debt advice and opportunities for members to learn more about Christianity. Demand for membership was significant with 2,300 members now signed up at the Wythenshawe store. Growing food poverty across the UK led to demand for further Community Grocery stores, so in partnership with local churches a further eight stores were launched by The Message Trust in 2020/21, with plans for The Message Trust to launch another seven stores in 2021/22.

The **MEC Events** business had to remain closed throughout the national lockdowns and the continued Covid-19 restrictions have impacted on the number of room bookings The Venue has secured and upon the profitability of the MEC Events business. As restrictions eased and larger scale gatherings were permitted, the MEC Events began hosting events such as live acoustic music nights again. Current tenants within the office space include the charity 'Gospel for Asia' and a community interest company 'OurBoards' (from January 2020 to November 2021).

MEC - OUR BUSINESSES (continued)

The work of **MEC Building Services** has focused primarily on refurbishment and development projects this year, with the team undertaking projects both for The Message, the shop fitting of Community Grocery stores and the refurbishment of the MEC's rental properties. The team were involved in the fit out of all nine Message Community Groceries that opened September 2020 – August 2021 as well as continued work on the Sheffield Enterprise Centre in Woodseats.

Our **MEC Property Management** grew with the addition of one new property to our portfolio this year, bringing the total number of properties to 12. Message Academy students were housed in MEC properties, with properties also being rented to Message Academy graduates, team members, families who are connected to our Eden teams, as well as some employees of The Message Trust.

Wedding Angels has maintained its presence this year. Our partnerships with local churches have continued and the growth of the wedding offer within the events business has seen a number of Wedding Angels customers decide to hold their wedding within the MEC. Whilst the national lockdown has impacted upon Wedding Angels' trade, demand for their services remains and plans to further strengthen and develop the business once Covid-19 restrictions ease have been identified.

As partnerships across the UK grow, our vision to expand our enterprise work into other areas of the UK, offering training and discipleship opportunities to team members remains. This ambition was realised in 2019/20 with the opening of **Neal Street Espresso**, our speciality coffee shop in Covent Garden, however two weeks after opening the UK Covid-19 lockdown was announced, causing the Café to close for an extended period. This year the coffee shop has been able to reopen its doors to visitors, residents and workers in Covent Garden and the quality of its coffee and food proved instantly popular. The scale of the Café's offering is being carefully managed to ensure operations match demand and current government restrictions and guidelines for businesses, are being closely followed. As part of Neal Street Espresso's offer a function space was created and this is being rented out for meetings and events this year, providing another income stream and introducing our enterprise work to a wider audience.

MEC Community Grocery: Outcomes against our 2020 – 2021 goals

- **To launch the first Community Grocery in Wythenshawe**
  Achieved – the Community Grocery was launched in Sharston (Wythenshawe) in September 2020 and was quickly feeding 1,000 members a week, with this figure growing to 2,300 by the end of the year.
- **Host monthly community events for our grocery members**
  Achieved – as soon Covid-19 restrictions allowed a programme of monthly events for Community Grocery members and the local community was launched. This includes Thursday Night Live (a monthly live acoustic music evening) and church events.
- **To have a full weekly schedule of support services**
  Achieved – support courses including Alpha (a course where members can explore Christianity), cooking classes, CAP job club, CAP money management, CAP life skills and legal advice are offered in store for members each week.

MEC - OUR BUSINESSES (continued)

MEC Businesses: Outcomes against our 2020 – 2021 goals

- **To reopen our café & catering business and return to an average 100 customers a day**
  Ongoing – the business reopened following the national lockdowns and is currently averaging between 70 and 80 customers a day. A figure that is building.
- **To reopen Neal Street Espresso and employ one additional team member**
  Achieved – Neal Street Espresso has reopened and is consistently seeing income and visitor numbers increase week on week.
- **To reopen our events and conferencing business and bring the room rentals income back to over £5,000 a month**
  Impacted by Covid – given the impact of Covid-19 restrictions on the events and conferencing business room rental income has continued to be supressed this year, however the rooms have not sat empty and have been made available for support courses being run by the Community Grocery.
- **To refurbish a further 5 houses**
  Impacted by Covid – due to the ongoing pandemic restrictions and growth in the number of Community Grocery stores, only one residential property was refurbished in 2020/21.

MEC - SUPPORT AND DISCIPLESHIP

Discipleship continues to be at the heart of our work. Our discipleship programme focused on support and the development continues to prove successful.

The Oaks, our supported house in Wythenshawe, continues to be a hub for its community, being used for Alpha courses, outreach events and Bible studies for both residents and non-residents, in person and online. The residents have been actively sharing the stories of how their lives have been transformed in churches, sometimes online, as well as at local, regional and national events, gaining confidence in the process. We had six residents in The Oaks for the full year (2020: six). A strategy aimed at reducing the vacancy rate in The Oaks by developing links with new referral partners continues to be in place and new residents have been identified through this.

The Oaks: Outcomes against our 2020 - 2021 goals

- **Reduce The Oaks vacancy rate by developing new referral partners**
  Ongoing – The Oaks team have spoken at multiple conferences highlighting the support and opportunities offered by them, as well as presented literature about the home and support available to every prison chaplain in the UK.

MEC Recruitment pipeline: Outcomes against our 2020 - 2021 goals

- **To take on a further eight apprentices through our cafés, building maintenance and grocery enterprises, including apprentices in Message Community Groceries outside of Manchester**
  Ongoing – the speed at which new team members could be recruited was impacted by Covid-19 restrictions, as several of the businesses were unable to fully operate during the national lockdowns. This year we took on an additional six apprentices, including newly created roles within the Community Grocery. We also placed an additional four people on the Government's Kick Starter programme and have vacancies for another 12 in 2021/22.

MEC - SUPPORTER EVENTS AND FUNDRAISING

Our ability to hold business network dinners was impacted by Covid-19 restrictions this year. However, we continue to fundraise and have a pipeline of people who would love to join our networking programme, once it is relaunched.

Many businesses and organisations have chosen to support the Message Enterprise Centre during the past year, and we are very grateful to them all. One example of the relationships in place is Mowgli Street Food, where we are one of their ten chosen 'House Charities' for their charitable trust.

Supporter events and fundraising: Outcomes against our 2020 - 2021 goals

- **Recruit 50 new staff personal supporters**
  Ongoing – we added 25 new personal supporters this year but are encouraged by initial indications that this will increase further in 2021/22

- **Fundraise positions for up to 5 team members**
  Achieved - we currently support seven team members.

CHARITABLE GIVING

Following a further change in policy, our charitable giving this year totalled £2,571 (2020: £3,233) and was distributed in the following ways, to organisations or individuals who share similar objectives to The Message Enterprise Centre:

- Legal Fees £Nil (2020: £2,300 sponsoring an application for an Apprentice to be given the right to work in this country).
- Wedding Gifts to Apprentices - £1,000 (2020: £Nil)
- Hardship funding to support those in need - £713 (2020: £Nil)
- Other gifts to Apprentices - £858 (2019: £933)

FINANCIAL REVIEW

The 2021 accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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), effective from 1 January 2019.

The Trustees have taken the opportunity to review all The Message Enterprise Centre's key accounting policies to ensure that they are in accordance with the requirements of the Charities SORP (FRS 102) and best accounting practice.

Review of the year

The total income for the year was £1,341k (2020: £1,476k), with total expenditure of £1,103k (2020: £1,106k). Leaving Unrestricted total funds carried forward of £3,045k (2020:£ 2,055k) available for future periods, of which £2,958k (2020: £2,020k) is designated for future projects, and £80k (2020: £133k) of restricted funds, of which £68k is for Apprentice funding (2020: £129k); £5k for Neal Street Espresso (2020: £ Nil); £5k for The Oaks (2020:£ 2k); £2k for the Business Enterprises (2020:£2k).

Income and Expenditure

The Message Enterprise Centre relies on donations as its principal source of funding, whilst the business enterprises are still working towards breaking even. Total donations, including Gift Aid amounted to £312k (2020: £409k).

In addition, The Message Group gave a separate material item of income to The Message Enterprise totalling £517,428 (2020: £654,070).

Gifts from Foundations and Trusts was £23k (2020: £49k) which constitutes 7% (2020: 12%) of all donations. Gifts from individuals (including Gift Aid & Legacies) of £127k (2020: £175k) provided an additional 41% (2020: 43%) of all donations, while income from Churches, Ministries and Businesses provided £25k - 8% (2020: £18k – 4%). Sponsored Events raised £1k – 0% (2020: £3k – 1%) and Gifts in Kind contributed £2k – 1% (2020: £0.2k – 0%). Whilst the charity does not receive any government grants to fund its apprenticeships, this year due to COVID the charity received government grants under the various staff furlough schemes totalling £93k – 30% (2020: £155k – 38%) the charity received grants from other sources of £41k – 13% (2020: £9k – 2%).

The cost of Raising Funds in the financial statements, amounted to £Nil in 2021 (2020: £6k), with £Nil paid in loan interest (2020: £0.9k paid in interest on mortgages for the investment properties).

Other funds were generated through charitable activities such as the five business enterprises (2020: six), namely Property Rental, Building Maintenance, The Mess Café, Events & Conferences and Wedding Angels. Shine Hair and Beauty closed permanently, at the start of the COVID pandemic.

Governance

The £8k governance (2020: £6k) includes the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, audit fees and core executive management.

FINANCIAL REVIEW (continued)

Net Expenditure / Income

Net income in the year is £238k (2020: Net income £369k) of which £277k net income (2020: £433k net income) is within unrestricted funds and £39k net expenditure (2020: £64k net expenditure) is within restricted funds. During the year the Trustees agreed to designate £94k (2020: £700k) to establish sufficient funds for future Message Enterprise projects and £145k for the purchase of a new housing unit.

Balance Sheet

The Balance Sheet as at 31st August 2021 ensures that the charity has the assets required to deliver its commitments to the community.

Investment Powers and Policies

The Trustees have the power to invest surplus funds of the charity in investments, securities and property as they think fit. The current policy of the Trustees is to invest funds not immediately required by the charity into a range of Deposit accounts which bear competitive rates of interest. This policy is reviewed periodically by the Trustees.

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, to ensure the continuing ability of The Message Enterprise Centre to meet its objectives and obligations.

The total funds held by MEC at 31 August 2021 are £3,125k (2020: £2,188k), of which £80k (2020: £133k) are restricted and not available for the general purposes of the charity.

In order to be prudent, The Message Enterprise Centre aims to accumulate, in general reserves, an amount at least equal to one month's staff costs, approx. £48k (2020: £57k). This has been achieved in the current year. This is our minimum base level for reserves, however, given the degree of uncertainty in the economic climate at present we are currently holding reserves above this level. The amount of General Funds, excluding restricted and designated funds, freely available to spend on any of the charity's purposes as at 31 August 2021 was £87k (2020: £35k). Over the coming year the Trustees' have set financial budgets, which aim to increase the amounts held in general reserves, in order to maintain this policy as the charity grows.

In addition, the Trustees have designated funds to Future Projects arising over the next 5 years £2,813k at 31 August 2021 (2020: £2,020k). These designated funds are held in the form of buildings and other fixed assets, which are an ongoing resource for future mission projects across the charity. The designated fund for Future Mission Projects can only be realised by disposing of £2,813,315 (2020: £2,019,741) the amount of tangible fixed assets and investment properties held by The Message Enterprise Centre.

The Trustees have this year designated £145k (2020: £Nil) to spend on investment properties. The Charity had capital commitments at 31 August 2021 of £145k for the purchase of a new housing unit (2020: £Nil).

FINANCIAL POLICIES

Grant making Policy

Grants are made to businesses who are starting new enterprises that share the same purposes and objectives as The Message Enterprise Centre, namely helping young people by developing their skills, in accordance with Christian values.

Remuneration Policy

The remuneration policy seeks to balance our Christian values and the need to attract and retain staff with appropriate qualifications and skills.

Pay scales are benchmarked against similar jobs in the North-west and a London weighting is applied where appropriate. We review the retail price and consumer price indices for inflation on an annual basis, before deciding upon any annual increments for inflation. Individual staff salaries are reviewed annually, with mid-term reviews every 6 months.

The key management personnel for the Message Enterprise Centre are common to the parent charity The Message Trust. They include the Trustees, Chief Executive Officer and other members of the Executive. The Trustees do not receive any remuneration for their services, whilst the Executive Officers are reimbursed by The Message Trust and their time recharged to The Message Enterprise Centre at cost, as appropriate.

Social Investment Policy

In order to provide appropriate affordable housing for The Message Academy Students during their one year course, as well as providing refurbishment and building maintenance opportunities for our Message Enterprise Building Team Members the charity has adopted a policy of investing in local Wythenshawe properties, rather than renting properties from local landlords. This policy started in 2016 and has continued since then.

The Message Enterprise Centre continues to invest in The Oaks – in order to provide supported accommodation and offer a discipleship programme to those seeking to rebuild their lives. This building is currently being maintained by The Message Enterprise Building Team.

Principal Risks and Uncertainties

The Trustees have identified four principal risk areas for both The Message Trust and its subsidiary The Message Enterprise Centre. These cover potential risks to the reputation of both charities, financial sustainability, safeguarding of young people & vulnerable adults, and cyber security, arising from both internal and external factors. The principal financial sustainability risks present at the year-end are related to the economic consequences of the Covid-19 pandemic and inflation and the potential impact on income for The Message Enterprise Centre. The trustees have adopted a number of measures to counter each of these risks, to reduce the likelihood that they will adversely affect the charity. These strategies are reviewed periodically to ensure they remain effective and are considered sufficient measures to protect the charitable group from significant harm.

The trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, (including the current Covid-19 pandemic). Please refer to the notes on page 21 'Going Concern' for more details.

PLANS FOR FUTURE PERIODS

Goals for 2021-22

Our teams set the following objectives, for the next financial year, during the continuing Covid-19 pandemic. We will therefore keep these plans under review over the coming months, in the light of any new legislation and ongoing changes to government guidance which might affect our businesses and our customers. However, we are still aiming to complete these goals over the next year.

MEC Businesses

- To average 100 customers a day in the Mess Café
- To average 125 Customers a day in Neal St
- To launch a new social enterprise located in the Message Enterprise Centre
- To host 24 external full prices events
- To refurbish a further 3 houses

MEC The Oaks

- Refurbish The Oaks, with a view to renting it to Message Academy students
- Take on five new residents in The Oaks
- Reduce The Oaks vacancy rate

MEC Recruitment Pipeline

- To take on a further 3 enterprise team members

MEC Supporter events and fundraising

- Recruit 50 new staff personal supporters
- Fundraise positions for up to 5 team members

DIRECTORS AND TRUSTEES

The directors of the charity ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.
The trustees serving during the year and since the year-end were as follows:

C. Hardicre (resigned 30 Sept 2021)	G.J. Haynes	A.C. Leakey
D.I. Moore (resigned 30 Sept 2021)	J.A. Wainwright	R.D. White

RELATED PARTIES

A summary of transactions with related parties is set out in note 20 of the financial statements.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2021

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Message Enterprise Centre for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the income and expenditure for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies, as described on pages 21 to 26, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operations.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the trustees of the charity on 23rd May 2022 and signed on its behalf by:



.....
Gordon Haynes
Chairman of Trustees

Date: 23rd May 2022

THE MESSAGE ENTERPRISE CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MESSAGE ENTERPRISE CENTRE

Opinion

We have audited the financial statements of The Message Enterprise Centre 'the charitable company' for the year ended 31 August 2021 which comprise Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the 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 FRS 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 charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources loss 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 Auditor's 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 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions 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 directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report within the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws, regulations and guidance that affect the charitable company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, tax legislation, health and safety legislation, Charities Act England & Wales and employment legislation.
- We enquired of the Trustees and reviewed correspondence and Trustee meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Trustees have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Trustees have in place to prevent and detect fraud. We enquired of the Trustees about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: the recognition of income in the correct period including the correct treatment of the accrual and deferral of income.

- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 an auditor's report 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.

Beever and Struthers

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
St George's House
215/219 Chester Road
Manchester M15 4JE

Date: 27.5.2022

THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDING 31 August 2021

	Note	Unrestricted Funds £	Restricted Funds £	**Total 2021 £**	Total 2020 £
INCOME					
Donations and Legacies	3a	165,550	145,998	**311,548**	408,771
Income from Charitable activities	3b	509,099	-	**509,099**	409,237
Income from Other trading activities	3c	2,502	-	**2,502**	3,015
Investment Income	3d	281	-	**281**	549
Separate material item of income	3e	517,428	-	**517,428**	654,070
TOTAL INCOME		1,194,860	145,998	**1,340,858**	1,475,642
EXPENDITURE					
Raising Funds	4a	-	-	**-**	6,861
Charitable Activities	4b	917,875	185,219	**1,103,094**	1,094,492
Separate material expense item	4c	-	-	**-**	4,840
TOTAL EXPENDITURE		917,875	185,219	**1,103,094**	1,106,193
Net Income / (Expenditure) before Investment gains		276,985	(39,221)	**237,764**	369,450
Net gains on investments		699,389	-	**699,389**	54,240
NET INCOME / (EXPENDITURE)		976,374	(39,221)	**937,153**	423,689
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		976,374	(39,221)	**937,153**	423,689
Transfers between funds		14,146	(14,146)	-	-
NET MOVEMENT IN FUNDS		990,520	(53,367)	**937,153**	423,689
Total Funds Brought Forward		2,054,566	133,476	**2,188,042**	1,764,353
TOTAL FUNDS CARRIED FORWARD		3,045,086	80,109	**3,125,195**	2,188,042

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity, as shown above, are classed as continuing operations.

The notes on pages 21 to 38 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE

BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	10	**133,315**	172,854
Investments	11	**2,680,000**	1,846,887
Total Fixed assets		**2,813,315**	2,019,741
CURRENT ASSETS			
Stocks	12	**14,642**	11,323
Debtors	13	**129,481**	62,755
Cash at bank and in hand	14	**277,445**	199,150
Total current assets		**421,568**	273,228
CREDITORS: Amounts falling due within one year	15	**(109,688)**	(104,927)
NET CURRENT ASSETS		**311,880**	168,301
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,125,195**	2,188,042
CREDITORS: Amounts falling due after more than one year		-	-
TOTAL NET ASSETS		**3,125,195**	2,188,042
FUNDS OF THE CHARITY			
Restricted Income Funds	16a	**80,109**	133,476
Unrestricted Funds	16b	**3,045,086**	2,054,566
TOTAL FUNDS		**3,125,195**	2,188,042

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 21 to 38 form an integral part of these financial statements, which were approved and authorised for issue by the trustees on 23rd May 2022 and signed on their behalf by:

..... Rob White, Trustee

..... Gordon Haynes, Trustee

THE MESSAGE ENTERPRISE CENTRE

Company Registration Number 07892774

STATEMENT of CASH FLOWS
YEAR ENDING 31 August 2021

	Note	2021	2020
Cash flows from operating activities		**£**	£
Net movement in funds		**937,153**	423,689
Adjustments to cash flows from non-cash items			
Depreciation		**47,060**	42,001
(Profit) / Loss on disposal of tangible fixed assets		**1,337**	(1,438)
Investment income	3d	**(281)**	(549)
Disposal of Tangible Fixed Assets	10	**2,817**	-
Disposal of Intangible Fixed Assets	9	**-**	(62)
Revaluation of investments	11	**(699,389)**	(54,240)
		288,697	409,401
Working capital adjustments			
(Increase) in stocks	12	**(3,319)**	41,287
Decrease / (Increase) in debtors	13	**(66,727)**	18,649
(Decrease) / Increase in creditors		**8,400**	34,040
Increase in deferred income	15	**(3,638)**	4,137
Net cash flows from operating activities		**223,413**	507,514
Cash flows from investing activities			
Interest receivable and similar income	3d	**281**	549
Proceeds from sale of tangible fixed assets		**(1,337)**	1,438
Purchase of intangible fixed assets	9	**-**	582
Purchase of tangible fixed assets	10	**(10,338)**	(171,117)
Purchase of investments	11	**(133,724)**	(514,092)
Net cash flows from investing activities		**(145,118)**	(682,640)
Cash flows from financing activities			
Repayment of loans and borrowings		**-**	(75,000)
Net cash flows from financing activities		**-**	(75,000)
Net Increase / (decrease) in cash and cash equivalents		**78,295**	(250,126)
Cash and cash equivalents at 1 September		**199,150**	449,276
Cash and cash equivalents at 31 August	14	**277,445**	199,150

All of the cash flows are derived from continuing operations during the two periods above.

The notes on pages 21 to 38 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

1. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements of the charity are made up to 31 August 2021.

The accounts (financial statements) have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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 (FRS 102) effective from 1 January 2019, with the Charities Act 2011, the Companies Act 2006 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS102. The Charity exists for the benefit of the public through the promotion of Christian values and spiritual development, providing education, mentoring and enterprise services, in particular to those who have poor employment potential.

Financial statements

The financial statements are presented in GBP and rounded to the nearest £. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going concern

The trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, due to the Material Item of Income received during the year. This conclusion has been reached after reviewing the Charity's financial position, the levels of reserves and cash, including general funds available to the Charity and the two-year financial forecast. The Trustees have considered the impact of the current Covid-19 pandemic in their assessment and they are confident that the charity will continue as a going concern for the foreseeable future.

The Message Enterprise Centre continues to have the full support of its parent charity – The Message Trust, having all its trustees in common with the parent charity.

Judgements

The Trustees have based the charity's investment property valuations on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset, combined with comparison to movements in Housing Price Indices since their last independent professional valuation – see note 11 for details.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

INCOME

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants

Donations and grants are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 Charities SORP (FRS102)).

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 Charities SORP (FRS 102)).

Income is deferred only when there are conditions to fulfil before becoming entitled to it and where the donor has specified that the income is to be expended in a future period.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP (FRS 102) or FRS 102.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Contractual income

This is only included in the SoFA once the charity has provided the related goods or services.

Donated services and facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Many volunteers give freely of their time in the service of our Lord for the Trust, the value of which is unquantifiable.

Income from interest and royalties

This is included in the accounts when receipt is probable, and the amount receivable can be measured reliably.

Settlement of insurance claims

Insurance claims are only included in the SoFA when the general income recognition criteria are met and are included as an item of other income in the SoFA.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

EXPENDITURE and LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating staff costs by the time spent and other costs by their usage.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation is recognised.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition at cost, as per paragraph 11.7 SORP (FRS102). Subsequent measurement is at fair value (their market value), as per paragraphs 11.17 to 11.19, SORP (FRS102).

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year and cost at least £1,000 (Prior to 1 September 2020, if they cost at least £500). They are valued at cost.

Depreciation is provided in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The following annual rates are used:

Leasehold Property	20%
Oaks Fixtures and Fittings	25%
Business Equipment	25%
Motor Vehicles	25%

Depreciation is first charged in the quarter following acquisition and up to the month of disposal. No provision is made for the increased cost of tangible fixed assets.

Intangible fixed assets

The charity has intangible fixed assets, that is, non-monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. They are valued at cost.

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

The following annual rates have been applied:

Good Seeds	previously 10%, but now written off in full after 3 years

Investments

Fixed asset investments are valued initially at cost and subsequently at fair value (their market value) at the year-end unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale (or pending their sale) and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined by external valuers, with properties being valued on a rolling basis every five years. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in profit or loss.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Cost is determined using the First-in, First-out (FIFO) methodology.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments

The charity has investments which it holds for resale (or pending their sale) and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

They are valued at fair value except where they qualify as basic financial instruments.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds

These are unrestricted funds that have been earmarked for a particular project. This designation is for administrative purposes only and does not restrict the trustees' discretion to apply the fund within the objects of the charity.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the term of the lease.

Pension costs and other benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 102. The charity provides a defined contribution scheme for staff.

2. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee, incorporated in England and Wales, and has no share capital. The registered office is 6 Harper Road, Manchester, M22 4RG. The liability of each member in the event of winding-up is limited to £1.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

3. INCOME

	Unrestricted Funds Total £	Restricted Funds Total £	**Total 2021 £**	Unrestricted Funds Total £	Restricted Funds Total £	Total 2020 £
3a Donations and Legacies						
Gifts Individuals	70,407	23,656	**94,063**	92,939	33,103	126,042
Gifts via Stewardship / CAF	5,161	750	**5,911**	6,110	20,500	26,610
Gifts Churches, Ministries & Business	720	24,110	**24,830**	5,949	12,140	18,089
Gifts Trusts & Foundations	208	22,380	**22,588**	7,110	41,380	48,490
Government Grants	72,117	21,332	**93,449**	120,481	34,760	155,241
Gift Aid	8,509	4,066	**12,575**	15,259	7,061	22,320
Gifts in Kind	2,480	-	**2,480**	170	-	170
Grants	5,833	35,000	**40,833**	7,267	2,000	9,267
Sponsored Events	115	558	**673**	1,769	773	2,542
Legacies	-	14,146	**14,146**	-	-	-
	165,550	145,998	**311,548**	257,054	151,717	408,771
3b Income from Charitable Activities						
Business Enterprises	198,828	-	**198,828**	190,261	-	190,261
Rental Income	201,963	-	**201,963**	131,612	-	131,612
Event Income	4,385	-	**4,385**	20,407	-	20,407
Sundry Income	103,923	-	**103,923**	66,957	-	66,957
	509,099	-	**509,099**	409,237	-	409,237
3c Income from Other trading activities						
Training Sales	-	-	**-**	(257)	-	(257)
Fundraising Events	40	-	**40**	749	100	849
Sundry Income	2,462	-	**2,462**	2,423	-	2,423
	2,502	-	**2,502**	2,915	100	3,015
3d Investment Income						
Bank Interest Received	281	-	**281**	549	-	549
	281	-	**281**	549	-	549
3e Separate Material Item of Income						
Donation from The Message Trust	517,428	-	**517,428**	654,070	-	654,070
	517,428	-	**517,428**	654,070	-	654,070
TOTAL INCOME	1,194,860	145,998	**1,340,858**	1,323,825	151,817	1,475,642

Many volunteers give freely of their time in the service of our Lord for the Charity, the value of which is unquantifiable.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

4. EXPENDITURE

Unrestricted Funds	Staff £	Deprec iation £	Project Costs £	**Direct Costs £**	Staff £	Deprec iation £	Other Support Costs £	**Total Support Costs £**	**Total 2021 £**	Total 2020 £
4a Raising Funds										
Fundraising - Events	-	-	-	-	-	-	-	-	-	5,982
	-	-	-	-	-	-	-	-	-	5,982
Investment Management Costs										
Interest Payable	-	-	-	-	-	-	-	-	-	879
	-	-	-	-	-	-	-	-	-	6,861
4b Charitable Activities										
Business Enterprises	224,786	46,450	509,669	**780,905**	128,826	610	-	**129,436**	**910,341**	872,955
Governance	-	-	-	-	-	-	7,534	**7,534**	**7,534**	6,161
	224,786	46,450	509,669	**780,905**	128,826	610	7,534	**136,970**	**917,875**	879,117
4c Separate Material Item of Expenditure										
Donation to the Message Trust	-	-	-	-					-	4,840
	-	-	-	-	-	-	-	-	-	4,840
Total Expenditure Unrestricted	224,786	46,450	509,669	**780,905**	128,826	610	7,534	**136,970**	**917,875**	890,818
Restricted Funds										
4b Charitable Activities										
Business Enterprises	7,400	-	-	7,400	-	-	-	-	**7,400**	2,138
Neal Street Espresso	23,338	-	-	23,338	-	-	-	-	**23,338**	80,607
Apprentice Funding	128,928	-	932	129,860	-	-	-	-	**129,860**	109,081
The Oaks	24,621	-	-	24,621	-	-	-	-	**24,621**	23,549
	184,287	-	932	**185,219**	-	-	-	-	**185,219**	215,375
Total Expenditure Restricted	184,287	-	932	**185,219**	-	-	-	-	**185,219**	215,375
TOTAL EXPENDITURE	**409,073**	**46,450**	**510,601**	**966,124**	**128,826**	**610**	**7,534**	**136,970**	**1,103,094**	1,106,193

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2021

5. NET INCOME

This is stated after charging / (crediting):

	2021	2020
	£	£
Auditors' remuneration	**5,903**	4,700
Amortisation of goodwill	**-**	2,862
Depreciation of owned assets	**47,060**	39,139
(Profit) / Loss on disposal of asset	**1,337**	(1,438)
Annual charges from operating leases:		
Building Lease	**30,369**	30,203
Rental of Property	**-**	-
Hire of equipment	**5,409**	1,308

6. ANALYSIS OF SUPPORT COSTS

All Support costs have been allocated directly to each project on a basis consistent with the use of resources.

	Admin, HR & Other Support Staff	**2021 Total**	2020 Total
	£	**£**	£
Charitable Activities			
Business Enterprises	129,436	**129,436**	88,875
	129,436	**129,436**	88,875

7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2021	2020
Employee costs during the year:	**£**	£
Wages and salaries	**459,718**	476,756
Social security costs	**36,153**	32,503
Pension costs	**42,028**	20,452
	537,899	529,711

The monthly average number of persons (including the senior management team) employed by the charity during the year was 22 (2020: 24). This includes both full-time and part-time staff. When expressed as full-time equivalents this was as follows:

	2021	2020
	No.	No.
Average number of full-time equivalent staff employed:		
Charitable Activities	**17**	18
Others - Support	**3**	3
	20	21

No employee received emoluments of more than £60,000 in the year.
Amounts paid or reimbursed to Trustees £Nil

The key management personnel are defined as the Trustees, CEO and other Executive Directors of the group in office during the year. They do not receive any remuneration from The Message Enterprise Centre, but the services of the Executive Officers for The Message Enterprise Centre are recharged at cost by the parent charity, The Message Trust. Their total remuneration for the year from the parent charity was £332k (2020: £276k) and the total recharges to MEC in the year for the services of the Executive officers, which is not included in the remuneration of employees above is £53k (2020: £4k - The reduction in the recharges in 2020 was due to COVID-19 furloughs, when the MEC was closed temporarily.)

8. TAX ON SURPLUS ON ORDINARY ACTIVITES

	2021	2020
	£	£
Corporation tax based on the trading results for the year at Nil% (2020: Nil%)	-	-
	-	-

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

9. INTANGIBLE ASSETS

	Goodwill
	£
Cost	
At 1 September 2020	3,542
Additions	-
Disposals	-
At 31 August 2021	3,542
Amortisation	
At 1 September 2020	3,542
Charge for year	-
Disposals	-
At 31 August 2021	3,542
Net Book Value	
At 31 August 2021	-
At 31 August 2020	-

10. TANGIBLE FIXED ASSETS

	Leasehold Property	Oaks Fixtures & Fittings	Business Equipment	Motor Vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 September 2020	140,628	27,935	81,294	7,708	**257,565**
Additions	-	-	10,338	-	**10,338**
Disposals	-	-	(3,008)	-	**(3,008)**
At 31 August 2021	140,628	27,935	88,624	7,708	**264,895**
Depreciation					
At 1 September 2020	14,063	26,834	38,700	5,114	**84,711**
Charge for year	28,126	384	16,956	1,594	**47,060**
Disposals	-	-	(191)	-	**(191)**
At 31 August 2021	42,189	27,218	55,465	6,708	**131,580**
Net Book Value					
At 31 August 2021	98,439	717	33,159	1,000	**133,315**
At 31 August 2020	126,565	1,101	42,594	2,594	**172,854**

11. INVESTMENTS

	2021	2020
	£	£
Investment Properties		
The Oaks	**650,000**	420,887
Other Wythenshawe Properties	**2,030,000**	1,426,000
	2,680,000	1,846,887

The Oaks opened in 2016, as a fully refurbished home in Wythenshawe, offering a residential support programme for up to 8 residents.

As at 31 August 2021 the MEC owns twelve Investment Properties in total, including The Oaks (2020: 11 properties). All 12 Investment Properties were revalued by Longden & Cook, members of the Royal Institute of Chartered Surveyors as at 31 August 2021, following an inspection on 13th October 2021, including the twelfth property which was purchased in April 2021.

The Trustees consider all these properties are carried in the Balance Sheet at their fair value as at 31 August 2021, given these valuations were carried out within 3 months of the year end and the lack of sales of similar properties within the immediate area, to suggest a different valuation. The Trustees have a policy of using professional independent valuers to revalue investment properties on a rolling basis every 5 years.

On an annual basis, the Trustees review these valuations for any significant changes in the local property market and any impairment in the properties and will make adjustments as necessary.

	£
Valuation	
At 1 September 2020	1,846,887
Revaluation	699,389
Additions	133,724
At 31 August 2021	**2,680,000**

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

12. STOCKS

	2021	2020
	£	£
Stocks of finished goods and goods for resale	**14,642**	11,323
	14,642	11,323

13. DEBTORS

	2021	2020
	£	£
Trade debtors	**15,938**	9,121
Amounts due from Group undertakings	**71,967**	21,697
Other debtors	**6,276**	18,459
Prepayments and accrued income	**35,300**	13,477
	129,481	62,755

14. CASH AT BANK & IN HAND

	2021	2020
	£	£
Reserve Accounts	**104,905**	148,460
Current Accounts	**79,970**	50,198
Cash in Hand	**92,570**	492
	277,445	199,150

15. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	**32,266**	22,830
Accruals & Deferred Income	**46,893**	63,801
Taxation and Social Security	**12,609**	11,526
Other Creditors	**17,920**	6,770
	109,688	104,927

Included in accruals and deferred income of £46,893 (2020: £63,801) is deferred income of:

	2021	2020
	£	£
Deferred income brought forward	**9,190**	5,053
Income released in the year	**(51,155)**	(15,055)
Amounts added in the year	**47,517**	19,192
Deferred income carried forward	**5,552**	9,190

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

16. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at 01/09/2020	Movement in Resources Incoming	Outgoing	Transfers Between Funds	Gains on Revaluation Fixed Assets	**Balance at 31/08/2021**
	£	£	£	£	£	**£**
16a. Restricted Funds						
Business Enterprises	2,000	7,873	(7,400)	-	-	**2,473**
Neal Street Espresso	-	28,000	(23,338)	-	-	**4,662**
Apprentice Funding	129,011	68,582	(129,860)	-	-	**67,733**
The Oaks	2,465	27,397	(24,621)	-	-	**5,241**
Wythenshawe Properties	-	14,146	-	(14,146)	-	**-**
	133,476	145,998	(185,219)	(14,146)	-	**80,109**
16b. Unrestricted Funds						
General Fund	34,825	1,194,860	(917,875)	(225,039)	-	**86,771**
Designated Funds						
- Investment Properties	-	-	-	145,000	-	**145,000**
- Revalution Reserve	77,475	-	-	-	699,389	**776,864**
- Future Projects	1,942,266	-	-	94,185	-	**2,036,451**
	2,054,566	1,194,860	(917,875)	14,146	699,389	**3,045,086**
	2,188,042	1,340,858	(1,103,094)	-	699,389	**3,125,195**

The Apprentice Fund stands at £68k as at 31 August 2021 (2020: £129k). This is a restricted fund held for the purpose of funding both existing and future apprentices in our MEC Business Enterprises over a two-year training period.

Neal Street Espresso in London, opened in 2020. The restricted fund is for their Winter Project to support a local church helping homeless people. This fund stands at £4,662 at 31 August 2021 (2020: £Nil).

The charity has designated £145,000 (2020: £Nil) for the purchase of an investment property in the first quarter of 2021-22.

This year the Trustees have set aside a further £94,185 (2020: £700,310), to ensure Future Projects are the equivalent of the Net Book Value of Tangible Fixed assets and Investment Properties, to be used for future projects, arising over the next five years.

During the year £21,728 (2020: £22,675) was received by way of personal support for employees who work in Unrestricted areas of ministry. The gifts received have been fully utilised by way of a contribution to the salaries and associated costs of the individual employees specifically supported.

17. ANALYSIS OF NET ASSETS BY FUND

	Tangible Fixed Assets £	Intangible Assets / Investments £	Net Current Assets £	2021 Total £	2020 Total £
Restricted Funds					
Business Enterprises	-	-	2,473	**2,473**	2,000
Neal Street Espresso	-	-	4,662	**4,662**	-
The Oaks	-	-	5,241	**5,241**	2,465
Apprentice Funding	-	-	67,733	**67,733**	129,011
	-	-	80,109	**80,109**	133,476
Unrestricted Funds	133,315	2,637,812	273,959	**3,045,086**	2,054,566
	133,315	2,637,812	354,068	**3,125,195**	2,188,042

18. PENSIONS

The charity operates a defined contribution pension scheme on behalf of its employees. All contributions due have been fully paid.

19. CONTINGENCIES

The trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2021 (2020: £Nil).

20. RELATED PARTIES

The Message Trust (Parent Charity – registered charity number 1081467 and company limited by guarantee, registered in the UK with company number 03961183) sold goods and services to the value of £22,768 (2020: £25,191) at cost to The Message Enterprise Centre during the year. The Message Enterprise Centre sold goods and services to the value of £98,183 (2020: £72,261) at cost to The Message Trust (Parent Charity) during the year. Appropriate expenses totalling £80,781 in 2021 (2020: £83,801) (wages, premises costs, etc) were recharged from The Message Trust (Parent Charity) to The Message Enterprise Centre at cost. The Message Enterprise Centre paid £30,369 (2020: £30,204) in rent to The Message Trust, whilst The Message Trust paid £42,300 (2020: £23,400) in rent to The Message Enterprise Centre for the academy students' accommodation and the Community Grocery Distribution Hub in property which is owned by The Message Enterprise Centre for rental purposes. The Message Trust donated £517,428 (2020: £654,070) to The Message Enterprise Centre for general funds and future Message Enterprise projects, to enable the charity to continue to meet the needs of its existing apprentices and new trainees. As at 31 August 2021, The Message Trust owed The Message Enterprise Centre £71,967. (2020: £21,697). The Message Trust and The Message Enterprise Centre share the same Trustees and Executive directors. Consolidated accounts for the group are available from the Charity Commission or Companies House website.

Collectively, the Trustees gave £1,500 including gift aid to The Message Enterprise (2020: £10,875).

21. OPERATING LEASE COMMITMENTS

At the year end the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2021	2020	**2021**	2020
	£	£	**£**	£
Not later than one year	**31,318**	30,204	**3,448**	-
Later than one year and not later than five years	**-**	-	**862**	8,448

22. CAPITAL COMMITMENTS

The trustees have confirmed that there were capital commitments at 31 August 2021 totalling £145,000 (2020 : £Nil) for the purchase of an investment property in the first quarter of 2021-22.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

23. ANALYSIS OF CHANGES IN NET DEBT

	At 01/09/2020 £	Cashflows £	At 31/08/2021 £
Cash	199,150	78,295	**277,445**
	199,150	78,295	**277,445**

THE MESSAGE ENTERPRISE CENTRE

England & Wales - Charity number 1147287

Accounts

ENTERPRISE CENTRE

THE MESSAGE ENTERPRISE CENTRE

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2020

Company Limited by Guarantee

Company Registration Number 07892774

Registered Charity Number 1147287

THE MESSAGE ENTERPRISE CENTRE

FINANCIAL STATEMENTS

YEAR ENDING 31 AUGUST 2020

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THE MESSAGE ENTERPRISE CENTRE

REFERENCE AND ADMINISTRATIVE DETAILS

The Board of Trustees	A. C. Leakey C. Hardicre (Chairman) G. J. Haynes R. D. White J. A. Wainwright D. I. Moore
Company Secretary	I. Rowbottom
Chief Executive	A. Hawthorne OBE
Business Centre Manager	S. Hawthorne
Registered Office	6 Harper Road Sharston Manchester Lancashire M22 4RG
External Auditors	Beever and Struthers St George's House 215-219 Chester Road Manchester M15 4JE
Bankers	National Westminster Bank PLC 34 High Street Cheadle Cheshire SK8 1AF
Solicitors	Knights Plc (formerly known as Croftons Solicitors LLP) Riverside Court Wilmslow SK9 1DL

THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2020

The Trustees have pleasure in presenting their report (including the directors' report as required by company law) and the financial statements of the charity for the year ending 31 August 2020.

The Message Enterprise Centre is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number 1147287. Company number 07892774. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

BACKGROUND AND OBJECTIVES

The Message Enterprise Centre was incorporated on 28 December 2011, as a company limited by guarantee, and became a registered charity on 17 May 2012.

The Message Trust changed its objects by special resolution on 5 February 2019. Our object is now:

- To advance the Christian faith and relieve unemployment for the benefit of the public with a specific focus on young people and vulnerable adults who are at risk of re-offending or who have poor employment potential, through education, enterprise, befriending, mentoring, faith-based activities and outreach.

These objects are being worked out in three main areas:

- Building on relationships established by The Message Trust's Prisons team, providing long-term, one-to-one mentoring and support to ex-offenders upon their release from prison

- Following a period of probation, offering training and employment to prison leavers in one of our businesses (currently on-site café and mobile catering firm, health and beauty salon, property and events management, building and garden service firms) as 'apprentices'

- In partnership with local churches, providing resettlement help and supportive community in local areas across Greater Manchester, especially in areas where the Eden Network has a presence

STRUCTURE, GOVERNANCE AND MANAGEMENT

The directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees' recruitment is by personal contact of existing Trustees. They are then elected by the Board of Trustees in consultation with the Chief Executive, on the basis of their expertise, wisdom and advice that they can bring to the Management and Administration of the Charity. Training and induction is provided to new trustees as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board of Trustees has a variety of experience including both Christian ministry and commercial business skills. They meet quarterly to oversee the vision and strategies of the charity. Executive Directors and the Business Centre Manager have been appointed by the Trustees to oversee the day-to-day operations of the charity. The Board is accountable to the Charity Commission for the careful use of charitable and other public funds provided in a variety of forms, and for the achievement of appropriate performance standards in service delivery. The Board also undertakes at least one additional annual away-day for the purposes of further developing The Message Enterprise Centre Mission and Vision, and to concentrate on continuous improvement in performance.

With the growth of activities of the Enterprise Centre an increasing level of expertise is required on a day-to-day basis and a senior management team is in place that is capable of running the affairs of the charity. The Charity's Executive Board, headed by the Chief Executive, Mr A Hawthorne, is accountable via the Chief Executive to the Board of Trustees. Day-to-day management matters are further scrutinised by a cross-functional team of internal departmental managers, who meet on a monthly basis. This latter group's work is fed into the Executive process whenever a more significant matter of policy or other key decision-making arises.

The Trustees remain committed to the policy of helping break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre recognises the importance of our staff and aims to help them to develop their potential, improve their skills and gain greater job satisfaction.

Summary of priorities:

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Our mission is to help break the pattern of re-offending through one-to-one mentoring, training and employment, and supportive community.

The Message Enterprise Centre's Executive leadership team seek to achieve this by motivating staff and volunteers with a compelling vision and supporting them within a robust management framework.

Volunteers are crucial to the smooth running of the Centre. Our team of regular volunteers provides support to our businesses, particularly The Mess Café when catering for large functions. We ensure they have comprehensive support in their roles through appropriate policies and procedures, clarifying the extent of their remit and providing checks and balances in relation to the key areas of the Management & HR Strategy.

THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2020

ACHIEVEMENTS AND PERFORMANCE

The Message Enterprise Centre: 2019-20 in review

This was a year of two distinct halves for the Message Enterprise Centre (MEC) with the businesses experiencing significant growth in the first half of the year as well as our planned expansion of enterprise into London taking place. However, the national lockdown announced on 23 March 2020 immediately saw many of our enterprises required to close their doors temporarily as restrictions to slow the spread of Covid-19 were introduced. Restrictions that remained in place within Greater Manchester up until the end of the financial year.

Whilst the operation of enterprises were undoubtedly impacted by Covid-19 and the restrictions in place we were determined that the MEC would not sit empty and instead it was repurposed to help those in need within our local community. The café kitchen that usually prepares meals for Mess Café customers became a centre cooking and despatching hundreds of meals packs to hungry and vulnerable families across Wythenshawe as well as preparing lunch packs for school children missing out on free school meals.

From this emergency response, long-term opportunities to serve the local community, provide training for team members and scale up our mission have emerged through the Message Community Grocery (see page 11).

Alongside this we saw significant investment in our property management work with another four residences being added to the portfolio.

Regardless of changes, our focus on discipleship and training remains at the core of our work, with all our graduates finding employment beyond the MEC.

OUR BUSINESSES

This year The Message Enterprise Centre continued with its apprenticeship model for training, aiming to maximise skills development and financial sustainability for our team members. Graduations due for team members on the two-year programme had to be postponed from May to October due to Covid-19, but all three successfully graduated (2019 – three) and have now moved into full-time employment.

Up until the national lockdown, **The Mess Café's** popularity continued to grow and the footfall continued to build even further, supported by the popularity of the events business. There were further opportunities to ensure the Café's efficiency improved, helping to increase revenues and reduce costs.

OUR BUSINESSES (continued)

The **MEC Events** business continued to grow significantly (up to March 2020) with The Venue securing record levels of room booking for a wide range of events, helping to successfully increase the revenue generated in this area of our business. Demand for the space was consistent throughout the week, helped by the securing of some regular Venue bookings.

Whilst a small number of educational clients (where guidelines permit) have retained events booking, the impact of Covid-19 upon the profitability of the MEC Events business has been significant. This year also saw changes within the rental of our office space, however throughout the year the space has remained fully occupied. Current tenants within the office space include Gospel for Asia, EasiDrive (up to January 2020), Our Boards (from January 2020), Barnabus (ReNu) (up to June 2020) and BSkill (from June 2020).

Two new team members joined **Shine Hair & Beauty** and our work to build the hair side of the business continued. The salon was rebranded and work to secure a regular pipeline of clients was underway ahead of the national lockdown. As restrictions began to ease, it became obvious that in order to operate within the new guidelines significant investment into Shine was required to make it Covid compliant. When this expenditure was considered alongside Shine Hair & Beauty's profitability the difficult decision to close the business with effect from July 2020 was made. In making this decision the opportunity to repurpose the space for the **Message Community Grocery** (see page 11) arose. Opportunities for new team roles and apprenticeships within the Community Grocery are being explored.

The work of **MEC Building Services** has focused primarily on the refurbishment and development projects this year, with the team undertaking projects both for The Message and refurbishment of the MEC's rental properties. The team oversaw the development of the new Manchester House of Prayer within the Lancaster House campus, began the development work required on TMT's new enterprise centre in Sheffield, as well as completing numerous other projects throughout the year. The coming year will see the building services team undertake shop fitouts within the new Message Community Grocery as well as continue work on the Sheffield Enterprise Centre. Plans to launch a second building team were realised by bringing them together with The Message Trust Facilities team, meaning that we now have the capacity to be deployed and take on larger projects.

With other team members moving on and reducing demand from commercial clients a decision to cease the operation of **Good Seeds Garden Services** was made in September 2019.

Our **MEC Property Management** grew with the addition of four new properties to our portfolio this year. Ten of the Message's Academy students, (2019 - 10) are housed in MEC properties, with properties also being rented to Message Academy graduates, team members, vulnerable families who are connected to our Eden teams, as well as some employees of The Message Trust, 21 lettings in total in 2020.

This year saw our **Wedding Angels** business grow. Our partnerships with local churches have continued and the growth of the wedding offer within the events business has seen a number of Wedding Angels customers decide to hold their wedding within the MEC. Whilst the national lockdown has impacted upon Wedding Angels' trade demand for their services remains and plans to further strengthen and develop the business once Covid-19 restrictions ease have been identified.

OUR BUSINESSES (continued)

As partnerships across the UK grew, our vision has been to expand our enterprise work outside of Manchester, offering training and discipleship opportunities to team members in other areas of the country. In partnership with London City Mission an opportunity to take on their coffee shop in Neal Street, Covent Garden emerged and has been developed in previous years. In March 2020, **Neal Street Espresso** opened its doors to visitors, residents and workers in Covent Garden and the quality of its coffee and food proved instantly popular. Ahead of the opening a full staff team was appointed for the coffee shop including one team member who would complete a two-year training and discipleship programme with the MEC. Two weeks after opening the UK Covid-19 lockdown was announced, causing the Café to close for an extended period. The scale of the Café's offering is being carefully managed to ensure operations match demand and current government restrictions and guidelines for businesses, including partial re-opening for takeaway as permitted, thus helping to protect the long-term sustainability of the coffee shop.

Growing the MEC businesses: Outcomes against our 2019 – 2020 goals

- **Relaunch, rebrand and refurbish Shine Hair and Beauty**

  Achieved – work to rebranded and relaunch Shine Hair and Beauty had been completed prior to the national lockdown in March 2020, and work on the refurbishment had begun.

- **Recruit two new external social enterprises to become tenants within the Enterprise Centre**
  Achieved – Our Boards and BSkill became Enterprise Centre tenants in January and June 2020 respectively.

- **Launch a second building team**
  Achieved – working with The Message Trust Facilities team means that a second building team has been created and we now have the capacity available to take on larger projects.

- **Purchase and refurbish three new houses for use within The Message Group**
  Achieved – four Message Group houses were refurbished during 2019/20.

- **Develop the Events & Catering business so that it is taking more bookings than 2018-19**
  Impacted by Covid-19 – prior to the national lockdown record levels of bookings were being taken. However, Covid restrictions have significantly impacted the business with only a limited number of education related bookings being able to proceed.

- **Open Neal Street Espresso in London**
  Achieved – Neal Street Espresso opened its doors for business in March 2020.

SUPPORT AND DISCIPLESHIP

Discipleship continues to be at the heart of our work. Our discipleship programme focused on support and the development continues to prove successful.

The Oaks, our supported house in Wythenshawe, continues to be a hub for its community, being used for Alpha courses, outreach events and Bible studies for both residents and non-residents, in person and online. The residents have been actively sharing the stories of how their lives have been transformed in churches, sometimes online, and at local, regional and national events before lockdown, gaining confidence in the process. This year they also travelled over to Germany to be part of a mission being hosted by Message Germany getting to share their stories in churches and communities. We had six residents in The Oaks for the full year (2019: six at varying times). A strategy aimed at reducing the vacancy rate in The Oaks by developing links with new referral partners continues to be in place and new residents have been identified through this.

The Oaks: Outcomes against our 2019 - 2020 goals

- **Enhance support for the training programme operating within the Oaks and within the Business Enterprises**
  Achieved – to ensure full integration of the training and support offered managers meet regularly to ensure consistency and continual development within the training programmes.

- **Reduce The Oaks vacancy rate by developing new referral partners**
  Ongoing – We contacted every prison chaplain in the UK, sending them information about The Oaks, and had a steady number of residents living in the Oaks throughout the year.

- **Increase the number of residents in the year to at least 6**
  Achieved – We had six residents in the Oaks throughout the year.

- **Hold weekly outreach events, seeking responses to the gospel**
  Ongoing – Before Covid, these included Alpha nights, talking to people in homeless shelters, prison visits and conferences. During lockdown, some events went online.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2020

STORIES FROM THE MESSAGE ENTERPRISE CENTRE

Dennis' Story

Dennis' story perfectly encapsulates the journey we take with people through our prison and enterprise ministry.

'I used to be what you'd call a functioning alcoholic. I was working, kept myself out of trouble and thought I was doing fine, but this couldn't have been further from the truth. And I was in denial! If you'd met me back then you'd have seen straight away that my life was chaotic and spiralling out of control, I just didn't know it. The more I drank the angrier I became, falling out with everyone I met. It was only a matter of time before I lost my job, and then things went from bad to worse. I'd been angry before but I became more aggressive.

'In 2013, after another heavy drinking session I assaulted someone and ended up in prison. I'd lost everything and hit rock bottom. The shock of being locked up hit me hard, but in my despair, I felt compelled to pray to Jesus. I still can't explain why I felt like this, but I had an overwhelming feeling of needing to be forgiven and that this was the only way it would happen.

'From that moment something in me changed. There was a shift and I just needed to find out more about Jesus. The next Sunday I headed straight to the chapel. There I found a place filled with God's presence and holiness. Since then I've not looked back.

'I met Richard from the Message in Prisons team who, knowing that I was into music, offered to give me guitar lessons. He was amazing – not just because of his guitar playing – but because he was interested in me. I was used to people avoiding me but Richard wanted to spend time with me chatting about my new faith and showing Jesus' love to me.

'One day, he said, 'Dennis, you've only got four weeks left, what are your plans for when you're released?' I was blown away as I'd been praying hard about this but not told anyone. I was desperate not to head straight back to my old life. I'd found Christ in prison and wanted to live my life for him. I needed a fresh start.

'Richard told me about The Oaks – a place where ex-offenders could get the home, support, job and discipleship they needed to rebuild their lives and grow in their faith. This answered my prayers – I was truly amazed. Four weeks later I headed straight from prison to The Oaks and found there the caring home I needed. I was loved and supported by my instant family. They were there to cheer me on every step of the way. That's not to say it's all been easy. There have been times when I've struggled and it would have been easy to give up, but my Oaks family have been there for me.

'The support of The Message didn't stop with providing me a home in The Oaks, they wanted to help me rebuild the confidence and self-esteem I'd lost, so offered me an apprenticeship at the Message Enterprise Centre. Fast forward two years, I've graduated from the Oaks and I'm completing my training as I work a full-time building job that I love. I have a purpose in life, a future and I know I'm loved unconditionally by God. I could only have dreamed of life being this good!'

SUPPORT AND DISCIPLESHIP (continued)

Recruitment pipeline: Outcomes against our 2019 - 2020 goals

- **Fill each of the vacancies at The Message Enterprise Centre through funded team members**
  Achieved – prior to the national lockdown all team member roles were filled. Given the nature of its work endeavours to fill places within The Oaks is ongoing.
- **Generate 36 applications for the Message Enterprise Centre & The Oaks**
  Ongoing – We only saw 12 new applications, largely due to disruption to our usual activities and prisons work caused by the pandemic.
- **All team members with over one year's service to complete their second year and graduate**
  Ongoing – three team members graduated from their second year and all but two first year team members graduated into their second year.
- **Develop relationships with external agencies so that team members can undertake placements with them**
  Achieved – Team members from the building team in the second year of their apprenticeship began undertaking work placements with an external building firm.

SUPPORTER EVENTS AND FUNDRAISING

Our ability to hold business network dinners was impacted by Covid-19 restrictions this year. However, prior to the national lockdown 1 event was held raising £15,000 (2018-19 £57,000 from 3 events) which allowed us to take on and see more lives transformed through our Message Enterprise Centre. We continue to fundraise and have a pipeline of people who would love to join our programme, once Covid-19 restrictions begin to ease.

Many businesses and organisations have chosen to support the Message Enterprise Centre during the past year, and we are very grateful to them all. One example of the relationships in place is Mowgli Street Food who last year selected us as the charity partner for their Manchester restaurant, but this year added their Birmingham restaurant as well.

Supporter events and fundraising: Outcomes against our 2019 - 2020 goals

- **Recruit another 100 new staff personal supporters**
  Ongoing – staff recruited a total of 15 (97 in 2018-19) new personal supporters during the year bringing in an additional £401 per month by the end of the year. A strategy to encourage the recruitment of new personal supporters has been developed and will continue to be implemented next year.
- **To cover all our charity costs (excluding business activities) through fundraising**
  Achieved – with the assistance of Government grants covering some of the income lost due to Covid-19.
- **Fundraise positions for up to 12 team members**
  Ongoing – apprentice funding totalling £95,050 was raised which equates to 9 first year apprentice salaries. Our ability to fully achieve this objective was impacted by Covid-19 and the associated restrictions, meaning planned events could not progress.

REPURPOSING DURING COVID-19

The announcement of the national lockdown and new national restrictions on 23 March 2020 saw us have to temporarily close a number of our MEC businesses. However, it soon became obvious that there was significant need within the community close to the Message Enterprise Centre, in Sharston, as families struggled to get the free school meals they relied upon, as well as feed their families on a reduced income.

Partnering with Revolution Youth, the Mess Café kitchen became a lifeline to families, cooking and despatching hundreds of meals and free school meal packs to hungry and vulnerable families across Wythenshawe. In total around 60,000 meals were prepared and delivered from the MEC.

As lockdown started to ease it became obvious that the level of need in Wythenshawe as well as across the whole of the UK was not lessening in fact it was it was growing, and families were now in desperate need as they did not know where their next meal was coming from. So, the idea of the **Message Community Grocery** was born. Planning to launch in September 2020 the Community Grocery in Wythenshawe will be supplied through partnerships we have established with supermarkets and food suppliers for the redistribution of surplus food. For £3 per shop each member will be able to get a full shop up to twice a week, that will keep their families fed. Financial modelling has shown that once the initial shop fit has been undertaken (funded through planned fundraising activity) the groceries business model is self-sustaining. We believe Message Community Groceries could be significant in helping to feed our nation's poorest families, so The Message Trust hopes to launch and rollout multiple groceries during 2020/21, based on our model in Wythenshawe and in partnership with local Churches. Initial feedback on plans from potential partners has been encouraging.

Within the Community Grocery in Wythenshawe, team member posts will be created, ensuring the continuation and growth of our enterprise work. A model that it is hoped will be replicated in other groceries, as our enterprise work grows throughout the Message Group.

CHARITABLE GIVING

Following a further change in policy, our charitable giving this year totalled £3,233 (2019: £129) and was distributed in the following ways, to organisations or individuals who share similar objectives to The Message Enterprise Centre:

- Legal Fees £2,300 (2019: £Nil) sponsoring an application for an Apprentice to be given the right to work in this country.
- Other gifts £933 (2019: £129)

THE MESSAGE ENTERPRISE CENTRE
REPORT OF THE TRUSTEES
YEAR ENDING 31 AUGUST 2020

FINANCIAL REVIEW

The 2020 accounts have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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), effective from 1 January 2019.

The Trustees have taken the opportunity to review all The Message Enterprise Centre's key accounting policies to ensure that they are in accordance with the requirements of the Charities SORP (FRS 102) and best accounting practice.

Review of the year

The total income for the year was £1,476k (2019: £2,315k), with total expenditure of £1,106k (2019: £927k). Leaving Unrestricted total funds carried forward of £2,055k (2019:£1,589k) available for future periods, of which £2,020k (2019: £1,319k) is designated for future projects, and £133k (2019: £175k) of restricted funds, of which £129k is for Apprentice funding (2019: £121k); £Nil for Neal Street Espresso (2019: £52k); £2k for The Oaks (2019:£Nil); £2k for the Business Enterprises (2019:£2k).

Income and Expenditure

The Message Enterprise Centre relies on donations as its principal source of funding, whilst the business enterprises are still working towards breaking even. Total donations, including Gift Aid amounted to £409k (2019: £349k).

In addition, The Message Group gave a separate material item of income to The Message Enterprise totalling £654,070 (2019: £1,412,317).

Gifts from Foundations and Trusts was £49k (2019: £43k) which constitutes 12% (2019: 12%) of all donations. Gifts from individuals (including Gift Aid) of £175k (2019: £220k) provided an additional 43% (2019: 63%) of all donations, while income from Churches, Ministries and Businesses provided £18k - 4% (2019: £38k – 11%). Sponsored Events raised £3k – 1% (2019: £17k – 5%) and Gifts in Kind contributed £0.2k – 0% (2019: £16k – 5%). Whilst the charity does not receive any government grants to fund its apprenticeships, this year due to COVID the charity received government grants under the various staff furlough schemes totalling £155k – 38% (2019: £Nil – 0%) the charity received grants from other sources of £9k – 2% (2019 £15k – 4%).

The cost of Raising Funds in the financial statements, amounted to £6k in 2020 (2019: £0.6k), with a further £0.9k paid in loan interest (2019: £10k paid in interest on mortgages for the investment properties).

Other funds were generated through charitable activities such as the six business enterprises, namely Property Rental, Building Maintenance, The Mess Café, Shine Hair and Beauty, Events & Conferences and Wedding Angels.

Governance

The £6k governance (2019: £5k) includes the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, audit fees and core executive management.

FINANCIAL REVIEW (continued)

Net Expenditure / Income

Net income in the year is £369k (2019: Net income £1,388k) of which £433k net income (2019: £1,394k net income) is within unrestricted funds and £64k net expenditure (2019: £6k net expenditure) is within restricted funds. During the year the Trustees agreed to designate £700k (2019: £1,277k) to establish sufficient funds for future Message Enterprise projects.

Balance Sheet

The Balance Sheet as at 31st August 2020 ensures that the charity has the assets required to deliver its commitments to the community.

Investment Powers and Policies

The Trustees have the power to invest surplus funds of the charity in investments, securities and property as they think fit. The current policy of the Trustees is to invest funds not immediately required by the charity into a range of Deposit accounts which bear competitive rates of interest. This policy is reviewed periodically by the Trustees.

Reserves policy

The Trustees have adopted a reserves policy which they consider appropriate, to ensure the continuing ability of The Message Enterprise Centre to meet its objectives and obligations.

The total funds held by MEC at 31 August 2020 are £2,188k (2019: £1,764k), of which £133k (2019: £175k) are restricted and not available for the general purposes of the charity.

In order to be prudent, The Message Enterprise Centre aims to accumulate, in general reserves, an amount at least equal to one month's staff costs, approx. £57k (2019: £40k). This has not been achieved in the current year. The amount of General Funds, excluding restricted and designated funds, freely available to spend on any of the charity's purposes as at 31 August 2020 was £35k (2019: £125k). Over the coming year the Trustees' have set financial budgets, which aim to increase the amounts held in general reserves, in order to maintain this policy as the charity grows.

In addition, the Trustees have designated funds to Future Projects arising over the next 5 years £2,020k at 31 August 2020 (2019: £1,319k). These designated funds are held in the form of buildings and other fixed assets, which are an ongoing resource for future mission projects across the charity. The designated fund for Future Mission Projects can only be realised by disposing of £2,019,741 (2019: £1,319,431) the amount of tangible fixed assets and investment properties held by The Message Enterprise Centre.

The Trustees have this year designated £Nil (2019: £145k) to spend on investment properties. The Charity had capital commitments at 31 August 2020 of £Nil (2019: £261k for the purchase of two investment properties, with the remaining balance of £116k funded from general reserves in 2019-20).

FINANCIAL POLICIES

Grant making Policy

Grants are made to businesses who are starting new enterprises that share the same purposes and objectives as The Message Enterprise Centre, namely helping young people by developing their skills, in accordance with Christian values.

Remuneration Policy

The remuneration policy seeks to balance our Christian values and the need to attract and retain staff with appropriate qualifications and skills.

Pay scales are benchmarked against similar jobs in the North-west and a London weighting is applied where appropriate. We review the retail price and consumer price indices for inflation on an annual basis, before deciding upon any annual increments for inflation. Individual staff salaries are reviewed annually, with mid-term reviews every 6 months.

The key management personnel for the Message Enterprise Centre are common to the parent charity The Message Trust. They include the Trustees, Chief Executive Officer and other members of the Executive. The Trustees do not receive any remuneration for their services, whilst the Executive Officers are reimbursed by The Message Trust and their time recharged to The Message Enterprise Centre at cost, as appropriate.

Social Investment Policy

In order to provide appropriate affordable housing for The Message Academy Students during their one year course, as well as providing refurbishment and building maintenance opportunities for our Message Enterprise Building Team Members the charity has adopted a policy of investing in local Wythenshawe properties, rather than renting properties from local landlords. This policy started in 2016 and has continued since then.

The Message Enterprise Centre continues to invest in The Oaks – in order to provide supported accommodation and offer a discipleship programme to those seeking to rebuild their lives. This building is currently being maintained by The Message Enterprise Building Team.

Principal Risks and Uncertainties

The Trustees have identified four principal risk areas for both The Message Trust and its subsidiary The Message Enterprise Centre. These cover potential risks to the reputation of both charities, financial sustainability, safeguarding of young people & vulnerable adults, and cyber security, arising from both internal and external factors. The trustees have also adopted a number of measures to counter each of these risks, to reduce the likelihood that they will adversely affect the charity. These strategies are reviewed periodically to ensure they remain effective and are considered sufficient measures to protect the charitable group from significant harm.

The trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, (including the current Covid-19 pandemic). Please refer to the notes on page 23 'Going Concern' for more details.

PLANS FOR FUTURE PERIODS

Goals for 2020-21

Our teams set the following objectives, for the next financial year, during the COVID-19 crisis. We will therefore keep these plans under review over the coming months, in the light of government guidance and requirements to shut certain types of business and avoid certain activities. However, we are still aiming to complete these goals over the next year.

Message Community Grocery

- To launch the first Community Grocery in Wythenshawe
- Host monthly community events for our grocery members
- To have a full weekly schedule of support services

MEC Businesses

- To reopen our café & catering business and return to welcoming on average 100 customers a day
- To reopen Neal Street Espresso and employ one additional team member
- To reopen our events and conferencing business and bring the room rentals income back to over £5,000 a month
- To refurbish a further two houses

The Oaks

- Reduce The Oaks vacancy rate by developing new referral partners

Recruitment pipeline

- To take on a further eight apprentices through our cafés, building maintenance and grocery enterprises, including apprentices in Message Community Groceries outside of Manchester.

Supporter events and fundraising

- Recruit 50 new staff personal supporters
- Fundraise positions for up to 5 team members

DIRECTORS AND TRUSTEES

The directors of the charity ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.
The trustees serving during the year and since the year-end were as follows:

C. Hardicre	G.J. Haynes	A.C. Leakey
D.I. Moore	J.A. Wainwright	R.D. White

RELATED PARTIES

A summary of transactions with related parties is set out in note 20 of the financial statements.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES

YEAR ENDING 31 AUGUST 2020

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Message Enterprise Centre for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the income and expenditure for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies, as described on pages 23 to 28, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operations.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the trustees of the charity on 27th August 2021 and signed on its behalf by:

Colin Hardicre

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Colin Hardicre

Trustee

Date: 27th August 2021

THE MESSAGE ENTERPRISE CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MESSAGE ENTERPRISE CENTRE

Opinion

We have audited the financial statements of The Message Enterprise Centre "the charitable company" for the year ended 31 August 2020 which comprise the Statement of Financial Activities (including an income and expenditure account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 August 2020 and of its net income 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 Auditor's 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 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 to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions 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 directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

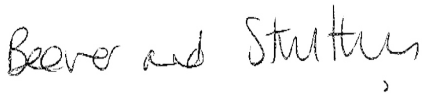
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 an auditor's report 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.



Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
St George's House
215/219 Chester Road
Manchester M15 4JE

Date: 27th August 2021

THE MESSAGE ENTERPRISE CENTRE

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDING 31 August 2020

	Note	Unrestricted Funds £	Restricted Funds £	**Total 2020 £**	Total 2019 £
INCOME					
Donations and Legacies	3a	257,054	151,717	**408,771**	349,130
Income from Charitable activities	3b	409,237	-	**409,237**	536,989
Income from Other trading activities	3c	2,915	100	**3,015**	6,869
Investment Income	3d	549	-	**549**	282
Separate material item of income	3e	654,070	-	**654,070**	1,421,317
TOTAL INCOME		1,323,825	151,817	**1,475,642**	2,314,587
EXPENDITURE					
Raising Funds	4a	6,861	-	**6,861**	11,126
Charitable Activities	4b	879,117	215,375	**1,094,492**	915,497
Separate material expense item	4c	4,840	-	**4,840**	-
TOTAL EXPENDITURE		890,818	215,375	**1,106,193**	926,623
NET INCOME / (EXPENDITURE)		433,007	(63,558)	**369,449**	1,387,964
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		433,007	(63,558)	**369,449**	1,387,964
Transfers between funds	16	(22,003)	22,003	-	-
Gains and losses on revaluation of fixed assets for the charity's own use	11	54,240	-	**54,240**	15,072
NET MOVEMENT IN FUNDS		465,244	(41,555)	**423,689**	1,403,036
Total Funds Brought Forward		1,589,322	175,031	**1,764,353**	361,317
TOTAL FUNDS CARRIED FORWARD		2,054,566	133,476	**2,188,042**	1,764,353

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity, as shown above, are classed as continuing operations.

The notes on pages 23 to 39 form an integral part of these financial statements**.**

THE MESSAGE ENTERPRISE CENTRE

BALANCE SHEET

AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	9	-	3,382
Tangible fixed assets	10	**172,854**	40,876
Investments	11	**1,846,887**	1,278,555
Total Fixed assets		**2,019,741**	1,322,813
CURRENT ASSETS			
Stocks	12	**11,323**	52,610
Debtors	13	**62,755**	81,404
Cash at bank and in hand	14	**199,150**	449,276
Total current assets		**273,228**	583,290
CREDITORS: Amounts falling due within one year	15	**(104,927)**	(141,750)
NET CURRENT ASSETS / (LIABILITIES)		**168,301**	441,540
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,188,042**	1,764,353
CREDITORS: Amounts falling due after more than one year		-	-
TOTAL NET ASSETS		**2,188,042**	1,764,353
FUNDS OF THE CHARITY			
Restricted Income Funds	16a	**133,476**	175,031
Unrestricted Funds	16b	**2,054,566**	1,589,322
TOTAL FUNDS		**2,188,042**	1,764,353

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The notes on pages 23 to 39 form an integral part of these financial statements, which were approved and authorised for issue by the trustees on 27th August 2021 and signed on their behalf by:

Colin Hardicre

…….. Colin Hardicre, Trustee

…….. Gordon Haynes, Trustee

THE MESSAGE ENTERPRISE CENTRE

Company Registration Number 07892774

STATEMENT of CASH FLOWS
YEAR ENDING 31 August 2020

	Note	**2020**	2019
Cash flows from operating activities		**£**	£
Net movement in funds		**423,689**	1,403,036
Adjustments to cash flows from non-cash items			
Depreciation	9&10	**42,001**	17,573
Profit on disposal of tangible fixed assets		**(1,438)**	(450)
Investment income	3d	**(549)**	(282)
Disposal of Intangible Fixed Assets	9	**(62)**	-
Revaluation of investments	11	**(54,240)**	(15,072)
		409,401	1,404,805
Working capital adjustments			
Decrease / (increase) in stocks	12	**41,287**	(31,929)
Decrease in debtors	13	**18,649**	1,566
Increase / (decrease) in creditors	15	**34,040**	(444,445)
Increase in deferred income	15	**4,137**	2,260
Net cash flows from operating activities		**507,514**	932,257
Cash flows from investing activities			
Interest receivable and similar income	3d	**549**	282
Proceeds from sale of tangible fixed assets		**1,438**	450
Purchase of intangible fixed assets	9	**582**	(624)
Purchase of tangible fixed assets	10	**(171,117)**	(15,469)
Purchase of investments	11	**(514,092)**	(140,378)
Net cash flows from investing activities		**(682,640)**	(155,739)
Cash flows from financing activities			
Value of new loans obtained during the period		**-**	-
Repayment of loans and borrowings	23	**(75,000)**	(414,109)
Net cash flows from financing activities		**(75,000)**	(414,109)
Net (decrease) / increase in cash and cash equivalents		**(250,126)**	362,409
Cash and cash equivalents at 1 September		**449,276**	86,867
Cash and cash equivalents at 31 August	14	**199,150**	449,276

All of the cash flows are derived from continuing operations during the two periods above.

The notes on pages 23 to 39 form an integral part of these financial statements.

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements of the charity are made up to 31 August 2020.

The accounts (financial statements) have been prepared in accordance with the Charities SORP (Statement of Recommended Practice) (second edition – October 2019) 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 (FRS 102) effective from 1 January 2019, with the Charities Act 2011, the Companies Act 2006 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS102. The Charity exists for the benefit of the public through the promotion of Christian values and spiritual development, providing education, mentoring and enterprise services, in particular to those who have poor employment potential.

Financial statements

The financial statements are presented in GBP and rounded to the nearest £. The accounts include all transactions, assets and liabilities for which the charity is responsible in law.

Going concern

The trustees consider that there are no material uncertainties related to events or conditions that cast significant doubt on the charity's ability to continue to operate as a going concern, due to the Material Item of Income received during the year. This conclusion has been reached after reviewing the Charity's financial position, the levels of reserves and cash, including general funds available to the Charity, and the two-year financial forecast.

Due to the Covid-19 pandemic, The Trustees undertook a number of immediate cost saving measures during the year and are willing to make further reductions in the coming months if required as the situation changes. The longer-term economic impact of the pandemic remains uncertain, and therefore revised Budgets have been prepared for the coming year taking account of the planned cost reduction and expected temporary fall in income, particularly in relation to the Charity's primary-purpose trading and voluntary giving from in-person events. Alongside this, 2-year financial forecasts have been prepared including scenario modelling, to stress test the forecasts for worst case outcomes, such as a 20% reduction in income. Such modelling demonstrates that the Charity's total unrestricted reserves are sufficient enough to sustain a fall in income for the next two years at least, without the need to make further cost reductions, although further cost saving measures would in all likelihood be taken in such circumstances to mitigate the loss of income. Accordingly, the Trustees considered these factors in their assessment and they are confident that the charity will continue as a going concern for the foreseeable future.

The Message Enterprise Centre continues to have the full support of its parent charity – The Message Trust, having all its trustees in common with the parent charity.

Judgements

The Trustees have based the charity's investment property valuations on observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset, combined with comparison to movements in Housing Price Indices since their last independent professional valuation – see note 11 for details.

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2020

INCOME

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants

Donations and grants are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 Charities SORP (FRS102)).

In the case of performance related grants, income is only recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 Charities SORP (FRS 102)).

Income is deferred only when there are conditions to fulfil before becoming entitled to it and where the donor has specified that the income is to be expended in a future period.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the Charities SORP (FRS 102) or FRS 102.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations and gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Contractual income

This is only included in the SoFA once the charity has provided the related goods or services.

Donated services and facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Donated goods for resale are measured at fair value on initial recognition, which is the expected proceeds from sale less the expected costs of sale and recognised in 'Income from other trading activities' with the corresponding stock recognised in the balance sheet. On its sale the value of stock is charged against 'Income from other trading activities' and the proceeds from sale are also recognised as 'Income from other trading activities'

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Many volunteers give freely of their time in the service of our Lord for the Trust, the value of which is unquantifiable.

Income from interest and royalties

This is included in the accounts when receipt is probable, and the amount receivable can be measured reliably.

Settlement of insurance claims

Insurance claims are only included in the SoFA when the general income recognition criteria are met and are included as an item of other income in the SoFA.

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2020

EXPENDITURE and LIABILITIES

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating staff costs by the time spent and other costs by their usage.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation is recognised.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

Basic financial instruments

The charity accounts for basic financial instruments on initial recognition at cost, as per paragraph 11.7 SORP (FRS102). Subsequent measurement is at fair value (their market value), as per paragraphs 11.17 to 11.19, SORP (FRS102).

THE MESSAGE ENTERPRISE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDING 31 August 2020

ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year and cost at least £500. They are valued at cost.

Depreciation is provided in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost or valuation of the assets.

The following annual rates are used:

Oaks Fixtures and Fittings	25%
Business Equipment	25%
Motor Vehicles	25%

Depreciation is first charged in the quarter following acquisition and up to the month of disposal. No provision is made for the increased cost of tangible fixed assets.

Intangible fixed assets

The charity has intangible fixed assets, that is, non-monetary assets that do not have physical substance but are identifiable and are controlled by the charity through custody or legal rights. They are valued at cost.

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

The following annual rates have been applied:

Good Seeds	previously 10%, but now written off in full after 3 years

Investments

Fixed asset investments are valued initially at cost and subsequently at fair value (their market value) at the year-end unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale (or pending their sale) and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

Investment properties

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined by external valuers, with properties being valued on a rolling basis every five years. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in profit or loss.

Stocks and work in progress

Stocks held for sale as part of non-charitable trade are measured at the lower of cost or net realisable value. Cost is determined using the First-in, First-out (FIFO) methodology.

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Current asset investments

The charity has investments which it holds for resale or pending their sale and cash and cash equivalents with a maturity date less than one year. These include cash on deposit and cash equivalents with a maturity date of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

They are valued at fair value except where they qualify as basic financial instruments.

Funds

Funds held by the charity are either:

Unrestricted general funds

These are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds

These are unrestricted funds that have been earmarked for a particular project. This designation is for administrative purposes only and does not restrict the trustees' discretion to apply the fund within the objects of the charity.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the term of the lease.

Pension costs and other benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 102. The charity provides a defined contribution scheme for staff.

2. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee, incorporated in England and Wales, and has no share capital. The registered office is 6 Harper Road, Manchester, M22 4RG. The liability of each member in the event of winding-up is limited to £1.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2020

3. INCOME

	Unrestricted Funds Total £	Restricted Funds Total £	**Total 2020 £**	Unrestricted Funds Total £	Restricted Funds Total £	Total 2019 £
3a Donations and Legacies						
Gifts Individuals	99,049	53,603	**152,652**	102,959	98,600	201,559
Gifts Churches, Ministries & Business	5,949	12,140	**18,089**	18,780	18,636	37,416
Gifts Trusts & Foundations	7,110	41,380	**48,490**	26,075	16,908	42,983
Government Grants	120,481	34,760	**155,241**	-	-	-
Gift Aid	15,259	7,061	**22,320**	14,631	4,161	18,792
Gifts in Kind	170	-	**170**	16,205	-	16,205
Grants	7,267	2,000	**9,267**	7,000	7,834	14,834
Sponsored Events	1,769	773	**2,542**	17,341	-	17,341
	257,054	151,717	**408,771**	202,991	146,139	349,130
3b Income from Charitable Activities						
Business Enterprises	190,261	-	**190,261**	330,846	-	330,846
Rental Income	131,612	-	**131,612**	110,472	-	110,472
Event Income	20,407	-	**20,407**	29,727	-	29,727
Sundry Income	66,957	-	**66,957**	65,944	-	65,944
	409,237	-	**409,237**	536,989	-	536,989
3c Income from Other trading activities						
Training Sales	(257)	-	**(257)**	-	-	-
Fundraising Events	749	100	**849**	-	-	-
Sundry Income	2,423	-	**2,423**	6,869	-	6,869
	2,915	100	**3,015**	6,869	-	6,869
3d Investment Income						
Bank Interest Received	549	-	**549**	282	-	282
	549	-	**549**	282	-	282
3e Separate Material Item of Income						
Donation from The Message Trust	654,070	-	**654,070**	1,421,317	-	1,421,317
	654,070	-	**654,070**	1,421,317	-	1,421,317
TOTAL INCOME	1,323,825	151,817	**1,475,642**	2,168,448	146,139	2,314,587

Many volunteers give freely of their time in the service of our Lord for the Charity, the value of which is unquantifiable.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2020

4. EXPENDITURE

Unrestricted Funds	Staff £	Deprec iation £	Project Costs £	**Direct Costs £**	Staff £	Deprec iation £	Other Support Costs £	**Total Support Costs £**	**Total 2020 £**	Total 2019 £
4a Raising Funds										
Fundraising - Events	-	-	5,982	**5,982**	-	-	-	**-**	**5,982**	640
	-	-	5,982	**5,982**	-	-	-	**-**	**5,982**	640
Investment Management Costs										
Interest Payable	-	-	879	**879**	-	-	-	**-**	**879**	10,486
	-	-	6,861	**6,861**	-	-	-	-	**6,861**	11,126
4b Charitable Activities										
Business Enterprises	234,470	38,589	511,021	**784,080**	88,576	299	-	**88,875**	**872,955**	703,487
The Oaks	-	-	-	**-**	-	-	-	**-**	**-**	54,684
Governance	-	-	-	**-**	-	-	6,161	**6,161**	**6,161**	5,478
	234,470	38,589	511,021	**784,080**	88,576	299	6,161	**95,036**	**879,117**	763,649
4c Separate Material Item of Expenditure										
Donation to the Message Trust	-	-	4,840	**4,840**					**4,840**	-
	-	-	4,840	**4,840**	-	-	-	-	**4,840**	-
Total Expenditure Unrestricted	234,470	38,589	522,723	**795,782**	88,576	299	6,161	**95,036**	**890,818**	774,775
Restricted Funds										
4b Charitable Activities										
Business Enterprises	2,138	-	-	**2,138**	-	-	-	-	**2,138**	4,126
Neal Street Espresso	72,164	-	8,443	**80,607**	-	-	-	**-**	**80,607**	10,426
Apprentice Funding	108,814	-	267	**109,081**	-	-	**-**	**-**	**109,081**	103,603
Training Fund	-	-	-	**-**	-	-	-	**-**	**-**	7,000
The Oaks	23,549	-	-	**23,549**	-	-	-	**-**	**23,549**	23,970
Wythenshawe Properties	-	-	-	**-**	-	-	-	**-**	**-**	2,723
	206,665	-	8,710	**215,375**	-	-	-	-	**215,375**	151,848
Total Expenditure Restricted	206,665	-	8,710	**215,375**	**-**	**-**	-	**-**	**215,375**	151,848
TOTAL EXPENDITURE	**441,135**	**38,589**	**531,432**	**1,011,157**	**88,576**	**299**	**6,161**	**95,036**	**1,106,193**	926,623

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2020

5. NET INCOME

This is stated after charging / (crediting):

	2020	2019
	£	£
Auditors' remuneration	**4,700**	4,700
Amortisation of goodwill	**2,862**	392
Depreciation of owned assets	**39,139**	17,181
(Profit) / Loss on disposal of asset	**(1,438)**	(450)
Annual charges from operating leases:		
Building Lease	**30,203**	30,203
Rental of Property	**-**	-
Hire of equipment	**1,308**	1,308

6. ANALYSIS OF SUPPORT COSTS

All Support costs have been allocated directly to each project on a basis consistent with the use of resources.

	Admin, HR & Other Support Staff	**2020 Total**	2019 Total
	£	**£**	£
Charitable Activities			
Business Enterprises	88,875	**88,875**	147,287
	88,875	**88,875**	147,287

7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2020	2019
Employee costs during the year:	**£**	£
Wages and salaries	**476,756**	361,361
Social security costs	**32,503**	27,510
Pension costs	**20,452**	6,500
	529,711	395,371

The monthly average number of persons (including the senior management team) employed by the charity during the year was 24 (2019: 20). This includes both full-time and part-time staff. When expressed as full-time equivalents this was as follows:

	2020	2019
Average number of full-time equivalent staff employed:	**No.**	No.
Charitable Activities	**18**	15
Others - Support	**3**	3
	21	18

No employee received emoluments of more than £60,000 in the year.
Amounts paid or reimbursed to Trustees £Nil

The key management personnel are defined as the Trustees, CEO and other Executive Directors of the group in office during the year. They do not receive any remuneration from The Message Enterprise Centre, but the services of the Executive Officers for The Message Enterprise Centre are recharged at cost by the parent charity, The Message Trust. Their total remuneration for the year from the parent charity was £276k (2019 £237k) and the total recharges to MEC in the year for the services of the Executive officers, which is not included in the remuneration of employees above is £4k (2019: £12k). (The reduction in the recharges this year is due to COVID-19 furloughs, when the MEC was closed temporarily.)

8. TAX ON SURPLUS ON ORDINARY ACTIVITES

	2020	2019
	£	£
Corporation tax based on the trading results for the year at Nil% (2019: Nil%)	**-**	-
	-	-

The company is a registered charity and is therefore exempt from taxation on its charitable activities.

9. INTANGIBLE ASSETS

Goodwill

	£
Cost	
At 1 September 2019	4,124
Additions	-
Disposals	(582)
At 31 August 2020	3,542
Amortisation	
At 1 September 2019	742
Charge for year	2,862
Disposals	(62)
At 31 August 2020	3,542
Net Book Value	
At 31 August 2020	**-**
At 31 August 2019	3,382

10. TANGIBLE FIXED ASSETS

	Leasehold Property	Oaks Fixtures & Fittings	Business Equipment	Motor Vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 September 2019	-	27,935	53,855	7,708	**89,498**
Additions	140,628	-	30,489	-	**171,117**
Disposals	-	-	(3,050)	-	**(3,050)**
At 31 August 2020	140,628	27,935	81,294	7,708	**257,565**
Depreciation					
At 1 September 2019	-	21,170	24,265	3,187	**48,622**
Charge for year	14,063	5,664	17,485	1,927	**39,139**
Disposals	-	-	(3,050)	-	**(3,050)**
At 31 August 2020	14,063	26,834	38,700	5,114	**84,711**
Net Book Value					
At 31 August 2020	126,565	1,101	42,594	2,594	**172,854**
At 31 August 2019	-	6,765	29,590	4,521	**40,876**

11. INVESTMENTS

	2020	2019
	£	£
Investment Properties		
The Oaks	**420,887**	420,000
Other Wythenshawe Properties	**1,426,000**	858,555
	1,846,887	1,278,555

The Oaks opened in 2016, as a fully refurbished home in Wythenshawe, offering a residential support programme for up to 8 residents.

As at 31 August 2020 the MEC owns eleven Investment Properties in total, including The Oaks (2019: 7 properties). Six of these Investment Properties were initially valued by Longden & Cook, members of the Royal Institute of Chartered Surveyors. The first four properties were valued in the period from 2nd October 2017 to 7th December 2017, and the fifth property on 21st January 2019. The sixth property was purchased in August 2018 and initially carried at its purchase price in the Balance Sheet, plus the cost of refurbishment in 2019. The seventh property was purchased in February 2019 and after being refurbished in 2019 was revalued on 3rd October 2019, also by Longden & Cook. Properties eight, nine and ten were purchased in September, October and November 2019 respectively, with property eleven purchased in January 2020 and initially carried in the Balance sheet at their purchase price.

However, more recent observable market prices, adjusted as appropriate for the nature, location and condition of the property, were reviewed alongside movements in Housing Price Indices in 2020. The Trustees have therefore sort to cautiously reflect these adjustments in the values carried in the balance sheet.

The Trustees consider all these properties are carried in the Balance Sheet at their fair value as at 31 August 2020, given these valuations were carried out within 36 months of the year end and the lack of sales of similar properties within the immediate area, to suggest a different valuation. The Trustees have a policy of using professional independent valuers to revalue investment properties on a rolling basis every 5 years.

	£
Valuation	
At 1 September 2019	1,278,555
Revaluation	54,240
Additions	514,092
At 31 August 2020	**1,846,887**

12. STOCKS

	2020	2019
	£	£
Stocks of finished goods and goods for resale	**11,323**	27,196
Work in Progress - MHOP	**-**	25,414
	11,323	52,610

13. DEBTORS

	2020	2019
	£	£
Trade debtors	**9,122**	23,143
Amounts due from Group undertakings	**21,697**	27,766
Other debtors	**18,459**	7,874
Prepayments and accrued income	**13,477**	22,621
	62,755	81,404

14. CASH AT BANK & IN HAND

	2020	2019
	£	£
Reserve Accounts	**129,466**	432,869
Current Accounts	**69,192**	15,457
Cash in Hand	**492**	950
	199,150	449,276

15. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade Creditors	**22,830**	38,275
Other Loans	**-**	75,000
Accruals & Deferred Income	**63,801**	11,376
Taxation and Social Security	**11,526**	14,017
Other Creditors	**6,770**	3,082
	104,927	141,750

Included in accruals and deferred income of £63,801 (2019: £11,376) is deferred income of:

Deferred Income

	2020	2019
	£	£
Deferred income brought forward	**5,053**	2,793
Income released in the year	**(15,055)**	(13,245)
Amounts added in the year	**19,192**	15,505
Deferred income carried forward	**9,190**	5,053

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2020

16. RECONCILIATION OF MOVEMENTS IN FUNDS

	Balance at 01/09/2019	Movement in Resources Incoming	Outgoing	Transfers Between Funds	Gains on Revaluation Fixed Assets	**Balance at 31/08/2020**
	£	£	£	£	£	**£**
16a. Restricted Funds						
Business Enterprises	2,000	2,138	(2,138)	-	-	**2,000**
Neal Street Espresso	52,032	28,575	(80,607)	-	-	**-**
Apprentice Funding	120,999	95,090	(109,081)	22,003	-	**129,011**
The Oaks	-	26,014	(23,549)	-	-	**2,465**
	175,031	151,817	(215,375)	22,003	-	**133,476**
16b. Unrestricted Funds						
General Fund	124,891	1,323,825	(890,818)	(577,313)	54,240	**34,825**
Designated Funds						
- Investment Properties	145,000	-	-	(145,000)	-	**-**
- Future Projects	1,319,431	-	-	700,310	-	**2,019,741**
	1,589,322	1,323,825	(890,818)	(22,003)	54,240	**2,054,566**
	1,764,353	1,475,642	(1,106,193)	-	54,240	**2,188,042**

The Apprentice Fund stands at £129k as at 31 August 2020 (2019: £121k). This is a restricted fund held for the purpose of funding both existing and future apprentices in our MEC Business Enterprises over a two-year training period.

Neal Street Espresso in London, opened in 2020. The restricted fund for the completion of the refurbishment work and opening of this café has been fully utilised for this purpose in 2020. The balance of the fund is therefore £Nil as at 31 August 2020 (2019: £52,032).

The charity had previously designated £145,000 for the purchase of an investment property in the first quarter of 2019-20. The property was purchased and capitalised in the year, hence the fund as at 31 August 2020 is £Nil (2019: £145,000).

This year the Trustees have set aside a further £700k, the equivalent of the Net Book Value of Tangible Fixed assets and Investment Properties (2019: £1,277k), equivalent to the Net Book Value of Tangible Fixed Assets) for future projects, arising over the next five years.

During the year £22,675 (2019: £9,697) was received by way of personal support for employees who work in Unrestricted areas of ministry. The gifts received have been fully utilised by way of a contribution to the salaries and associated costs of the individual employees specifically supported.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2020

17. ANALYSIS OF NET ASSETS BY FUND

	Tangible Fixed Assets £	Intangible Assets / Investments £	Net Current Assets £	2020 Total £	2019 Total £
Restricted Funds					
Business Enterprises	-	-	2,000	**2,000**	2,000
Neal Street Espresso	-	-	-	**-**	52,032
The Oaks	-	-	2,465	**2,465**	-
Apprentice Funding	-	-	129,011	**129,011**	120,999
	-	-	133,476	**133,476**	175,031
Unrestricted Funds	172,854	1,846,887	34,825	**2,054,566**	1,589,322
	172,854	1,846,887	168,301	**2,188,042**	1,764,353

18. PENSIONS

The charity operates a defined contribution pension scheme on behalf of its employees. All contributions due have been fully paid.

19. CONTINGENCIES

The trustees have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2020 (2019: £Nil).

20. RELATED PARTIES

The Message Trust (Parent Charity – registered charity number 1081467 and company limited by guarantee, registered in the UK with company number 03961183) sold goods and services to the value of £25,191 (2019: £37,935) at cost to The Message Enterprise Centre during the year. The Message Enterprise Centre sold goods and services to the value of £72,261 (2019: £39,260) at cost to The Message Trust (Parent Charity) during the year. Appropriate expenses totalling £83,801 in 2020 (2019: £75,599) (wages, premises costs, etc) were recharged from The Message Trust (Parent Charity) to The Message Enterprise Centre at cost. The Message Enterprise Centre paid £30,204 (2019: £30,204) in rent to The Message Trust, whilst The Message Trust paid £23,400 (2019: £48,450) in rent to The Message Enterprise Centre for the academy students' accommodation in property which is owned by The Message Enterprise Centre for rental purposes. The Message Trust donated £654,070 (2019: £1,421,317) to The Message Enterprise Centre for general funds and future Message Enterprise projects, to enable the charity to continue to meet the needs of its existing apprentices and new trainees. As at 31 August 2020, The Message Trust owed The Message Enterprise Centre £21,697. Last year The Message Trust owed The Message Enterprise Centre (2019: £27,766). The Message Trust and The Message Enterprise Centre share the same Trustees and Executive directors. Consolidated accounts for the group are available from the Charity Commission or Companies House website.

Axon Moore gave £Nil to The Message Enterprise in 2020 (2019: £10,000). David Moore, Trustee of The Message Enterprise is also a director of Axon Moore Group Limited, hence these are related party transactions.

In addition to these transactions above, the Trustees collectively gave £10,875 including gift aid to The Message Enterprise (2019: £14,750).

21. OPERATING LEASE COMMITMENTS

At the year end the total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		**Other**	
	2020	2019	**2020**	2019
	£	£	**£**	£
Not later than one year	**30,204**	30,204	**-**	-
Later than one year and not later than five years	**-**	-	**8,448**	9,031

22. CAPITAL COMMITMENTS

The trustees have confirmed that there were no capital commitments at 31 August 2020. Last year end there was a capital commitment of £261,000 for the purchase of two investment properties, which were purchased in the first quarter of 2019-20.

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019	Cashflows	At 31 August 2020
	£	£	£
Cash	449,276	(250,126)	**199,150**
Loans due < 1 year	(75,000)	75,000	**-**
	374,276	(175,126)	**199,150**

24. CONTINGENT ASSET

Following an appeal and a Tribunal hearing in November 2020, Manchester City Council has been ordered to recalculate the housing benefit due to residents of The Oaks, some of which is paid directly to The Message Enterprise Centre in rent. Until the council has completed its calculations the exact amount of the additional rent which will be paid to The Message Enterprise Centre in back payments is not known, although it is estimated to be of the order of £54k as at 31 August 2020.