



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.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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).

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 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.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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 suppressed 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.

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REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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)

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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).

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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.

THE MESSAGE ENTERPRISE CENTRE

REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2021

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)
D.I. Moore (resigned 30 Sept 2021)

G.J. Haynes
J.A. Wainwright

A.C. Leakey
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.

THE MESSAGE ENTERPRISE CENTRE

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

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.

THE MESSAGE ENTERPRISE CENTRE

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

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.

THE MESSAGE ENTERPRISE CENTRE

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

- 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.

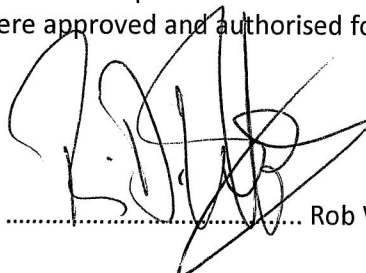
The notes on pages 21 to 38 form an integral part of these financial statements.

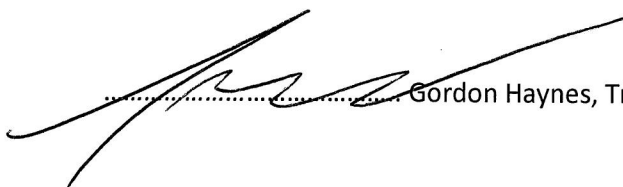
THE MESSAGE ENTERPRISE CENTRE

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)
		<u>288,697</u>	<u>409,401</u>
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		<u>223,413</u>	<u>507,514</u>
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		<u>(145,118)</u>	<u>(682,640)</u>
Cash flows from financing activities			
Repayment of loans and borrowings		-	(75,000)
Net cash flows from financing activities		<u>-</u>	<u>(75,000)</u>
Net Increase / (decrease) in cash and cash equivalents		78,295	(250,126)
Cash and cash equivalents at 1 September		<u>199,150</u>	<u>449,276</u>
Cash and cash equivalents at 31 August	14	<u><u>277,445</u></u>	<u><u>199,150</u></u>

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.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

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.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

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	-	-	-
	<u>165,550</u>	<u>145,998</u>	<u>311,548</u>	<u>257,054</u>	<u>151,717</u>	<u>408,771</u>
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
	<u>509,099</u>	<u>-</u>	<u>509,099</u>	<u>409,237</u>	<u>-</u>	<u>409,237</u>
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
	<u>2,502</u>	<u>-</u>	<u>2,502</u>	<u>2,915</u>	<u>100</u>	<u>3,015</u>
3d Investment Income						
Bank Interest Received	281	-	281	549	-	549
	<u>281</u>	<u>-</u>	<u>281</u>	<u>549</u>	<u>-</u>	<u>549</u>
3e Separate Material Item of Income						
Donation from The Message Trust	517,428	-	517,428	654,070	-	654,070
	<u>517,428</u>	<u>-</u>	<u>517,428</u>	<u>654,070</u>	<u>-</u>	<u>654,070</u>
TOTAL INCOME	<u>1,194,860</u>	<u>145,998</u>	<u>1,340,858</u>	<u>1,323,825</u>	<u>151,817</u>	<u>1,475,642</u>

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

	Staff	Depreciation	Project Costs	Direct Costs	Staff	Depreciation	Other Support Costs	Total Support Costs	Total 2021	Total 2020
	£	£	£	£	£	£	£	£	£	£
Unrestricted Funds										
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	<u>5,409</u>	<u>1,308</u>

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	<u>129,436</u>	<u>129,436</u>	<u>88,875</u>
	<u>129,436</u>	<u>129,436</u>	<u>88,875</u>

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

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
	<u>537,899</u>	<u>529,711</u>

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
	<u>20</u>	<u>21</u>

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 ACTIVITIES

	2021	2020
	£	£
Corporation tax based on the trading results		
for the year at Nil% (2020: Nil%)	-	-
	<u>-</u>	<u>-</u>

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	<u>3,542</u>

Amortisation

At 1 September 2020	3,542
Charge for year	-
Disposals	-
At 31 August 2021	<u>3,542</u>

Net Book Value

At 31 August 2021	<u>-</u>
At 31 August 2020	<u>-</u>

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	<u>140,628</u>	<u>27,935</u>	<u>88,624</u>	<u>7,708</u>	<u>264,895</u>
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	<u>42,189</u>	<u>27,218</u>	<u>55,465</u>	<u>6,708</u>	<u>131,580</u>
Net Book Value					
At 31 August 2021	<u>98,439</u>	<u>717</u>	<u>33,159</u>	<u>1,000</u>	<u>133,315</u>
At 31 August 2020	<u>126,565</u>	<u>1,101</u>	<u>42,594</u>	<u>2,594</u>	<u>172,854</u>

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

11. INVESTMENTS

	2021	2020
	£	£
Investment Properties		
The Oaks	650,000	420,887
Other Wythenshawe Properties	<u>2,030,000</u>	<u>1,426,000</u>
	<u>2,680,000</u>	<u>1,846,887</u>

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	<u>133,724</u>
At 31 August 2021	<u>2,680,000</u>

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	<u>14,642</u>	<u>11,323</u>
	<u>14,642</u>	<u>11,323</u>

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	<u>35,300</u>	<u>13,477</u>
	<u>129,481</u>	<u>62,755</u>

14. CASH AT BANK & IN HAND

	2021	2020
	£	£
Reserve Accounts	104,905	148,460
Current Accounts	79,970	50,198
Cash in Hand	<u>92,570</u>	<u>492</u>
	<u>277,445</u>	<u>199,150</u>

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

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
	<u>109,688</u>	<u>104,927</u>

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	<u>5,552</u>	<u>9,190</u>

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		Transfers Between Funds £	Gains on Revaluation Fixed Assets £	Balance at 31/08/2021 £
		Incoming £	Outgoing £			
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)	-	-
	<u>133,476</u>	<u>145,998</u>	<u>(185,219)</u>	<u>(14,146)</u>	<u>-</u>	<u>80,109</u>
16b. Unrestricted Funds						
General Fund	34,825	1,194,860	(917,875)	(225,039)	-	86,771
Designated Funds						
- Investment Properties	-	-	-	145,000	-	145,000
- Revaluation Reserve	77,475	-	-	-	699,389	776,864
- Future Projects	<u>1,942,266</u>	<u>-</u>	<u>-</u>	<u>94,185</u>	<u>-</u>	<u>2,036,451</u>
	<u>2,054,566</u>	<u>1,194,860</u>	<u>(917,875)</u>	<u>14,146</u>	<u>699,389</u>	<u>3,045,086</u>
	<u><u>2,188,042</u></u>	<u><u>1,340,858</u></u>	<u><u>(1,103,094)</u></u>	<u><u>-</u></u>	<u><u>699,389</u></u>	<u><u>3,125,195</u></u>

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.

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

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
	<u>133,315</u>	<u>2,637,812</u>	<u>354,068</u>	<u>3,125,195</u>	<u>2,188,042</u>

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).

THE MESSAGE ENTERPRISE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2021

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	<u>199,150</u>	<u>78,295</u>	<u>277,445</u>
	<u>199,150</u>	<u>78,295</u>	<u>277,445</u>