



# **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**

| <b>CONTENTS</b>                             | <b>PAGES</b> |
|---------------------------------------------|--------------|
| Reference and administrative details        | 2            |
| Report of the trustees                      | 3 - 14       |
| Independent Auditor's report to the members | 15 - 18      |
| Statement of financial activities           | 19           |
| Balance sheet                               | 20           |
| Statement of cash flows                     | 21           |
| Notes to the financial statements           | 22 - 39      |

# THE MESSAGE ENTERPRISE CENTRE

## REFERENCE AND ADMINISTRATIVE DETAILS

### **The Board of Trustees**

C. Hardicre – Resigned 30 Sept 2021  
G. J. Haynes (Chairman)  
A. C. Leahey  
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**

o

National Westminster Bank PLC  
699 Wilmslow Road  
Didsbury  
Manchester  
M20 6NW

o

### **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.

# **THE MESSAGE ENTERPRISE CENTRE**

## **REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022**

### **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

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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 café's 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.

# THE MESSAGE ENTERPRISE CENTRE

## REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022

### MEC - OUR BUSINESSES (continued)

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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

# THE MESSAGE ENTERPRISE CENTRE

## REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022

### MEC - OUR BUSINESSES (continued)

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- **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

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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 develop 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.

# THE MESSAGE ENTERPRISE CENTRE

## REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022

### MEC - SUPPORTER EVENTS AND FUNDRAISING

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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

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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

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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.

# THE MESSAGE ENTERPRISE CENTRE

## REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022

### FINANCIAL REVIEW (continued)

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#### 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.

# THE MESSAGE ENTERPRISE CENTRE

## REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022

### FINANCIAL POLICIES

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#### 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.

# THE MESSAGE ENTERPRISE CENTRE

## REPORT OF THE TRUSTEES YEAR ENDING 31 AUGUST 2022

### PLANS FOR FUTURE PERIODS

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

# 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, 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.

# 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 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.

# 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.

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](http://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

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

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

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          |
| <b>Adjustments to cash flows from non-cash items</b>   |    |                  |                  |
| 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)        |
|                                                        |    | <b>(41,888)</b>  | <b>288,697</b>   |
| <b>Working capital adjustments</b>                     |    |                  |                  |
| 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               |    | <b>121,705</b>   | <b>223,413</b>   |
| <b>Cash flows from investing activities</b>            |    |                  |                  |
| 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               |    | <b>(370,161)</b> | <b>(145,118)</b> |
| <b>Cash flows from financing activities</b>            |    |                  |                  |
| Net cash flows from financing activities               |    | -                | -                |
| Net (Decrease) / increase in cash and cash equivalents |    | <b>(248,456)</b> | <b>78,295</b>    |
| Cash and cash equivalents at 1 September               |    | <b>277,445</b>   | <b>199,150</b>   |
| Cash and cash equivalents at 31 August                 | 13 | <b>28,989</b>    | <b>277,445</b>   |

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.

# **THE MESSAGE ENTERPRISE CENTRE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDING 31 August 2022**

#### **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 2022**

#### **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 2022

#### 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.

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

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

#### 4. EXPENDITURE

|                                       | Staff   | Deprecia<br>tion | Project<br>Costs | Direct<br>Costs | Staff  | Deprecia<br>tion | Other<br>Support<br>Costs | Total<br>Support<br>Costs | Total<br>2022 | Total<br>2021 |
|---------------------------------------|---------|------------------|------------------|-----------------|--------|------------------|---------------------------|---------------------------|---------------|---------------|
|                                       | £       | £                | £                | £               | £      | £                | £                         | £                         | £             | £             |
| <b>Unrestricted Funds</b>             |         |                  |                  |                 |        |                  |                           |                           |               |               |
| <b>4a Raising Funds</b>               |         |                  |                  |                 |        |                  |                           |                           |               |               |
| Fundraising - Events                  | -       | -                | 24               | 24              | -      | -                | -                         | -                         | 24            | -             |
|                                       | -       | -                | 24               | 24              | -      | -                | -                         | -                         | 24            | -             |
| <b>4b Charitable Activities</b>       |         |                  |                  |                 |        |                  |                           |                           |               |               |
| 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       |
| <b>Total Expenditure Unrestricted</b> | 275,520 | 36,856           | 806,179          | 1,118,555       | 58,530 | 4,193            | 6,958                     | 69,681                    | 1,188,235     | 917,875       |
| <b>Restricted Funds</b>               |         |                  |                  |                 |        |                  |                           |                           |               |               |
| <b>4b Charitable Activities</b>       |         |                  |                  |                 |        |                  |                           |                           |               |               |
| 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       |
| <b>Total Expenditure Restricted</b>   | 132,518 | -                | 5,406            | 137,924         | -      | -                | -                         | -                         | 137,924       | 185,219       |
| <b>TOTAL EXPENDITURE</b>              | 408,038 | 36,856           | 811,585          | 1,256,479       | 58,530 | 4,193            | 6,958                     | 69,681                    | 1,326,159     | 1,103,094     |

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

#### 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 &<br>Other Support<br>Staff | 2022<br>Total | 2021<br>Total |
|------------------------------|---------------------------------------|---------------|---------------|
|                              | £                                     | £             | £             |
| <b>Charitable Activities</b> |                                       |               |               |
| Business Enterprises         | 90,848                                | 90,848        | 88,875        |
|                              | 90,848                                | 90,848        | 88,875        |

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

#### 7. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

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

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      |
|---------------------------------------------------------------|-----------|-----------|
|                                                               | No.       | No.       |
| <b>Average number of full-time equivalent staff employed:</b> |           |           |
| Charitable Activities                                         | 14        | 17        |
| Others - Support                                              | 2         | 3         |
|                                                               | <u>16</u> | <u>20</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 £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 ACTIVITIES

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

#### 9. TANGIBLE FIXED ASSETS

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

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

#### 10. INVESTMENTS

|                              | 2022                    | 2021                    |
|------------------------------|-------------------------|-------------------------|
|                              | £                       | £                       |
| <b>Investment Properties</b> |                         |                         |
| The Oaks                     | 650,000                 | 650,000                 |
| Other Wythenshawe Properties | <u>2,745,000</u>        | <u>2,030,000</u>        |
|                              | <u><b>3,395,000</b></u> | <u><b>2,680,000</b></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 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 6<sup>th</sup> January 2023, or in the case of one property on 25<sup>th</sup> 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.

|                     | £                       |
|---------------------|-------------------------|
| <b>Valuation</b>    |                         |
| At 1 September 2021 | 2,680,000               |
| Revaluation         | 346,155                 |
| Additions           | <u>368,845</u>          |
| At 31 August 2022   | <u><b>3,395,000</b></u> |

# 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 | <u>6,756</u>        | <u>14,642</u>        |
|                                               | <u><u>6,756</u></u> | <u><u>14,642</u></u> |

#### 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      | <u>34,437</u>        | <u>35,300</u>         |
|                                     | <u><u>65,050</u></u> | <u><u>129,481</u></u> |

#### 13. CASH AT BANK & IN HAND

|                  | 2022                 | 2021                  |
|------------------|----------------------|-----------------------|
|                  | £                    | £                     |
| Reserve Accounts | 6,723                | 104,905               |
| Current Accounts | 21,747               | 79,970                |
| Cash in Hand     | <u>519</u>           | <u>92,570</u>         |
|                  | <u><u>28,989</u></u> | <u><u>277,445</u></u> |

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

#### 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         |
|                                    | <u>200,964</u> | <u>109,688</u> |

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 | <u>4,260</u> | <u>5,552</u> |

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

#### 15. RECONCILIATION OF MOVEMENTS IN FUNDS

|                                | Balance at<br>01/09/2021<br>£ | Movement in Resources   |                           | Transfers<br>Between<br>Funds<br>£ | Gains on<br>Revaluation<br>Fixed Assets<br>£ | Balance at<br>31/08/2022<br>£  |
|--------------------------------|-------------------------------|-------------------------|---------------------------|------------------------------------|----------------------------------------------|--------------------------------|
|                                |                               | Incoming<br>£           | Outgoing<br>£             |                                    |                                              |                                |
| <b>15a. Restricted Funds</b>   |                               |                         |                           |                                    |                                              |                                |
| Business Enterprises           | 2,473                         | 8,062                   | (8,061)                   | (474)                              | -                                            | <b>2,000</b>                   |
| 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)                   | -                                  | -                                            | -                              |
|                                | <u>80,109</u>                 | <u>57,195</u>           | <u>(137,924)</u>          | <u>2,620</u>                       | <u>-</u>                                     | <u><b>2,000</b></u>            |
| <b>15b. Unrestricted Funds</b> |                               |                         |                           |                                    |                                              |                                |
| General Fund                   | 86,771                        | 1,186,087               | (1,188,235)               | (41,792)                           | -                                            | <b>42,831</b>                  |
| Designated Funds               |                               |                         |                           |                                    |                                              |                                |
| - Investment Properties        | 145,000                       | -                       | -                         | (145,000)                          | -                                            | -                              |
| - Revaluation Reserve          | 776,864                       | -                       | -                         | -                                  | 346,155                                      | <b>1,123,019</b>               |
| - Future Projects              | <u>2,036,451</u>              | <u>-</u>                | <u>-</u>                  | <u>184,172</u>                     | <u>-</u>                                     | <u><b>2,220,623</b></u>        |
|                                | <u>3,045,086</u>              | <u>1,186,087</u>        | <u>(1,188,235)</u>        | <u>(2,620)</u>                     | <u>346,155</u>                               | <u><b>3,386,473</b></u>        |
|                                | <u><u>3,125,195</u></u>       | <u><u>1,243,282</u></u> | <u><u>(1,326,159)</u></u> | <u><u>-</u></u>                    | <u><u>346,155</u></u>                        | <u><u><b>3,388,473</b></u></u> |

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.

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDING 31 August 2022

### 16. ANALYSIS OF NET ASSETS BY FUND

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

### 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).

# THE MESSAGE ENTERPRISE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDING 31 August 2022

#### 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                           | <b>31,318</b>      | 31,318 | -     | 3,448 |
| Later than one year and not later than five years | <b>75,000</b>      | -      | -     | 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<br>01/09/2021<br>£ | Cashflows<br>£   | At<br>31/08/2022<br>£ |
|------|-----------------------|------------------|-----------------------|
| Cash | 277,445               | (248,456)        | 28,989                |
|      | <u>277,445</u>        | <u>(248,456)</u> | <u>28,989</u>         |