

**Report of the Trustees and
Financial Statements
for the Year Ended 5 April 2021
for
Malachi Community Trust**

Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Malachi Community Trust

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Malachi Community Trust
Report of the Trustees
for the Year Ended 5 April 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Background

Malachi Trust was founded in 1992 to offer support and give advocacy to children affected by family breakdown. The founders of the Trust Gordon and Lyn Lee, had learned from their community work background that in every school in which they had worked, there were children whose life chances were being affected by a disturbed family experience. Interventions with challenging children had tended to be short term and behaviour focused; often relying on punitive intervention or some form of reward based system. There was little evidence of any serious attempt to look behind the behaviour for an understanding of the underlying causes.

Malachi Community Trust remains committed and dedicated to working on behalf of its clients, striving to build on its reputation and remain at the forefront of innovation and service improvement.

Objectives

The objects of the charity are

1. The relief of children and young people who are suffering from conditions of poverty, deprivation, hardship and distress, particularly but not exclusively through the provision of workshops, counselling, information, teaching and advice and to provide support services to their families as the Trustees think fit
2. To advance and promote the spiritual and moral development of children and young people and development of family life values and to stimulate public awareness in the areas of social concern particularly using teachings, drama, music and the performing arts

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Significant activities and Charitable Activities

I am pleased to be able to report continued positive progress in this, the twenty ninth year of the life of Malachi Community Trust.

Our vision for multi-agency partnership working is exemplified in our multi-agency HUB model which continues to be recognised as visionary and highly relevant to central and local government strategy. Services and activities from our first community Hub, 'Billesley ARK' are increasingly used and valued by the local community. Our plans to be able to support homeless families with children from our second Hub, the Malcolm Locker Centre, continue to progress and enjoy the support of statutory and non-statutory partners.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

Billesley HUB

- We are pleased to report that our building, Billesley ARK, is now the head office for the delivery of Birmingham City Council's Early Help programme which we have been funded to deliver across the Selly Oak District of the City. As a consequence, a wide range of supportive and preventative services are being delivered for the benefit of all members of the community.
- Our volunteer led management group, 'Billesley ARK Volunteers', continues to grow and flourish in line with our commitment in supporting user of service, into becoming providers of service, helping them to take an increasing role in their community. The number of volunteers continues to increase.
- Regular activities continue to be provided to people of all ages.

Malachi Community Trust

Report of the Trustees for the Year Ended 5 April 2021

FINANCIAL REVIEW

Reserves policy

The Trust currently holds reserves of £503,191 comprising restricted fund reserves of £224,619 and general funds of £278,572. Of these general funds, £70,376 is currently invested in fixed assets, leaving free reserves of £208,196.

These funds will be utilised to invest wherever necessary to protect and develop services. Consideration will be given to use funds to carry out feasibility studies and research in circumstances where the Trustees are unable to secure funds from other sources either grant aid or loan.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

FUTURE PLANS

MCT remains committed to its HUB vision and continues to seek further opportunities to develop the model.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Malachi Community Trust is a foundation Charitable Incorporated Organisation, registered with the Charity Commission on 23 June 2016.

Recruitment and appointment of new trustees

The trust document provides for a board of trustees to be elected, with officers comprising Chairman, Treasurer and Secretary. Any person is allowed to be nominated and the existing board is charged with accepting or rejecting such nomination by a simple majority. The election of officers takes place each year at an annual general meeting which is an open meeting.

Organisational structure

The board of trustees, which can have up to ten members, administers the charity. The board meets monthly and sub committees are raised from time to time to deal with finance, human resources and general resourcing.

Induction and training of new trustees

New trustees are currently given a full briefing on the operations and methodology of the trust, along with relevant documents including the trust deed and the previous year's trustee meeting minutes. Trustees are encouraged to attend appropriate external training events where these will facilitate their undertaking of the role.

Risk management

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

The trustees have a risk management strategy which comprises:

- Annual risk reviews
- Development of systems and mitigation strategy for the risks identified above
- Implementation of such strategy

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1167817

Malachi Community Trust
Report of the Trustees
for the Year Ended 5 April 2021

Principal address

Billesley Ark
725 Yardley Wood Road
Birmingham
West Midlands
B13 0PT

Trustees

K I Bagby
G Lee
S Jobson

Auditors

Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

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 the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 28 January 2022 and signed on its behalf by:



G Lee - Trustee

Report of the Independent Auditors to the Trustees of Malachi Community Trust

Opinion

We have audited the financial statements of Malachi Community Trust (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Trustees of Malachi Community Trust

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties where appropriate.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

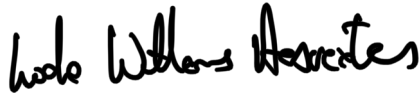
As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and checking the authorisation of expenditure as part of our substantive testing, using analytical review to identify any significant or unusual transactions and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees of
Malachi Community Trust**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Locke Williams Associates LLP
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Birmingham
West Midlands
B3 1RL

28 January 2022

Malachi Community Trust

**Statement of Financial Activities
for the Year Ended 5 April 2021**

	Notes	Unrestricted funds £	Restricted funds £	5.4.21 Total funds £	5.4.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,862	-	5,862	5,111
Charitable activities	4				
Billesley Ark		42,344	-	42,344	24,544
Malcolm Locker		10,000	-	10,000	-
BCC - Early Help		92,208	-	92,208	-
WIMN		49,000	-	49,000	-
Investment income	3	(59)	-	(59)	40,556
Total		199,355	-	199,355	70,211
EXPENDITURE ON					
Charitable activities	5				
Family services		-	-	-	2,673
Billesley Ark		31,828	19,196	51,024	19,196
Malcolm Locker		5,719	-	5,719	49,024
BCC - Early Help		21,542	-	21,542	-
WIMN		49,000	-	49,000	-
Total		108,089	19,196	127,285	70,893
NET INCOME/(EXPENDITURE)		91,266	(19,196)	72,070	(682)
RECONCILIATION OF FUNDS					
Total funds brought forward		187,306	243,815	431,121	431,803
TOTAL FUNDS CARRIED FORWARD		278,572	224,619	503,191	431,121

The notes form part of these financial statements

Malachi Community Trust

Balance Sheet 5 April 2021

	Notes	Unrestricted funds £	Restricted funds £	5.4.21 Total funds £	5.4.20 Total funds £
FIXED ASSETS					
Tangible assets	10	70,367	224,088	294,455	313,651
Investments	11	9	-	9	9
		<u>70,376</u>	<u>224,088</u>	<u>294,464</u>	<u>313,660</u>
CURRENT ASSETS					
Debtors	12	1,888	-	1,888	5,166
Cash at bank and in hand		243,490	531	244,021	120,592
		<u>245,378</u>	<u>531</u>	<u>245,909</u>	<u>125,758</u>
CREDITORS					
Amounts falling due within one year	13	(37,182)	-	(37,182)	(8,297)
NET CURRENT ASSETS		<u>208,196</u>	<u>531</u>	<u>208,727</u>	<u>117,461</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>278,572</u>	<u>224,619</u>	<u>503,191</u>	<u>431,121</u>
NET ASSETS		<u>278,572</u>	<u>224,619</u>	<u>503,191</u>	<u>431,121</u>
FUNDS	14				
Unrestricted funds				278,572	187,306
Restricted funds				224,619	243,815
TOTAL FUNDS				<u>503,191</u>	<u>431,121</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 January 2022 and were signed on its behalf by:



G Lee - Trustee

Malachi Community Trust

**Cash Flow Statement
for the Year Ended 5 April 2021**

	Notes	5.4.21 £	5.4.20 £
Cash flows from operating activities			
Cash generated from operations	17	<u>123,363</u>	<u>17,704</u>
Net cash provided by operating activities		<u>123,363</u>	<u>17,704</u>
Cash flows from investing activities			
Interest received		<u>66</u>	<u>324</u>
Net cash provided by investing activities		<u>66</u>	<u>324</u>
Change in cash and cash equivalents in the reporting period		<u>123,429</u>	<u>18,028</u>
Cash and cash equivalents at the beginning of the reporting period		<u>120,592</u>	<u>102,564</u>
Cash and cash equivalents at the end of the reporting period		<u><u>244,021</u></u>	<u><u>120,592</u></u>

The notes form part of these financial statements

Malachi Community Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

The charity receives grants in respect of its direct charitable activities. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Contractual income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as bank deposits and property. It includes interest and rent. Interest income is recognised on receipt and rent income is recognised as the charity's right to receive payment is established.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities includes staff costs, premises and depreciation costs directly attributable to the furtherance of the charities objects.

Support costs include all other indirect costs, incurred in the management and administration of the charity in pursuing its charitable objectives. Also included in support costs are governance costs, being those costs attributable to the administration of the charity as a whole.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Straight line over 25 years
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost

Malachi Community Trust

Notes to the Financial Statements - continued for the Year Ended 5 April 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Individual assets or groups of assets costing more than £1,000 are capitalised unless the expected useful life is less than two years.

Investments

Investments in ordinary, unlisted shares are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. DONATIONS AND LEGACIES

	5.4.21	5.4.20
	£	£
Donations	<u>5,862</u>	<u>5,111</u>

Malachi Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2021**

3. INVESTMENT INCOME

	5.4.21 £	5.4.20 £
Rental, room hire and recharge of utilities	(125)	40,232
Deposit account interest	66	324
	<u>(59)</u>	<u>40,556</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	5.4.21 £	5.4.20 £
Grants Activity		
Grants Billesley Ark	42,344	24,544
Grants Malcolm Locker	10,000	-
Grants BCC - Early Help	92,208	-
Grants WIMN	49,000	-
	<u>193,552</u>	<u>24,544</u>

Grants received, included in the above, are as follows:

	5.4.21 £	5.4.20 £
The Big Lottery Fund	831	9,144
Groundwork UK	500	9,900
Birmingham City Council - Local Innovation Fund	-	3,000
Awards 4 All	9,995	2,500
BCC - Covid-19 Business Support	20,000	-
Charities Aid Foundation	10,064	-
Lottery Community Fund - Covid-19 Response	49,000	-
BVSC - BCC Early Help	92,208	-
Screwfix Foundation	4,850	-
Heart of England National Emergency	2,104	-
Other	4,000	-
	<u>193,552</u>	<u>24,544</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Billesley Ark	47,073	3,951	51,024
Malcolm Locker	5,719	-	5,719
BCC - Early Help	21,542	-	21,542
WIMN	49,000	-	49,000
	<u>123,334</u>	<u>3,951</u>	<u>127,285</u>

Malachi Community Trust

Notes to the Financial Statements - continued for the Year Ended 5 April 2021

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Billesley Ark	<u>1,971</u>	<u>1,980</u>	<u>3,951</u>

Support costs, included in the above, are as follows:

	5.4.21 Billesley Ark £	5.4.20 Total activities £
Postage, stationery, telephone and computer	204	1,318
Sundries	669	806
Events resources	1,098	1,295
Auditors' remuneration	<u>1,980</u>	<u>1,880</u>
	<u>3,951</u>	<u>5,299</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

8. STAFF COSTS

The charity does not employ or pay any staff directly. Instead it was recharged £31,822 (2020 £4,007) for staff costs from Malachi Specialist Family Support Services CIC.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	5,111	-	5,111
Charitable activities			
Billesley Ark	-	24,544	24,544
Investment income	<u>40,556</u>	<u>-</u>	<u>40,556</u>
Total	<u>45,667</u>	<u>24,544</u>	<u>70,211</u>
EXPENDITURE ON			
Charitable activities			
Family services	2,673	-	2,673
Billesley Ark	-	19,196	19,196
Malcolm Locker	<u>(7,500)</u>	<u>56,524</u>	<u>49,024</u>
Total	<u>(4,827)</u>	<u>75,720</u>	<u>70,893</u>

Malachi Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2021**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	50,494	(51,176)	(682)
RECONCILIATION OF FUNDS			
Total funds brought forward	136,812	294,991	431,803
TOTAL FUNDS CARRIED FORWARD	<u>187,306</u>	<u>243,815</u>	<u>431,121</u>

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 6 April 2020 and 5 April 2021	<u>453,707</u>	<u>46,198</u>	<u>38,260</u>	<u>538,165</u>
DEPRECIATION				
At 6 April 2020	<u>140,286</u>	<u>46,198</u>	<u>38,030</u>	<u>224,514</u>
Charge for year	<u>19,196</u>	<u>-</u>	<u>-</u>	<u>19,196</u>
At 5 April 2021	<u>159,482</u>	<u>46,198</u>	<u>38,030</u>	<u>243,710</u>
NET BOOK VALUE				
At 5 April 2021	<u>294,225</u>	<u>-</u>	<u>230</u>	<u>294,455</u>
At 5 April 2020	<u>313,421</u>	<u>-</u>	<u>230</u>	<u>313,651</u>

All assets are used in direct furtherance of the charity's objects.

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 6 April 2020 and 5 April 2021	<u>9</u>
NET BOOK VALUE	
At 5 April 2021	<u>9</u>
At 5 April 2020	<u>9</u>

There were no investment assets outside the UK.

Included within other investments is a 9% holding in the ordinary share capital of Malachi Specialist Family Support Services CIC, a company incorporated in England. At the year end, the aggregate capital and reserves of the company amounted to £124,381 and a profit for the year amounted to £24,874.

Malachi Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2021**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.21	5.4.20
	£	£
Trade debtors	1,740	4,602
Prepayments and accrued income	148	564
	<u>1,888</u>	<u>5,166</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.21	5.4.20
	£	£
Trade creditors	3,306	116
Accruals and deferred income	33,876	8,181
	<u>37,182</u>	<u>8,297</u>

Deferred Income

	5.4.21	5.4.20
	£	£
Balance as at 1 April	831	
Released in the year	(22,373)	
Deferrals in the year	47,000	831
Balance as at 31 March	<u>25,458</u>	<u>831</u>

Income under contractual arrangements is deferred where it is subject to the performance of certain terms or conditions. Where these have not been met at the balance sheet date, the income is not recognised in the statement of financial activities.

	£	£
Lottery Community Grant	-	831
BVSC - BCC Early Help	<u>25,458</u>	<u>-</u>

14. MOVEMENT IN FUNDS

	At 6.4.20	Net movement in funds	At 5.4.21
	£	£	£
Unrestricted funds			
General fund	187,306	91,266	278,572
Restricted funds			
The Big Lottery Fund	243,815	(19,196)	224,619
TOTAL FUNDS	<u>431,121</u>	<u>72,070</u>	<u>503,191</u>

Malachi Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2021**

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	199,355	(108,089)	91,266
Restricted funds			
The Big Lottery Fund	-	(19,196)	(19,196)
TOTAL FUNDS	<u>199,355</u>	<u>(127,285)</u>	<u>72,070</u>

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	At 5.4.20 £
Unrestricted funds			
General fund	136,812	50,494	187,306
Restricted funds			
The Big Lottery Fund	263,011	(19,196)	243,815
Birmingham City Council - Local Innovation Fund	18,000	(18,000)	-
The Big Lottery Fund - Malcolm Locker A. Edmonds & Co. Charitable Foundation 2000	9,980	(9,980)	-
	4,000	(4,000)	-
	<u>294,991</u>	<u>(51,176)</u>	<u>243,815</u>
TOTAL FUNDS	<u>431,803</u>	<u>(682)</u>	<u>431,121</u>

Malachi Community Trust

Notes to the Financial Statements - continued for the Year Ended 5 April 2021

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	45,667	4,827	50,494
Restricted funds			
The Big Lottery Fund	-	(19,196)	(19,196)
Birmingham City Council - Local Innovation Fund	3,000	(21,000)	(18,000)
The Big Lottery Fund - Malcolm Locker A. Edmonds & Co. Charitable Foundation 2000	9,144	(19,124)	(9,980)
Groundworks	-	(4,000)	(4,000)
Awards for All	9,900	(9,900)	-
	2,500	(2,500)	-
	<u>24,544</u>	<u>(75,720)</u>	<u>(51,176)</u>
TOTAL FUNDS	<u>70,211</u>	<u>(70,893)</u>	<u>(682)</u>

Unrestricted funds comprise those funds which the trustees are free to use in accordance with charitable objectives. Although certain grants are received in order to enable the charity to meet its objectives, these funds are considered to be unrestricted as they form part of the ongoing, fundamental activities of the charity.

Restricted funds are funds which have been given for particular purposes and projects. Grants made by The Big Lottery Fund for the Reaching Community Buildings Grant have been expended on items of a capital nature and the balance on the fund represents their net book value in the accounts at the balance sheet date.

Grants made by the Big Lottery Fund and Birmingham City Council Local Innovation fund are in respect of the Malcolm Locker HUB, to fund the next phase of the development of the operating model.

15. RELATED PARTY DISCLOSURES

The charity also owns 9% of the issued share capital of Malachi Specialist Family Support Services CIC, a community interest company incorporated in England.

During the period the charity paid £31,822 for the shared services of staff and £12 for recharges of other costs.

All of the above charges and recharges were settled in full during the period.

Malachi Community Trust

**Notes to the Financial Statements - continued
for the Year Ended 5 April 2021**

16. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

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

17. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	5.4.21 £	5.4.20 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	72,070	(682)
Adjustments for:		
Depreciation charges	19,196	19,196
Interest received	(66)	(324)
Decrease in debtors	3,278	3,710
Increase/(decrease) in creditors	28,885	(4,196)
	<hr/>	<hr/>
Net cash provided by operations	123,363	17,704
	<hr/> <hr/>	<hr/> <hr/>

18.. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.20 £	Cash flow £	At 5.4.21 £
Net cash			
Cash at bank and in hand	120,592	123,429	244,021
	<hr/>	<hr/>	<hr/>
	120,592	123,429	244,021
	<hr/>	<hr/>	<hr/>
Total	120,592	123,429	244,021
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>