

# MALVERN EVANGELICAL CHURCH

England & Wales - Charity number 1178558

## Details

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**Status** Registered

**Legal form** CIO

**Registered** 2018-05-30

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Malvern Evangelical Church  
204-208 Pickersleigh Road  
Malvern  
Worcestershire  
WR14 2QX

**Phone** 01684560277

**Email** [admin@mecmalvern.org](mailto:admin@mecmalvern.org)

**Website** [www.mecmalvern.org](http://www.mecmalvern.org)

## Activities

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**Objects:** THE OBJECTS OF THE CIO ARE THE ADVANCEMENT OF THE CHRISTIAN FAITH IN ACCORDANCE WITH THE BASIS OF FAITH PRIMARILY BUT NOT EXCLUSIVELY WITHIN MALVERN AND THE SURROUNDING NEIGHBOURHOOD AND SUCH OTHER CHARITABLE PURPOSES AS SHALL, IN THE OPINION OF THE ELDERS OF THE CHURCH FURTHER THE WORK OF THE CIO.

**Activities:** Malvern Evangelical Church is an independent evangelical church dedicated to living out the Christian faith and sharing God's love primarily, but not exclusively, within Malvern and the surrounding neighbourhood.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Other Charitable Activities
- **What:** Religious Activities
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

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- Worcestershire

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£132,216	£129,177	-	-
2023-12-31	£121,523	£102,575	-	-
2022-12-31	£122,937	£102,804	-	-
2021-12-31	£139,952	£130,515	-	-
2020-12-31	£133,245	£108,667	-	-

## Trustees

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Name	Role	Appointed
David John Ransom		2022-10-19
George Chakko-George		2023-10-25
JOHN JACOB		2019-05-30

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# Accounts

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## Trustees Annual Report 2024

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With much work to be done and a limited number of deacons to share the load, the role required a significant amount of time commitment to fulfil these responsibilities. Among other responsibilities, the deacons have managed the process for the sale of the manse, maintained church facilities, administered the church's finances and undertaken other administrative tasks. MEC is grateful for all that the deacons have accomplished in 2024.

## Activities and Ministries

A flavour of what MEC has been involved in 2024 is highlighted in some of the activities described below. It should be noted that this represents only a part of what many in the church have been involved in, often unrecognised for their efforts. Many of the activities and ministries at MEC are made easier and often only made possible by those working behind the scenes, such as the Admin and Hospitality teams. There is always the risk when summarising that some things get left out. Any omissions should not be interpreted as less important or less impactful. We would like to honour all the seen and unseen ministries at MEC.

### *Sunday Services*

Through the year MEC continued to host two regular Sunday services. The pattern of our services includes a contemporary morning service including sung worship, communal prayer and a sermon, and an evening service focused on praying for needs within the church and the community. In 2024, the evening service was changed to give opportunities for those in the congregation, especially students, to have an opportunity to develop skills in preaching. Following both services, attendees could stay for refreshments and spend time catching up with members of the congregation and visitors. Both morning and evening services include sharing of communion once a month.

During our morning services, separate provision is available for families with younger children as well as for young people aged 11-14. The morning service on the first Sunday of each month is a shorter "All-Together" service, allowing for attendees of all ages to worship together.

Our gifted team of musicians supported by volunteers who manage the technology, have made it possible for us to enjoy Sunday worship together and to livestream services for those who are not able to join in person.

In addition to regular services, special occasions and seasons were also celebrated throughout the year. This included Easter services, Harvest, Advent and Christmas, as we remembered the birth, death and resurrection of Jesus, as well as God's material provision.

### *Children and Youth Activities*

MEC has many volunteers who are dedicated to catering for the welfare of children and young people.

In addition to provision for young people on Sunday mornings, MEC also ran a regular mid-week youth group involving teaching, food, activities and fun for young people in secondary school.

### *Gaines Residential*

As we have done over the past few years, in 2024 we held our summer residential for young people at the Gaines Manor Christian Activity Centre in Whitbourne. Youth and young adults at MEC participated in a 4-day residential with fun, food, worship and teaching organised by our Youth Ministry leaders with a lot of help and preparation from the young people themselves. Many of our gifted young people took part in organising activities, leading session, teaching, cooking and washing up. Thank you to all the amazing children and young people who are a part of our church family. We are very grateful to God for you and for the leaders who support you.

### *Hope Football*

Soon after taking on his new role, in February 2024, Roy started Hope Football. With help from a few students from Regents Theological College, the group provided football coaching, friendship and Christian input to young people from school years 7-9. The group has been grown over the year with several young people going on to join MEC's Thursday youth group.

### *Small Groups*

Fellowship, Bible study, encouragement and support within the congregation at MEC happens most often in small group settings. In 2024 there were several midweek small groups, running in homes, at a café, or in the church building or online. The groups are very diverse in composition and format, but similar in their desire to learn together and to love and support others in the group. We are grateful to those who have led groups and to all who attend these groups. We encourage those who are not involved in a group to give it a try.

### *Weeks of Prayer*

Prayer is a vital and regular part of our practice as a church. However, from time to time we also recognise the need for more intense and dedicated times of prayer. In May 2024 MEC held another week of focused prayer to seek God's guidance for the church.

### *Community Focus*

MEC has continued to serve the local community in different ways through 2024. Activities have included groups organised by the church as well as use of the building by external organisations to host community related activities. Some areas where MEC has been active in 2024 are highlighted below.

**Rainbow Club** team - a warm, welcoming environment for children, parents, grandparents and carers, and the team continue to receive more requests for places in the group than they can cater for.

**Coffee and Chat** - a weekly afternoon session for older members of the community to meet, talk or knit over refreshments. The afternoon ends with a short epilogue and prayer.

**Art Group** – an opportunity for people within the local community, who have an interest in art to meet and discuss art related subjects or to practice their art related interests.

**Welcome Space** – Since 2022 the Welcome Space team provided a place for people to gather once a week, initially as a warm space during the height of the cost-of-living crisis, but latterly, through the warmer periods of the year, providing refreshments, friendship, conversation, prayer and a clothes bank. In May 2024, the team decided to close the space having served over 70 guests from the area over a period of 18 months.

**Polling Station** – The MEC building served as a local polling station for the parliamentary elections held in May 2024.

### *Support for local missions*

As part of our aim to serve the local community, the congregation at MEC has support Christian organisations involved in the local community, but through financial giving and volunteering time. These have included Christians Against Poverty, The Lyttelton Well, and The Malvern Hills Foodbank.

### *Support for missions abroad*

IN 2024 MEC continued our support for missions and individuals working in several different countries in Europe, Africa, India and Tasmania.

For several years MEC has supported the **Teams4U** initiative, packing and wrapping Christmas shoeboxes with presents for children from disadvantaged backgrounds in different places in Eastern Europe. An amazing 90 shoeboxes were filled in church and collected from church in December and taken to the Evesham warehouse to be checked and loaded onto lorries to be delivered to children in Moldova.

## Finance

The treasury team at MEC has continued to administer the church's finances faithfully through 2024. Through those who have diligently and generously given to God's work at MEC, as shown in the attached accounts and comments from the treasurer and the independent examiner, MEC remains in a financially stable position. More details are available in the submitted reports and accounts.

### *Sale of the Manse*

The building adjacent to the church at 210 Pickersleigh Road (The Manse) was owned by the church and served in the past as the residence for previous ministers. Following the decision taken by the trustees in 2023 to list the property for sale through estate agents, a few viewings of the property took place with subsequent offers received but not progressed. In September 2024 the trustees accepted an offer on the Manse, and following surveys and further negotiations, the sale was agreed but not completed by the end of the year. The church and the trustees are prayerfully looking forward to exchange of contracts and completion of the sale in the New year to improve the church's financial position and fund other areas of ministry and service.

The deacons and the treasury team continued to manage the sale of the property on behalf of the church through 2024.

## Safeguarding

Keeping children and vulnerable people safe continues to be an integral part of our Christian faith. The Safeguarding team has continued to raise awareness to remind everyone of their responsibility to protect and speak out for those in our care.

In April 2024 Christian Safeguarding Services, our safeguarding advisory service, conducted an all-day on-site safeguarding training event for volunteers and staff working with children and vulnerable adults.

A Safeguarding Sunday service was held in February 2024 to raise awareness of everyone's safeguarding responsibilities. As part of our safer recruitment guidelines, DBS checks were conducted on all volunteers involved in serving in these areas of ministry.

In 2024 there were no reportable safeguarding incidents raised with the designated safeguarding lead.

## Concluding Remarks

2024 has been the start of a new stage of MEC's journey. We look forward to all that God will do in our community in the coming years.

Thank you to all at who have served at MEC.

**MALVERN EVANGELICAL CHURCH**

England & Wales - Charity number 1178558

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# Accounts

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## Trustees' Annual Report 2023

### Introduction

2023 continued to be a year of transition and rebuilding for Malvern Evangelical Church (MEC). As a congregation we have been involved in serving in various ministries within the church and in the community, propelled by God's grace and a large and dedicated team of volunteers.

Although this report provides a summary of what we achieved at MEC in 2023, it can never fully capture all that has been done by those who have faithfully and sacrificially served through the year. The leadership is grateful to a good God and a faithful congregation who have prayed and laboured to see lives transformed by God's love.

### The Congregation

As in any period of transition, MEC has experienced changing numbers of regular attenders and registered members. We have had familiar faces leave for various reasons and we have had shared the grief of those in our fellowship who have faced the loss of loved ones. But we have also enjoyed the privilege of seeing God bring new faces into the church. In all this, we are grateful to God for the family at MEC.

#### *Members*

MEC maintains a list of registered members who are eligible to vote on church business, and whose attendance at church meetings contributes towards attaining a quorum. At the start of 2023, MEC had 61 registered members. We finished the year with 67 registered members. MEC is comprised of a larger congregation made up of members and non-members, who participate in the life of the church, serve in various ministries and are an integral part of the MEC family. We thank God for all of those who call MEC their home church.

#### *Volunteers*

MEC as a church has always relied on and encouraged members of the congregation to actively participate in the ministries that God has entrusted to us. In 2023 this was very evident, as many in the congregation stepped up to serve and take responsibility in different ways. This included, participating and leading in different aspects Sunday services, volunteering in mid-week groups and, most importantly, providing pastoral support to others in the fellowship. Much of what the church accomplishes is only possibly because of the dedicated service of all our volunteers. Thank you to all the volunteers who faithfully serve at MEC.

### Governance

#### *Advisor*

Following the resignation of the minister in 2022, Revd. Geoffrey Richardson (Geoff) was appointed as an interregnum advisor to the church and continued in this role through 2023. The appointment of Geoff Richardson was a great blessing to MEC. We are convinced that God provided the church with the right person to counsel and support the church through our period of transition.

In his role as an advisor, Geoff was asked to oversee the process of recruiting the next minister, to provide advice to the leadership, and to help with pastoral support through the interregnum period.

Having exceeded all that was asked of him, Geoff stepped down from his role at the end of the year. It was with mixed feelings that we said goodbye to Geoff. The sadness at losing his advice and support was tempered with the knowledge that we would continue to enjoy his friendship and support for MEC, as we looked forward with anticipation to a new period of growth with a minister in place in 2024.

We are grateful to God for Geoff Richardson, for all he has done in service to MEC in his advisory role, and for the love, friendship and continuing support that Geoff and his wife Helen have shown to MEC.

#### *Trustees*

The trustees at MEC are charged with statutory oversight, and responsibility for the operation of the church as a charity. In 2023 MEC maintained the minimum required number of 3 trustees, with David Ransom, Steve Atkins and John Jacob continuing to serve in this capacity.

At the AGM in May 2023, the church constitution was amended through a members' vote to extend eligibility for trusteeship. The previous requirement that the role of a trustee was limited to elders was amended to include deacons. Following these changes, at the church meeting in October 2023, George Chakko-George (Greg), the church treasurer and a serving deacon, was elected to serve as a charity trustee. MEC ended 2023 with 4 serving trustees.

#### *Elders*

The minister or pastor along with the elders at MEC bear the primary responsibility for the spiritual direction and decision making at MEC. In 2023, the 5 serving elders were David Ransom, Colin Smith, Steve Atkins, George Webb and John Jacob. In the absence of a minister, Geoff Richardson, in his role as an advisor to the leadership, worked closely with the elders, regularly attending elders' meetings, facilitating discussions and providing advice.

#### *Deacons*

The deacons' role at MEC is to oversee and facilitate practical aspects of the operation of the church to enable MEC to fulfil its mission and vision. In 2023 MEC had 3 deacons serving in the role. Matt Greenhalgh, Colin Cameron and Greg Chakko-George. Among other things, the deacons have been responsible for maintenance of the facilities and buildings, including care for the property at 210 Pickersleigh Road. The deacons have also overseen management of the church's finances and other administrative tasks.

#### *Minister (Pastor) Search*

On his appointment as an advisor to MEC, Geoff Richardson was charged primarily with overseeing the process of recruiting the next pastor at MEC. Geoff faithfully executed this charge, setting up a Pastor Search Committee consisting of the elders along with 3 other members of the congregation, Greg Chakko-George, Pauline Jacob and Sarah Wilks. After much discussion a job description was agreed by the committee, and in early 2023 advertisements were placed for the role through Christian channels, both online and in print. After prayerfully reviewing over 40 applications, following several weeks of discussions and interviewing short-listed candidates, the committee proposed inviting Revd. Roy Bourner as the pastor at MEC. This was approved by a members' vote.

The church is very grateful to God for answers to prayer, and grateful to Roy and Jitka Bourner for accepting the invitation to serve. At the end of 2023, having accomplished its task, the committee

was disbanded. MEC ended the year looking forward to the Bourner family relocating to Malvern and to Roy taking on the role as the pastor on January 1, 2024

## Activities and Ministries

A flavour of what MEC has been involved in 2023 is best represented by highlighting some of the activities that have taken place through the year. It should be noted that much more will have been accomplished throughout the year than is listed here.

Many of the activities and ministries at MEC are only made easier and often only made possible by the work of those behind the scenes, such as the Admin and Hospitality teams. There is always the risk when summarising that some things get left out. Any omissions should not be interpreted as less important or less impactful. We would like to honour all the seen and unseen ministries at MEC.

### *Sunday Services*

Throughout 2023 MEC continued to host two regular Sunday services. The pattern of our services includes a contemporary morning service including sung worship, communal prayer and a sermon, as well as an evening service focused on praying for needs within the church and the community. Following both services, attendees could stay for refreshments and spend time catching up with members of the congregation and visitors. Both morning and evening services include sharing of communion once a month, and part way through the morning services, separate provision is available for families with younger children as well as for young people aged 11-14. The morning service on the first Sunday of each month is a shorter "All-Together" service, allowing for attendees of all ages to worship together. Our gifted team of musicians supported by volunteers who manage the technology, have made it possible for us to enjoy Sunday worship together and to livestream the services for those who are not able to join us in person.

In addition to regular services, special occasions and seasons were also celebrated throughout the year. This included Easter services, Harvest, Advent and Christmas, as we remembered the birth, death and resurrection of Jesus, as well as God's material provision.

In 2023 we were privileged to host a baptism service where 5 members of the congregation were baptised in witness of their faith in Jesus.

### *Children and Youth Activities*

MEC has had many volunteers dedicated to catering for the welfare of children and young people. In 2023, regular Sunday provision was available to families with younger children, including age-appropriate teaching and activities to engage younger members of the church family. A similar Sunday morning provision was available for young people in school years 7-10.

There were also regular mid-week youth group sessions involving teaching, food, activities and fun. A highlight of the year was Gaines 2023, the summer residential held at the Gaines Activity Centre. MEC's talented group of youth and young adults, including returning university students, participated in a 4-day residential with fun, food, worship and teaching organised by our Youth Ministry leaders. Many of our gifted young people took part in organising activities, leading sessions, teaching, cooking and washing up.

MEC is blessed to have a wonderful group of children and young people as part of our church family, and we are grateful to God for them and for the leaders who support them.

### *Small Groups*

Much of the fellowship, Bible study, encouragement and support within the congregation at MEC happens in small group settings. In 2023 there were 8 midweek small groups, running in homes, at a

café, or in the church building on a regular basis. The groups are very diverse in composition and format, but similar in their desire to learn together and to love and support others in the group. We are grateful to those who have served as leaders and to all who attend these groups. We encourage those who are not involved in a group to give it a try.

### *Weeks of Prayer*

As a church we feel our need for God's guidance and leadership to implement His mission for our church. Prayer is a vital and regular part of our practice as a church. However, from time to time we also recognise the need for more intense and dedicated times of prayer. This was particularly felt during the interregnum, and on two separate occasions in 2023, the elders felt the need to call for weeks of prayer. These were special occasions where the whole church was invited to spend time individually and collectively praying for our church, our community and for the appointment of the new minister.

### *Community Focus*

MEC has been involved in serving the local community in different ways in 2023, including the use of the building as a polling station for local elections. Some of the areas where MEC has been active in 2023 are highlighted below.

At the end of 2022, in response to the increases in the cost of living, MEC opened its doors once a week as a **Warm Space**, a place where anybody could drop in for a free drink and food, for support conversation, access to the internet and to keep warm. The Warm Space continued through 2023, expanding to include a clothes bank.

The **Rainbow Club** team has been running the toddler group for many years, and 2023 was no different. Rainbow Club is a warm, welcoming environment for children, parents, grandparents and carers, and the team continue to receive more requests for places in the group than they can cater for.

The **Coffee and Chat** team continued to host a weekly afternoon session for older members of the community to meet, talk or knit over refreshments. The afternoon ends with a short epilogue and prayer.

For a few years MEC has supported the **Teams4U** initiative, packing and wrapping Christmas shoeboxes with presents for children from disadvantaged backgrounds in different places in Eastern Europe. In 2023 a total of 65 boxes were sent from MEC to the Teams4U warehouse filled with presents from the MEC congregation and local businesses.

The MEC **Art Group** provides an opportunity for people within the local community, who have an interest in art to meet together and discuss art related subjects or to practise their art related interests.

**Christmas** celebrations at MEC in 2023 included several events with invitations to the public to come and hear of the good news of Christ's birth. In addition to Advent and Christmas services, MEC also hosted Christingle and Carol services as well as a "Pantivity", a Christmas pantomime performed by 4Front Theatre.

These are some of the more visible activities that MEC has been involved with in 2023, and we are grateful to God and to the community for the opportunity to serve.

## Support for Missions

In 2023 we provided both financial and prayer support to each of the five missions that we currently have links with. Their own ministries are very distinct from one another. One of our Small Groups was a focal point for receiving information from the supported missions to determine the best means of support and encouragement, as well as the focus for our prayers - disseminating the information to the wider MEC family. The missions we supported in 2023 operate in Tasmania, the Sahel region of North Africa, Zambia, The Netherlands and India.

In 2023 MEC continued to provide support for several local organisations including Churches Together in Malvern, The Lyttleton Well, the Malvern Hills FoodBank and Christians Against Poverty.

## Finance

The treasury team at MEC has continued to administer the church's finances faithfully through 2023. Through those who have diligently and generously given to God's work at MEC, as shown in the attached accounts and comments from the treasurer and the independent examiner, MEC remains in a financially stable position. More details are available in the submitted reports and accounts.

### *Proposed Sale of the Manse*

The building adjacent to the church at 210 Pickersleigh Road (The Manse) is owned by the church and served as residence for the previous minister and his family. Following the resignation of the previous minister the deacons have been responsible for the upkeep of the building while a decision was made on what to do with the property. After discussion with the deacons and elders, the trustees decided to sell the manse in order to improve the churches financial position and fund other areas of ministry and service. The deacons took responsibility for managing the process and the property was listed for sale in 2023.

## Safeguarding

Keeping children and vulnerable people safe continues to be an integral part of our Christian faith. The Safeguarding team has continued to raise awareness to remind everyone of their responsibility to take care of speaking out for those in our care.

In February 2023 Sarah Wilks, MEC's Designated Safeguarding Lead (DSL), arranged a safeguarding training event led by Christian Safeguarding Services for those at MEC who work with children and vulnerable adults. A Safeguarding Sunday service was held in February 2023 to raise awareness of everyone's safeguarding responsibilities. As part of our safer recruitment guidelines, DBS checks were conducted on all volunteers involved in serving in these areas of ministry. In 2023 there were no reportable safeguarding incidents raised with the DSL.

## Concluding Remarks

As we looked back over 2023, although there have been challenges along the way some of a personal nature and some that we've had to face together, we can truly say that God has been faithful.

Thank you to all at MEC. It was a privilege to worship and serve together in 2023!

**Charity Registration No. 1178558**

**Company Registration No. CEO14236 (England and Wales)**

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	David Ransom Steve Atkins John Jacob George Chakko-George (Appointed 25/10/2023)
<b>Elders</b>	David Ransom Steve Atkins John Jacob Geoff Richardson George Webb Colin Smith
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh Colin Cameron
<b>Charity number</b>	1178558
<b>Principal address</b>	204 - 208 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The Deacons present their report and accounts for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

#### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

#### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

#### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

#### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objectives and activities within the year.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building was completed in Spring 2016. This project was detailed in previous accounts.

### **Financial review**

The surplus for the year amounted to £18,948 (2022 £20,133). The unrestricted fund reserves at the year end were £123,799 (2022:£104,791). At the year end the restricted fund reserves were £2,439 (2022 £7,191). Designated funds at the year end amounted to £634,209 (2022: £638,900), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

### **Trustee selection**

Only currently serving Deacons and Elders may be Managing Trustees, however, not all Elders are required to be Trustees.

The Elders will decide who from their number should be Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 14/02/2018 version 3, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

Plans for the coming year include those of increasing the numbers of the Deaconate.

The Deacons' report was approved by the Deacons.



**George Chakko-George**

Deacon

Dated: 22 May 2024

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

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I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2023.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

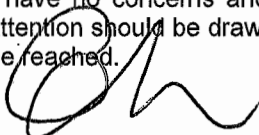
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



**Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 22 May 2024

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

### Current financial year

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<b>Income from:</b>						
Donations and legacies	3	103,746	4,691	11,538	119,975	122,481
Other activities	4	842	-	-	842	405
Investments	5	706	-	-	706	51
<b>Total income</b>		<u>105,294</u>	<u>4,691</u>	<u>11,538</u>	<u>121,523</u>	<u>122,937</u>
<b>Expenditure on:</b>						
Charitable activities	6	75,934	-	26,641	102,575	102,804
<b>Net incoming/(outgoing) resources before transfers</b>		29,360	4,691	(15,103)	18,948	20,133
Gross transfers between funds	12	(10,352)	-	10,352	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		19,008	4,691	(4,751)	18,948	20,133
Fund balances at 1 January 2023		104,791	634,209	7,191	746,191	726,058
<b>Fund balances at 31 December 2023</b>		<u>123,799</u>	<u>638,900</u>	<u>2,439</u>	<u>765,138</u>	<u>746,191</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year - combined

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>					
Donations and legacies	3	103,244	5,110	14,127	122,481
Other activities	4	405	-	-	405
Investments	5	51	-	-	51
<b>Total income</b>		<u>103,700</u>	<u>5,110</u>	<u>14,127</u>	<u>122,937</u>
<b>Expenditure on:</b>					
Charitable activities	6	77,132	-	25,672	102,804
<b>Net incoming/(outgoing) resources before transfers</b>		<u>26,568</u>	<u>5,110</u>	<u>(11,545)</u>	<u>20,133</u>
Gross transfers between funds	12	(13,322)	-	13,322	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<u>13,246</u>	<u>5,110</u>	<u>1,777</u>	<u>20,133</u>
Fund balances at 1 January 2022		<u>91,545</u>	<u>629,099</u>	<u>5,414</u>	<u>726,058</u>
<b>Fund balances at 31 December 2022</b>		<u><u>104,791</u></u>	<u><u>634,209</u></u>	<u><u>7,191</u></u>	<u><u>746,191</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022 Combined	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		912,388		930,525
<b>Current assets</b>					
Debtors	14	2,331		10,554	
Cash at bank and in hand		52,633		35,233	
		54,964		45,787	
<b>Creditors: amounts falling due within one year</b>	15	(31,192)		(29,925)	
Net current assets			23,772		15,862
<b>Total assets less current liabilities</b>			936,160		946,387
<b>Creditors: amounts falling due after more than one year</b>	16		(171,024)		(200,196)
<b>Net assets</b>			765,136		746,191
<b>Income funds</b>					
Restricted funds	18		2,439		7,191
<u>Unrestricted funds</u>					
Designated funds	19	638,900		634,209	
General unrestricted funds		123,797		104,791	
			762,697		739,000
			765,136		746,191

The financial statements were approved by the Deacons on 22 May 2024

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 204 - 208 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

##### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the the former charity were transferred to the new organisation on 1 January 2019. These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

##### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.



# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 4 Other activities

	Unrestricted funds general	Unrestricted funds general Combined
	2023	2022
	£	£
Church activities and clubs	842	405

### 5 Investments

	Unrestricted funds general	Unrestricted funds general
	2023	2022
	£	£
Interest receivable	706	51

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total Ministry and mission fund	Clubs and other activities	Total
	2023	2023	2023	2022	Combined 2022
	£	£	£	£	£
Staff costs	10,450	-	10,450	27,769	27,769
Depreciation and impairment	18,137	-	18,137	20,441	20,441
Costs of running activities	-	4,175	4,175	-	2,492
	<u>28,587</u>	<u>4,175</u>	<u>32,762</u>	<u>48,210</u>	<u>50,702</u>
Grant funding of activities (see note 7)	26,641	-	26,641	25,672	25,672
Share of support costs (see note 8)	41,308	-	41,308	24,279	24,279
Share of governance costs (see note 8)	1,864	-	1,864	2,151	2,151
	<u>98,400</u>	<u>4,175</u>	<u>102,575</u>	<u>100,312</u>	<u>102,804</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	71,759	4,175	75,934	74,640	77,132
Restricted funds	26,641	-	26,641	25,672	25,672
	<u>98,400</u>	<u>4,175</u>	<u>102,575</u>	<u>100,312</u>	<u>102,804</u>

#### 7 Grants payable

	2023	2022
	£	Combined £
Grants made (see restricted funds note)	26,641	25,672
	<u>26,641</u>	<u>25,672</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	Combined £
Other support expenditure see below	41,308	-	41,308	24,279	24,279
Accountancy fees	-	1,440	1,440	-	1,620
Bank charges	-	424	424	-	531
	<u>41,308</u>	<u>1,864</u>	<u>43,172</u>	<u>24,279</u>	<u>26,430</u>
Analysed between Charitable activities	<u>41,308</u>	<u>1,864</u>	<u>43,172</u>	<u>24,279</u>	<u>26,430</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2023	2022
	£	£
Building repairs and maintenance	2,197	1,465
Rates and water	3,138	1,263
Light and heat	4,477	2,744
Insurance	3,432	2,920
Postage and stationery	156	311
Telephone	443	304
Subscriptions	2,072	1,606
Sundry Expenses	-	50
Mortgage Interest	14,724	10,234
Website Costs	778	744
Cleaning	2,130	2,189
Kitchen supplies	1,140	449
	<u>41,308</u>	<u>24,279</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Combined Number
Full-time employees	1	1

##### Employment costs

	2023 £	2022 Combined £
Wages and salaries	10,450	23,119
Other pension costs	-	4,650
	<u>10,450</u>	<u>27,769</u>

The employees are considered to be the key management personnel. however in 2023 we operated without a paid minister.

There were no employees whose annual remuneration was £60,000 or more.

#### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 12 Transfers

A transfer of £10,352 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2023 - combined	1,040,382	9,732	66,884	7,431	1,124,429
At 31 December 2023	1,040,382	9,732	66,884	7,431	1,124,429
<b>Depreciation and impairment</b>					
At 1 January 2023 - combined	116,292	9,732	60,972	6,908	193,904
Depreciation charged in the year	15,998	-	1,954	185	18,137
At 31 December 2023	132,290	9,732	62,926	7,093	212,041
<b>Carrying amount</b>					
At 31 December 2023	908,092	-	3,958	338	912,388
At 31 December 2022 - combined	924,090	-	5,912	523	930,525

### 14 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	2,331	10,554

### 15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	17	24,752	23,485
Other borrowings		5,000	5,000
Accruals and deferred income		1,440	1,440
		31,192	29,925

### 16 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	17	161,024	185,196
Other creditors		10,000	15,000
		171,024	200,196

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 17 Loans and overdrafts

	2023	2022
	£	Combined £
Bank loans	185,776	208,681
Other loans	15,000	20,000
	<u>200,776</u>	<u>228,681</u>
Payable within one year	29,752	28,485
Payable after one year	<u>181,024</u>	<u>210,196</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>47,532</u>	<u>46,773</u>

The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage was entered into to provide finance for the building of the church, it was for a period of 15 years, repayable by instalments and carries interest at variable rate.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

**MALVERN EVANGELICAL CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**18 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022		Movement in funds		Transfers 1 January 2023		Balance at 1 January 2023		Movement in funds		Transfers 31 December 2023		Balance at 31 December 2023	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Peter and Lydia Bennett Fund	-	7,890	(12,090)	4,200	-	-	-	6,625	(10,825)	4,200	-	-	-	-
Arise (India)	-	16	(618)	602	-	-	-	2,066	(1,930)	470	-	-	606	-
Donations and missions	-	-	(5,820)	5,820	-	-	-	-	(5,760)	5,760	-	-	-	-
Kerala	470	-	-	-	-	470	-	-	-	(470)	-	-	-	-
Benevolent Fund	2,564	1,650	(922)	-	-	3,290	-	525	(2,162)	-	-	-	1,653	-
Malvern Food Banks	20	-	(20)	-	-	-	-	-	-	-	-	-	-	-
Gaines 2023	2,360	2,133	(3,132)	-	-	1,362	-	2,202	(3,394)	-	-	-	170	-
Ukraine Fund	-	2,428	(370)	-	-	2,058	-	-	(2,100)	42	-	-	-	-
Rhameda Abdoussalame	-	10	-	-	-	10	-	-	-	-	-	-	10	-
Frontiers Yukubu	-	-	(2,500)	2,500	-	-	-	-	-	-	-	-	-	-
Jon Witt Dignity	-	-	(200)	200	-	-	-	-	-	-	-	-	-	-
Youth Weekend	-	-	-	-	-	-	-	120	(150)	30	-	-	-	-
Meeting point/ "Warm Spaces"	-	-	-	-	-	-	-	-	(320)	320	-	-	-	-
	<u>5,414</u>	<u>14,127</u>	<u>(25,672)</u>	<u>13,322</u>	<u>7,190</u>	<u>7,190</u>	<u>11,538</u>	<u>(26,641)</u>	<u>10,352</u>	<u>2,439</u>	<u>2,439</u>	<u>2,439</u>	<u>2,439</u>	<u>2,439</u>

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

**MALVERN EVANGELICAL CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**18 Restricted funds**

**(Continued)**

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Donations and missions - donations and monies given to missions as described in the introduction.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 January 2022	Incoming resources	Balance at 1 January 2023	Incoming resources	Balance at 31 December 2023
	£	£	Combined £	£	£
Freehold property	552,451	-	552,451	-	552,451
Accommodation project	76,648	5,110	81,757	4,691	86,448
	<u>629,099</u>	<u>5,110</u>	<u>634,208</u>	<u>4,691</u>	<u>638,899</u>

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2023	£	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
Fund balances at 31 December 2023 are represented by:														
Tangible assets	359,936		552,452	-	-		912,388	378,073	552,452	-	-	-	930,525	
Current assets/(liabilities)	(65,115)		86,448	2,439	2,439	23,772	(73,086)	81,757	81,757	7,191	7,191	15,862		
Long term liabilities	(171,024)		-	-	-	(171,024)	(200,196)	(200,196)	-	-	-	-	(200,196)	
	123,797		638,900	2,439	2,439	765,136	104,791	634,209	634,209	7,191	7,191	746,191		

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

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### 21 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).



**Charity Registration No. 1178558**

**Company Registration No. CEO14236 (England and Wales)**

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	David Ransom Steve Atkins John Jacob George Chakko-George (Appointed 25/10/2023)
<b>Elders</b>	David Ransom Steve Atkins John Jacob Geoff Richardson George Webb Colin Smith
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh Colin Cameron
<b>Charity number</b>	1178558
<b>Principal address</b>	204 - 208 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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Statement of financial activities	6 - 7
Balance sheet	8
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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The Deacons present their report and accounts for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

#### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

#### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

#### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

#### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objectives and activities within the year.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building was completed in Spring 2016. This project was detailed in previous accounts.

### **Financial review**

The surplus for the year amounted to £18,948 (2022 £20,133). The unrestricted fund reserves at the year end were £123,799 (2022:£104,791). At the year end the restricted fund reserves were £2,439 (2022 £7,191). Designated funds at the year end amounted to £634,209 (2022: £638,900), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

### **Trustee selection**

Only currently serving Deacons and Elders may be Managing Trustees, however, not all Elders are required to be Trustees.

The Elders will decide who from their number should be Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 14/02/2018 version 3, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

Plans for the coming year include those of increasing the numbers of the Deaconate.

The Deacons' report was approved by the Deacons.



**George Chakko-George**

Deacon

Dated: 22 May 2024

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

---

I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2023.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

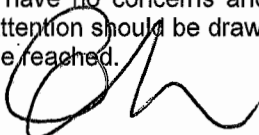
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



**Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 22 May 2024

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

### Current financial year

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<b>Income from:</b>						
Donations and legacies	3	103,746	4,691	11,538	119,975	122,481
Other activities	4	842	-	-	842	405
Investments	5	706	-	-	706	51
<b>Total income</b>		<u>105,294</u>	<u>4,691</u>	<u>11,538</u>	<u>121,523</u>	<u>122,937</u>
<b>Expenditure on:</b>						
Charitable activities	6	75,934	-	26,641	102,575	102,804
<b>Net incoming/(outgoing) resources before transfers</b>		29,360	4,691	(15,103)	18,948	20,133
Gross transfers between funds	12	(10,352)	-	10,352	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		19,008	4,691	(4,751)	18,948	20,133
Fund balances at 1 January 2023		104,791	634,209	7,191	746,191	726,058
<b>Fund balances at 31 December 2023</b>		<u>123,799</u>	<u>638,900</u>	<u>2,439</u>	<u>765,138</u>	<u>746,191</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year - combined

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>					
Donations and legacies	3	103,244	5,110	14,127	122,481
Other activities	4	405	-	-	405
Investments	5	51	-	-	51
<b>Total income</b>		<u>103,700</u>	<u>5,110</u>	<u>14,127</u>	<u>122,937</u>
<b>Expenditure on:</b>					
Charitable activities	6	77,132	-	25,672	102,804
<b>Net incoming/(outgoing) resources before transfers</b>		<u>26,568</u>	<u>5,110</u>	<u>(11,545)</u>	<u>20,133</u>
Gross transfers between funds	12	(13,322)	-	13,322	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<u>13,246</u>	<u>5,110</u>	<u>1,777</u>	<u>20,133</u>
Fund balances at 1 January 2022		<u>91,545</u>	<u>629,099</u>	<u>5,414</u>	<u>726,058</u>
<b>Fund balances at 31 December 2022</b>		<u><u>104,791</u></u>	<u><u>634,209</u></u>	<u><u>7,191</u></u>	<u><u>746,191</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022 Combined	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		912,388		930,525
<b>Current assets</b>					
Debtors	14	2,331		10,554	
Cash at bank and in hand		52,633		35,233	
		54,964		45,787	
<b>Creditors: amounts falling due within one year</b>	15	(31,192)		(29,925)	
Net current assets			23,772		15,862
<b>Total assets less current liabilities</b>			936,160		946,387
<b>Creditors: amounts falling due after more than one year</b>	16		(171,024)		(200,196)
<b>Net assets</b>			765,136		746,191
<b>Income funds</b>					
Restricted funds	18		2,439		7,191
<u>Unrestricted funds</u>					
Designated funds	19	638,900		634,209	
General unrestricted funds		123,797		104,791	
			762,697		739,000
			765,136		746,191

The financial statements were approved by the Deacons on 22 May 2024

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 204 - 208 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

##### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the the former charity were transferred to the new organisation on 1 January 2019. These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

(Continued)

##### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

##### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies	Unrestricted funds		Unrestricted funds designated		Restricted funds		Total Unrestricted funds		Unrestricted funds		Restricted funds		Total Combined	
	2023	£	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
Donations and gifts	103,746		4,691		11,538		103,244		5,110		14,127		122,481	

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 4 Other activities

	Unrestricted funds general	Unrestricted funds general Combined
	2023	2022
	£	£
Church activities and clubs	842	405

### 5 Investments

	Unrestricted funds general	Unrestricted funds general
	2023	2022
	£	£
Interest receivable	706	51

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total Ministry and mission fund	Clubs and other activities	Total
	2023	2023	2023	2022	Combined 2022
	£	£	£	£	£
Staff costs	10,450	-	10,450	27,769	27,769
Depreciation and impairment	18,137	-	18,137	20,441	20,441
Costs of running activities	-	4,175	4,175	-	2,492
	<u>28,587</u>	<u>4,175</u>	<u>32,762</u>	<u>48,210</u>	<u>50,702</u>
Grant funding of activities (see note 7)	26,641	-	26,641	25,672	25,672
Share of support costs (see note 8)	41,308	-	41,308	24,279	24,279
Share of governance costs (see note 8)	1,864	-	1,864	2,151	2,151
	<u>98,400</u>	<u>4,175</u>	<u>102,575</u>	<u>100,312</u>	<u>102,804</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	71,759	4,175	75,934	74,640	77,132
Restricted funds	26,641	-	26,641	25,672	25,672
	<u>98,400</u>	<u>4,175</u>	<u>102,575</u>	<u>100,312</u>	<u>102,804</u>

#### 7 Grants payable

	2023	2022
	£	Combined £
Grants made (see restricted funds note)	26,641	25,672
	<u>26,641</u>	<u>25,672</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	Combined £
Other support expenditure see below	41,308	-	41,308	24,279	24,279
Accountancy fees	-	1,440	1,440	-	1,620
Bank charges	-	424	424	-	531
	<u>41,308</u>	<u>1,864</u>	<u>43,172</u>	<u>24,279</u>	<u>26,430</u>
Analysed between Charitable activities	<u>41,308</u>	<u>1,864</u>	<u>43,172</u>	<u>24,279</u>	<u>26,430</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2023	2022
	£	£
Building repairs and maintenance	2,197	1,465
Rates and water	3,138	1,263
Light and heat	4,477	2,744
Insurance	3,432	2,920
Postage and stationery	156	311
Telephone	443	304
Subscriptions	2,072	1,606
Sundry Expenses	-	50
Mortgage Interest	14,724	10,234
Website Costs	778	744
Cleaning	2,130	2,189
Kitchen supplies	1,140	449
	<u>41,308</u>	<u>24,279</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Combined Number
Full-time employees	1	1

##### Employment costs

	2023	2022
	£	Combined £
Wages and salaries	10,450	23,119
Other pension costs	-	4,650
	<u>10,450</u>	<u>27,769</u>

The employees are considered to be the key management personnel. however in 2023 we operated without a paid minister.

There were no employees whose annual remuneration was £60,000 or more.

#### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 12 Transfers

A transfer of £10,352 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2023 - combined	1,040,382	9,732	66,884	7,431	1,124,429
At 31 December 2023	1,040,382	9,732	66,884	7,431	1,124,429
<b>Depreciation and impairment</b>					
At 1 January 2023 - combined	116,292	9,732	60,972	6,908	193,904
Depreciation charged in the year	15,998	-	1,954	185	18,137
At 31 December 2023	132,290	9,732	62,926	7,093	212,041
<b>Carrying amount</b>					
At 31 December 2023	908,092	-	3,958	338	912,388
At 31 December 2022 - combined	924,090	-	5,912	523	930,525

### 14 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Other debtors	2,331	10,554

### 15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	17	24,752	23,485
Other borrowings		5,000	5,000
Accruals and deferred income		1,440	1,440
		31,192	29,925

### 16 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	17	161,024	185,196
Other creditors		10,000	15,000
		171,024	200,196

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 17 Loans and overdrafts

	2023	2022
	£	Combined £
Bank loans	185,776	208,681
Other loans	15,000	20,000
	<u>200,776</u>	<u>228,681</u>
Payable within one year	29,752	28,485
Payable after one year	<u>181,024</u>	<u>210,196</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>47,532</u>	<u>46,773</u>

The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage was entered into to provide finance for the building of the church, it was for a period of 15 years, repayable by instalments and carries interest at variable rate.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022		Movement in funds		Transfers		Balance at 1 January 2023		Movement in funds		Transfers		Balance at 31 December 2023	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
	Incoming resources	Resources expended	Incoming resources	Resources expended	Incoming resources	Resources expended	Incoming resources	Resources expended	Incoming resources	Resources expended	Incoming resources	Resources expended	Incoming resources	Resources expended
Peter and Lydia Bennett Fund	-	(12,090)	7,890	(12,090)	4,200	-	-	-	6,625	(10,825)	4,200	-	-	-
Arise (India)	-	(618)	16	(618)	602	-	-	-	2,066	(1,930)	470	-	-	606
Donations and missions	-	(5,820)	-	(5,820)	5,820	-	-	-	-	(5,760)	5,760	-	-	-
Kerala	470	-	-	-	-	-	470	-	-	-	(470)	-	-	-
Benevolent Fund	2,564	(922)	1,650	(922)	-	-	3,290	-	525	(2,162)	-	-	-	1,653
Malvern Food Banks	20	(20)	-	(20)	-	-	-	-	-	-	-	-	-	-
Gaines 2023	2,360	(3,132)	2,133	(3,132)	-	-	1,362	-	2,202	(3,394)	-	-	-	170
Ukraine Fund	-	(370)	2,428	(370)	-	-	2,058	-	-	(2,100)	42	-	-	-
Rhameda Abdoussalame	-	-	10	-	-	-	10	-	-	-	-	-	-	10
Frontiers Yukubu	-	(2,500)	-	(2,500)	2,500	-	-	-	-	-	-	-	-	-
Jon Witt Dignity	-	(200)	-	(200)	200	-	-	-	-	-	-	-	-	-
Youth Weekend	-	-	-	-	-	-	-	-	120	(150)	30	-	-	-
Meeting point/ "Warm Spaces"	-	-	-	-	-	-	-	-	-	(320)	320	-	-	-
	5,414	(25,672)	14,127	(25,672)	13,322	-	7,190	-	11,538	(26,641)	10,352	-	-	2,439

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

**18 Restricted funds**

**(Continued)**

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Donations and missions - donations and monies given to missions as described in the introduction.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 January 2022	Incoming resources	Balance at 1 January 2023	Incoming resources	Balance at 31 December 2023
	£	£	Combined £	£	£
Freehold property	552,451	-	552,451	-	552,451
Accommodation project	76,648	5,110	81,757	4,691	86,448
	<u>629,099</u>	<u>5,110</u>	<u>634,208</u>	<u>4,691</u>	<u>638,899</u>

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

20 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2023	£	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
Fund balances at 31 December 2023 are represented by:														
Tangible assets	359,936		552,452	-	-		912,388	378,073	552,452	-	-	-	930,525	
Current assets/(liabilities)	(65,115)		86,448	2,439	2,439	23,772	(73,086)	81,757	81,757	7,191	7,191	15,862		
Long term liabilities	(171,024)		-	-	-	(171,024)	(200,196)	(200,196)	-	-	-	-	(200,196)	
	123,797		638,900	2,439	2,439	765,136	104,791	634,209	634,209	7,191	7,191	746,191		

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 21 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).



**MALVERN EVANGELICAL CHURCH**

England & Wales - Charity number 1178558

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# Accounts

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## **Trustees Annual Report 2022**

Calendar year 2022 was a year of transition for Malvern Evangelical Church (MEC). In the first half of the year Dr Leston Blackburn resigned as the minister and trustee at MEC. We are grateful to Revd. Blackburn for almost 15 years of service and ministry at MEC.

### **Advisory Role**

The Elders and Trustees appointed Revd. Geoffrey Richardson (Geoff), a retired Elim minister and former member of the faculty at Regents Theological College, Malvern, as an external advisor to assist the Elders through the interregnum period. Geoff's role has also involved overseeing the process of searching for and appointing a new minister to lead the church. In addition to advice and oversight of the recruitment process, Geoff has helped MEC in many more ways. His wholeheartedly engagement in the life of the church, his guidance and leadership through example and the pastoral care he has given to many in the fellowship has been a huge blessing. The church and the trustees wish to express our gratitude to Geoff and his wife, Helen.

### **Leadership at MEC**

A change of minister often brings changes to the make-up of a congregation. MEC has been no different in this regard. We have seen many friends and members move on and we have welcomed new attenders and members to the MEC family. This has also included changes to the leadership team, with one of the Elders stepping down and three new elders appointed at MEC. 2022 also saw the appointment of one of the newly appointed Elders to serve as a trustee. We ended the year with five Elders, three of whom also serve as Trustees, three Deacons and an advisor overseeing the operation and ministry of the church. The Trustees would like to thank all those who have taken on these positions of responsibilities.

### **Finances**

At MEC we are blessed to have a very able and long-serving team who have continued to manage the church's finances faithfully through 2022. As can be seen from the attached accounts and comments made by the treasurer and independent examiner the trust remains in a financially healthy position. More details can be found in their reports and accounts.

### **Ministry and Mission**

The most important function of the church, our core mission at MEC and our focus in 2022 has continued to be to see all at MEC grow in their Christian faith, in worshipping God and seeing our local community transformed. This is most fully embodied by the many volunteers at MEC who are involved in various ministries and groups run by the church. It is only fitting then, that the largest part of the Trustees Report for 2022 is devoted to the reports presented by leaders of the various ministries at the Annual General Meeting.

## **Small Groups**

### ***Barnard's Green House Group***

We are a group of ten MEC friends meeting weekly on Tuesday evenings during term time at the family home of two of our members, Greg and Sarah. Currently two members connect to us by Zoom for health reasons.

We start with a time of prayer for personal and wider topics, for example issues arising from local and worldwide news, encouraging each member to contribute to continue praying during the coming week.

Our studies vary from following a small group study book on a section of the Bible or a specific topic, for example Advent, Easter, Hope, Patience, Armour of God. We also have followed DVD or online courses. Social evenings are arranged at Christmas and a garden barbecue in the summer.

### ***The Ladies Group***

The Ladies Group is a group of 10-12 friends that meet each week on a Thursday morning, currently on Zoom. Since meeting on Zoom we have also been joined by one of our retired missionaries in Tasmania, Australia. Our intention, for the future, is to return to meeting in person while still including those who aren't able to.

Over the last year we have covered a mixture of things. We have completed studies of James and Philippians and we have watched two DVD studies by Jeff Lucas. At the moment we are looking at some of the favourite Psalms of individuals in the group. We also have regular sessions of prayer for any needs and for our missionaries. To relax together we enjoy an occasional Zoom 'Coffee & Chat'!

### ***Linkup Group***

The Linkup group was formed by the joining of two former home groups. We meet weekly on Wednesday morning for fellowship, study, prayer and praise. The venue is mobile to try and share the hosting burden. Currently we have 14 regular members meeting together weekly during the school term. During school holidays meetings are less regular and arranged by mutual agreement. We are a young at heart group with a jovial outlook and a desire to know more of the Lord in our daily lives.

### ***Band of Brothers (BoB)***

BoB is the men's fellowship group, which meets at 8.00am on a Monday morning at Caffè Nero on Malvern's Retail Park.

The fellowship is centred around the Word, usually based on the study and reflection on a particular Biblical book (Numbers, at present). This we use to share knowledge, understanding, insight, experience and fellowship to aid our growth in our relationship with the Lord, including numerous helpful and supportive rabbit holes.

It has been, and is, open to anyone from any fellowship and any standing with the Lord, who wishes to join us. At present, 4 of the present 9 or so regulars belong to other fellowships. Those 9 people's talents are made up of a former aircraft engineer, 2 software engineers, a mechanical engineer, a car mechanic, a re-enactor, a historian, a retired minister, an elder, an ex-elder, 2 widowers, 2 retired

RAF officers, 2 ex-financial experts, a former leather worker, 4 musicians, a librarian, a chemist, a teacher, one non-native, 2 international standards experts and a very assorted selection of personal interests as well. An eclectic bunch!

As we shared recently, we realise that we thought similarly to the Christian songwriter Robin Mark, when he penned: -

“Who said that time had been called on your day?

Who said the anointing had been taken away?”

and that we trust to continue: -

“Running the race with patience,

Until their final day,

Faithful in every word and deed”

(Robin Mark – “Men of Certain Age”)

For Peter, leading the group, the continuing realisation and pleasure are, like Anna in the musical “King and I”, that by your pupils you’ll be taught!

### ***Online Group***

We have recently started an online group meeting every Wednesday at 7pm for 1 hour. There are between 7 and 9 of us who meet for prayer and Bible study.

We started with 6 sessions on prayer using resources produced by the Bible Society and followed this with 4 sessions of the theme of Visions of Jesus from the Old and New Testaments.

We hold each other up in prayer and this is becoming an important part of the meetings. We look forward to continuing to grow together through study and prayer in the future.

### ***Hope***

We are a small group of women who meet once a week on a Tuesday afternoon. We meet for a couple of hours and we chat. We have lunch together, we studied the Bible and we pray.

At the moment we are just finishing a study called “The God First Life” and we’ll be starting to study a book in the Bible next.

Are still in touch with one of our members who moved away, whom we had contact with all through lockdown as well, on zoom. But we’re still in touch with her and as a group enjoy going to visit her.

### ***Older Youth Group***

Our older youth is imaginatively called the Older Youth.

We cater for those aged 13 or 14 (in year nine) up to those in their twenties. Currently, we have 14 young people regularly attending on a Thursday evening, mostly from MEC, but with others from St Andrews, St. Peter's Baptist and the Exclusive Brethren meeting. The range of churches adds to the richness of the group.

We worship, study the Bible, sometimes play games, have social. Currently, we're studying the book of Jonah.

We give plenty of time to chat. They're quite capable of whiling away an evening discussing how many camels they are worth, or how different foods fit into a cube.

We also have 13 young people away at university and we try and support them with prayer, messages and treats through the post. We continue meeting when they come home so that they and we all reconnect, and we really value their contributions and their presence.

In the summer, we run a camp at The Gaines and this year the young people are also planning a weekend camping trip.

We also have ten young people on our list still in Malvern who don't attend for various reasons. They are on our radar and where we can, we try and connect with them and maintain contact.

### ***Younger Youth Group***

In 2022 we also started up a younger youth group which covers those in school years 6-8. We have six regular attenders.

We've been getting to know these young people and getting them involved, and for a while we had an overlap with the older group, so that they were getting to know the older group as well.

This is something we've missed, as over the last few years we haven't really had groups for the younger age group.

### **Supporting Groups**

#### ***Safeguarding Team***

In the last year, we've made huge progress regarding safeguarding in the church. In December, we had a mini safeguarding Sunday to raise awareness of the importance of safeguarding. This was a reminder that safeguarding is everyone's responsibility, and taking care and speaking out for vulnerable people and the weak is an integral part of being a Christian.

The Elders have been renewing or creating documentation necessary for the efficient running of the church, including those to do with Safeguarding. The safeguarding policy documents are still under review, but almost there. We will make sure that there is information on the website of how to get hold of a copy.

#### ***Admin Team***

The admin team consists of Kathy, Carol and Dawn. General Office duties include monitoring the post, emails, phone calls, producing the notices each week and dealing with room bookings.

Along with these general office duties, a lot of time has been spent learning to use the many features of the iKnow church software. The iKnow software is a secure way to store the contact details of those who attend MEC in order to complete tasks like emailing and producing rotas. This has been a steep learning curve.

We have also spent time cleaning up the records stored on iKnow. With this in mind, we now need to check all the remaining data stored on the system, as there will inevitably have been many changes over the years. So, in the next few months, we'll be asking everyone to fill in a new form with their contact details.

### ***Hospitality Team***

MEC has been so blessed with the hospitality team. On a number of occasions the team have fed us and catered for a number of events which have provided a great opportunity for fellowship and social contact, and brought us together more as church family.

We held a picnic up at Regents College in the summer. We have held church lunches and celebrated a Harvest Supper together. All of this has been in addition to organising the weekly refreshments which are served after the morning service.

The Trustees would like to thank the hospitality team and all of those who have peeled, chopped, served and washed up.

### **Ministry groups**

#### ***Children & Families Church***

For many, many years, MEC has experienced the hall emptying on a Sunday morning when the children and young people leave the main hall. We are blessed with wonderful families and we are blessed by our families. For a number of reasons, Sunday Club wasn't working and the Lord used Covid as an opportunity for change. During Covid we supported our parents and have carried on doing this.

On Sundays, we aim to structured sessions so parents can lead their families. We provide material to help them do this. In recent months, it has been a joy to see the families form friendships and work together with other families.

We usually base or teaching on Old Testament in the autumn, Jesus in the spring, and The Early Church and Heaven in the summer term.

Parents tell us they appreciate the emphasis on children having their own relationship with God, being helped to navigate the Bible, having a curriculum that flows from one week to the next, getting to know other families and not feeling like they are on their own in their struggles. The parents often comment that they learn too and feel like they have been in church.

#### ***TUG Group***

TUG is the group formerly known as the Manse Group as it was hosted in the Manse at one point. This is a Sunday morning youth group for those in school years 7-10. There is an overlap in members who attend the midweek Younger Youth group. We are still working on relationship building, getting to them as groups and getting the group to know each other. They are great group, and it has helped having the midweek contact with some in the group.

#### ***Worship Group***

Worship team worship team aim to meet once a fortnight on Friday evenings at church from 7:30 to 9:00 PM. This is a time to go through songs for the forthcoming service, to start learning to new songs and time to pray for each other as a team.

There's also time on a Sunday morning for the team to meet pray and worship together before the service.

### **Community Focused Groups**

#### ***Welcome Space***

Welcome to welcome space. We offer hot drinks, toast, bacon or sausage sandwiches, all free of charge, access to the wonderfully managed clothing bank. And we offer as much or as little interaction as our guests want.

Our guest numbers averaged 12. We have a core team of five and a wider team of three, so we regularly have between 17 and 20 people each Thursday morning.

The guests are a mix of people, from one year olds to 91 years old. Some come most weeks, others now and again. It's not as static group, but a variety of people coming for a variety of reasons which is as we hoped it would be.

The core team have bonded and we support and care for one another within the love of Jesus.

With the seasons changing and the numbers increasing, we've evolved from being a Warm Welcome Space to being a Welcome Space, and with the blessing them permission of the church, we'd like to continue the Welcome Space into this summer.

### ***Teams4U***

2022 was once again a very challenging and yet hugely rewarding year for the charity as it sought to help many vulnerable and disadvantaged Families.

Teams4U are involved in many projects. Here are some.

- Supporting Vocational Skill Centres in Sierra Leone including education sponsorship of students
- A wash sanitation project in Ugandan schools
- A homeless project in Romania as well as building a facility for an after-school homework club in Suncuis
- They also head up the Develop with Dignity project which takes a holistic approach to supporting young people to go to school and stay in education.

As a church we work with the charity with their Shoebox Appeal. Last year a total of 62,574 boxes were donated and sent out to needy children and families in Ukraine, Moldova, Georgia, Bosnia and Romania. 75 Boxes we're collected from MEC and taken to the regional warehouse in Evesham for checking prior to distribution. Finally, be assured that every single box wrapped and filled with Love will find its way into the hands and hearts of grateful children and their families.

### ***Rainbow Club***

Rainbow Club is a parent and toddler group. The numbers of the group are deliberately kept small. The smaller group suit children that need a quieter, calmer environment. There is a warm welcoming environment where children, parents, grandparents, carers and Rainbow Club team members develop good friendships.

### ***Coffee and Chat***

Coffee chat meets on a Monday afternoon from 2 to 4:00 pm all through the year apart from August and Bank Holidays all this.

We hope it is a welcoming and safe place for anybody to come, have of cup of tea and make friends. It's not a knitting circle, but they are from the generation who are used to knitting and crochet and many bring something to do while they talk. Some folk knit squares for blankets which are sewn

together and go to a clinic in Sierra Leone for street children and baby clinics. We are grateful to Ken and Marion from Cradley Chappell who organize the shipment of these items.

We have men and women, predominantly of the older generation, and a mixture of Christians and Christians. Friendships have been made and we listen and support those who are going through troubles and illnesses.

We have a short two minute epilogue at the end of the afternoon, known as Listen with Mother. Only those of a certain generation will understand Listen with mother.

We've been encouraged recently that more people have been willing and eager to ask for prayer, either for themselves or loved ones.

Our heart is to see these older folk come to know Jesus. It is a privilege to come along side those who've experienced so much in life. We pray that in our attitude and service, we might demonstrate the love of Jesus to them.

### **Art Group**

The Art Group is now in its second year. A group of about 10 regular artists meet during term times on Thursday afternoons at 2pm. The group is open to anyone interested in Art and it has been referred to as a friendly group.

Our meetings start with a welcome to newcomers, and then notices are given on what's on in the Art World, and comments are invited from individuals on aspects of artworks. There is a tea break when members can have a chat and comment on individuals' artworks in progress.

In the summer months there are opportunities to paint outside at arranged venues.

The MEC Art Group provides an opportunity for people within the local community, who have an interest in art to meet together to discuss art related subjects or practice their art related interests. Membership is open to those interested in art, irrespective of whether they are members of MEC or live locally. The majority of members come from the local community, with only the leader of the group, who is a church leader and trustee being regularly involved and one or two members of the church attending occasionally.

The meetings are financed by individual donations at each meeting.

### **Support for Missions**

MEC provided support, both financial and prayer support, for a number of local and foreign missions. On a global front, we continued to support missionary families operating in Tasmania, the Sahel region of North Africa, Zambia and The Netherlands, each of these through families and organisations known to members of the church.

Locally, MEC continued to provide support for Churches Together in Malvern, The Lyttleton Well, the Malvern Hills FoodBank and Christians Against Poverty.

### **Deacons Report**

There's so many different things that happen in church, not with the help of the Deacons really, but that people do all the time and the Deacons are so grateful for that.

A couple of comments on the church building over the past year. There's not been really any major issues. Probably the most important thing that we did was we had the heating repaired – we did

have trouble with the heating at the start of the cold snap and we had an engineer come in and to resolve some issues. There were some problems with the control system.

The Deacons have also managed the annual servicing gas boilers and so forth and added new notice boards to the Cafe area.

The Manse has been a big focus for the Deacons over the past a year. Once the Manse was vacant in September, the Deacons did quite a lot of assessment on what needed to be done on the building. It was valued by a number of estate agents and some clearance work was also done in the garden.

### **Volunteers**

The work and ministry of the MEC is only made possible with God's help and the support of willing volunteers. The Trustees wish to acknowledge and express our gratitude to all who have willingly given of their time, have supported in prayer and financially and used their many gifts and talents to bless the church family and the community.

Thank you!

Charity Registration No. 1178558

Company Registration No. CEO14236 (England and Wales)

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	David Ransom Steve Atkins John Jacob
<b>Elders</b>	David Ransom (Appointed 22/06/2022) Steve Atkins John Jacob Geoff Richardson (Appointed 22/06/2022) George Webb (Appointed 22/06/2022) Colin Smith (Appointed 01/07/2022)
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh Colin Cameron
<b>Charity number</b>	1178558
<b>Principal address</b>	204 - 208 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Deacons present their report and accounts for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# **MALVERN EVANGELICAL CHURCH**

## **DEACONS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objectives and activities within the year.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building was completed in Spring 2016. This project was detailed in previous accounts.

#### **Financial review**

The surplus for the year amounted to £20,133 (2021 £9437). The unrestricted fund reserves at the year end were £104791 (2021:£91,545). At the year end the restricted fund reserves were £7191 (2021 £5,415). Designated funds at the year end amounted to £634209 (2021: £629,099), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

#### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

#### **Trustee selection**

Only currently serving Elders may be Managing Trustees, however, not all Elders are required to be Managing Trustees. This is currently being reviewed to broaden the pool of possible Trustees.

The Elders will decide who from their number should be Managing Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 14/02/2018 version 3, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

# **MALVERN EVANGELICAL CHURCH**

## **DEACONS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

Plans for the coming year include those of increasing the numbers of the Deaconate.

The Deacons' report was approved by the Deacons.



**George Chakko-George**

Deacon

Dated: 19 May 2023

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

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I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2022.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

#### **Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 19 May 2023

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

### Current financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>Income from:</b>						
Donations and legacies	3	103,244	5,110	14,127	122,481	134,391
Other activities	4	405	-	-	405	5,560
Investments	5	51	-	-	51	1
<b>Total income</b>		<u>103,700</u>	<u>5,110</u>	<u>14,127</u>	<u>122,937</u>	<u>139,952</u>
<b>Expenditure on:</b>						
Charitable activities	6	77,132	-	25,672	102,804	130,515
<b>Net incoming/(outgoing) resources before transfers</b>		<u>26,568</u>	<u>5,110</u>	<u>(11,545)</u>	<u>20,133</u>	<u>9,437</u>
Gross transfers between funds	12	(13,322)	-	13,322	-	-
<b>Net income for the year/ Net movement in funds</b>		<u>13,246</u>	<u>5,110</u>	<u>1,777</u>	<u>20,133</u>	<u>9,437</u>
Fund balances at 1 January 2022		<u>91,545</u>	<u>629,099</u>	<u>5,415</u>	<u>726,059</u>	<u>716,622</u>
<b>Fund balances at 31 December 2022</b>		<u><u>104,791</u></u>	<u><u>634,209</u></u>	<u><u>7,191</u></u>	<u><u>746,191</u></u>	<u><u>726,059</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year - combined

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	3	107,435	8,471	18,485	134,391
Other activities	4	5,560	-	-	5,560
Investments	5	1	-	-	1
<b>Total income</b>		112,996	8,471	18,485	139,952
<b>Expenditure on:</b>					
Charitable activities	6	104,897	876	24,742	130,515
<b>Net incoming/(outgoing) resources before transfers</b>		8,099	7,595	(6,257)	9,437
Gross transfers between funds	12	(13,642)	4,364	9,278	-
<b>Net income for the year/ Net movement in funds</b>		(5,543)	11,959	3,021	9,437
Fund balances at 1 January 2021		97,088	617,140	2,394	716,622
<b>Fund balances at 31 December 2021</b>		91,545	629,099	5,415	726,059

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021 Combined	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		930,525		950,966
<b>Current assets</b>					
Debtors	14	10,554		5,442	
Cash at bank and in hand		35,233		28,503	
		<u>45,787</u>		<u>33,945</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(29,925)</u>		<u>(29,379)</u>	
Net current assets			15,862		4,566
<b>Total assets less current liabilities</b>			946,387		955,532
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(200,196)</u>		<u>(229,473)</u>
<b>Net assets</b>			<u>746,191</u>		<u>726,059</u>
<b>Income funds</b>					
Restricted funds	18		7,191		5,415
<u>Unrestricted funds</u>					
Designated funds	19	634,209		629,099	
General unrestricted funds		<u>104,791</u>		<u>91,545</u>	
			739,000		720,644
			<u>746,191</u>		<u>726,059</u>

The financial statements were approved by the Deacons on 19 May 2023

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 204 - 208 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

#### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the former charity were transferred to the new organisation on 1 January 2019. These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

##### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**MALVERN EVANGELICAL CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3 Donations and legacies**

	Unrestricted funds general 2022	Unrestricted funds designated 2022	Restricted funds 2022	Total 2022	Unrestricted funds general 2021	Unrestricted funds designated 2021	Restricted funds 2021	Total Combined 2021
	£	£	£	£	£	£	£	£
Donations and gifts	103,244	5,110	14,127	122,481	107,435	8,471	18,485	134,391

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 4 Other activities

	<b>Unrestricted funds general 2022 £</b>	Unrestricted funds general Combined 2021 £
Church activities and clubs	405	5,560

### 5 Investments

	<b>Unrestricted funds general 2022 £</b>	Unrestricted funds general 2021 £
Interest receivable	51	1

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total Ministry and mission fund	Clubs and other activities	Total Combined
	2022	2022	2022	2021	2021
	£	£	£	£	£
Staff costs	27,769	-	27,769	37,970	37,970
Depreciation and impairment	20,441	-	20,441	21,865	21,865
Costs of running activities	-	2,492	2,492	-	1,760
Building costs	-	-	-	876	876
	<u>48,210</u>	<u>2,492</u>	<u>50,702</u>	<u>60,711</u>	<u>62,471</u>
Grant funding of activities (see note 7)	25,672	-	25,672	24,742	24,742
Share of support costs (see note 8)	24,279	-	24,279	29,038	29,038
Share of governance costs (see note 8)	2,151	-	2,151	14,264	14,264
	<u>100,312</u>	<u>2,492</u>	<u>102,804</u>	<u>128,755</u>	<u>130,515</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	74,640	2,492	77,132	103,137	104,897
Unrestricted funds - designated	-	-	-	876	876
Restricted funds	25,672	-	25,672	24,742	24,742
	<u>100,312</u>	<u>2,492</u>	<u>102,804</u>	<u>128,755</u>	<u>130,515</u>

### 7 Grants payable

	2022	2021
	£	Combined £
Grants made (see restricted funds note)	25,672	24,742
	<u>25,672</u>	<u>24,742</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs	Support costs	Governance costs	2022 Support costs		Governance costs	2021
	£	£	£	£	£	Combined £
Other support expenditure see below	24,279	-	24,279	29,038	-	29,038
Legal and professional	-	-	-	-	12,663	12,663
Accountancy fees	-	1,620	1,620	-	1,260	1,260
Bank charges	-	531	531	-	341	341
	<u>24,279</u>	<u>2,151</u>	<u>26,430</u>	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>
Analysed between						
Charitable activities	<u>24,279</u>	<u>2,151</u>	<u>26,430</u>	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2022 £	2021 £
Building repairs and maintenance	1,465	3,736
Rates and water	1,263	2,194
Light and heat	2,744	2,878
Insurance	2,920	2,726
Postage and stationery	311	104
Telephone	304	357
Subscriptions	1,606	1,556
Sundry Expenses	50	319
Mortgage Interest	10,234	10,890
Website Costs	744	1,070
Cleaning	2,189	2,982
Kitchen supplies	449	209
	<u>24,279</u>	<u>29,038</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Combined Number
Full-time employees	1	1

##### Employment costs

	2022	2021
	£	Combined £
Wages and salaries	23,119	31,066
Other pension costs	4,650	6,904
	<u>27,769</u>	<u>37,970</u>

The employees are considered to be the key management personnel.

There were no employees whose annual remuneration was £60,000 or more.

#### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 12 Transfers

A transfer of £13,322 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022 - combined	1,040,382	9,732	66,884	7,431	1,124,429
At 31 December 2022	1,040,382	9,732	66,884	7,431	1,124,429
<b>Depreciation and impairment</b>					
At 1 January 2022 - combined	99,986	7,787	59,053	6,637	173,463
Depreciation charged in the year	16,306	1,945	1,919	271	20,441
At 31 December 2022	116,292	9,732	60,972	6,908	193,904
<b>Carrying amount</b>					
At 31 December 2022	924,090	-	5,912	523	930,525
At 31 December 2021 - combined	940,396	1,945	7,831	794	950,966

### 14 Debtors

	2022	2021
	£	Combined £
<b>Amounts falling due within one year:</b>		
Other debtors	10,554	5,442

### 15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	Combined £
Bank loans	17	23,485	21,245
Other borrowings		5,000	5,000
Other taxation and social security		-	1,874
Accruals and deferred income		1,440	1,260
		29,925	29,379

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 Combined £
Bank loans	17	185,196	209,473
Other creditors		15,000	20,000
		<u>200,196</u>	<u>229,473</u>

#### 17 Loans and overdrafts

	2022 £	2021 Combined £
Bank loans	208,681	230,718
Other loans	25,000	30,000
	<u>233,681</u>	<u>260,718</u>
Payable within one year	28,485	26,245
Payable after one year	<u>205,196</u>	<u>234,473</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>46,773</u>	<u>111,847</u>
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The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage was entered into to provide finance for the building of the church, it was for a period of 15 years, repayable by instalments and carries interest at variable rate.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021		Movement in funds		Balance at 1 January 2022		Movement in funds		Balance at 31 December 2022	
	£	£	Incoming resources	Resources expended	Transfers	Combined	Incoming resources	Resources expended	Transfers	£
Peter and Lydia Bennett Fund	-	8,825	(13,880)	5,055	-	7,890	(12,090)	4,200	-	-
Caris (India)	-	1,890	-	(1,890)	-	16	(618)	602	-	-
Donations and missions	-	-	(6,065)	6,065	-	-	(5,820)	5,820	-	-
Dignity	-	-	(635)	635	-	-	-	-	-	-
Kerala	470	-	-	-	470	-	-	-	-	470
Benevolent Fund	1,904	2,217	(1,623)	66	2,564	1,650	(922)	-	-	3,292
Malvern Food Banks	20	-	-	-	20	-	(20)	-	-	-
Gaines 2022	-	4,900	(2,539)	-	2,360	2,133	(3,132)	-	-	1,361
Dignity - The Big Give 2022	-	653	-	(653)	-	-	-	-	-	-
Ukraine Fund	-	-	-	-	-	2,428	(370)	-	-	2,058
Rhameda Abdoussalame	-	-	-	-	-	10	-	-	-	10
Frontiers Yukubu	-	-	-	-	-	-	(2,500)	2,500	-	-
Jon Witt Dignity	-	-	-	-	-	-	(200)	200	-	-
	2,394	18,485	(24,742)	9,278	5,414	14,127	(25,672)	13,322	-	7,191

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Restricted funds

(Continued)

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Donations and missions - donations and monies given to missions as described in the introduction.

Support Fund - funds raised to assist those undertaking theological training.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Balance at 31 December 2022
	£	£	£	£	Combined £	£	£
Freehold property	548,087	-	-	4,364	552,451	-	552,451
Accommodati on project	69,053	8,471	(876)	-	76,648	5,110	81,758
	<u>617,140</u>	<u>8,471</u>	<u>(876)</u>	<u>4,364</u>	<u>629,099</u>	<u>5,110</u>	<u>634,209</u>

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Analysis of net assets between funds

	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£	2021	£
Fund balances at 31 December 2022 are represented by:																
Tangible assets	378,073		552,452		-		930,525		395,649		555,317		-		950,966	
Current assets/(liabilities)	(73,086)		81,757		7,191		15,862		(74,631)		73,782		5,415		4,566	
Long term liabilities	(200,196)		-		-		(200,196)		(229,473)		-		-		(229,473)	
	104,791		634,209		7,191		746,191		91,545		629,099		5,415		726,059	

# **MALVERN EVANGELICAL CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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**21 Related party transactions**

There were no disclosable related party transactions during the year (2021 - none).



Charity Registration No. 1178558

Company Registration No. CEO14236 (England and Wales)

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	David Ransom Steve Atkins John Jacob
<b>Elders</b>	David Ransom (Appointed 22/06/2022) Steve Atkins John Jacob Geoff Richardson (Appointed 22/06/2022) George Webb (Appointed 22/06/2022) Colin Smith (Appointed 01/07/2022)
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh Colin Cameron
<b>Charity number</b>	1178558
<b>Principal address</b>	204 - 208 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Deacons present their report and accounts for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

#### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

#### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

#### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

#### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objectives and activities within the year.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building was completed in Spring 2016. This project was detailed in previous accounts.

#### **Financial review**

The surplus for the year amounted to £20,133 (2021 £9437). The unrestricted fund reserves at the year end were £104791 (2021:£91,545). At the year end the restricted fund reserves were £7191 (2021 £5,415). Designated funds at the year end amounted to £634209 (2021: £629,099), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

#### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

#### **Trustee selection**

Only currently serving Elders may be Managing Trustees, however, not all Elders are required to be Managing Trustees. This is currently being reviewed to broaden the pool of possible Trustees.

The Elders will decide who from their number should be Managing Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 14/02/2018 version 3, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

# **MALVERN EVANGELICAL CHURCH**

## **DEACONS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

Plans for the coming year include those of increasing the numbers of the Deaconate.

The Deacons' report was approved by the Deacons.



**George Chakko-George**

Deacon

Dated: 19 May 2023

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

---

I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2022.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

#### **Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 19 May 2023

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

### Current financial year

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>Income from:</b>						
Donations and legacies	3	103,244	5,110	14,127	122,481	134,391
Other activities	4	405	-	-	405	5,560
Investments	5	51	-	-	51	1
<b>Total income</b>		<u>103,700</u>	<u>5,110</u>	<u>14,127</u>	<u>122,937</u>	<u>139,952</u>
<b>Expenditure on:</b>						
Charitable activities	6	77,132	-	25,672	102,804	130,515
<b>Net incoming/(outgoing) resources before transfers</b>		<u>26,568</u>	<u>5,110</u>	<u>(11,545)</u>	<u>20,133</u>	<u>9,437</u>
Gross transfers between funds	12	(13,322)	-	13,322	-	-
<b>Net income for the year/ Net movement in funds</b>		<u>13,246</u>	<u>5,110</u>	<u>1,777</u>	<u>20,133</u>	<u>9,437</u>
Fund balances at 1 January 2022		<u>91,545</u>	<u>629,099</u>	<u>5,415</u>	<u>726,059</u>	<u>716,622</u>
<b>Fund balances at 31 December 2022</b>		<u><u>104,791</u></u>	<u><u>634,209</u></u>	<u><u>7,191</u></u>	<u><u>746,191</u></u>	<u><u>726,059</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Prior financial year - combined

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>					
Donations and legacies	3	107,435	8,471	18,485	134,391
Other activities	4	5,560	-	-	5,560
Investments	5	1	-	-	1
<b>Total income</b>		112,996	8,471	18,485	139,952
<b>Expenditure on:</b>					
Charitable activities	6	104,897	876	24,742	130,515
<b>Net incoming/(outgoing) resources before transfers</b>		8,099	7,595	(6,257)	9,437
Gross transfers between funds	12	(13,642)	4,364	9,278	-
<b>Net income for the year/ Net movement in funds</b>		(5,543)	11,959	3,021	9,437
Fund balances at 1 January 2021		97,088	617,140	2,394	716,622
<b>Fund balances at 31 December 2021</b>		91,545	629,099	5,415	726,059

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021 Combined	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		930,525		950,966
<b>Current assets</b>					
Debtors	14	10,554		5,442	
Cash at bank and in hand		35,233		28,503	
		<u>45,787</u>		<u>33,945</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(29,925)</u>		<u>(29,379)</u>	
Net current assets			15,862		4,566
<b>Total assets less current liabilities</b>			946,387		955,532
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(200,196)</u>		<u>(229,473)</u>
<b>Net assets</b>			<u>746,191</u>		<u>726,059</u>
<b>Income funds</b>					
Restricted funds	18		7,191		5,415
<u>Unrestricted funds</u>					
Designated funds	19	634,209		629,099	
General unrestricted funds		<u>104,791</u>		<u>91,545</u>	
			739,000		720,644
			<u>746,191</u>		<u>726,059</u>

The financial statements were approved by the Deacons on 19 May 2023

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 204 - 208 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

#### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the former charity were transferred to the new organisation on 1 January 2019. These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

##### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**MALVERN EVANGELICAL CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3 Donations and legacies**

	Unrestricted funds general 2022	Unrestricted funds designated 2022	Restricted funds 2022	Total 2022	Unrestricted funds general 2021	Unrestricted funds designated 2021	Restricted funds 2021	Total Combined 2021
	£	£	£	£	£	£	£	£
Donations and gifts	103,244	5,110	14,127	122,481	107,435	8,471	18,485	134,391

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 4 Other activities

	<b>Unrestricted funds general 2022 £</b>	Unrestricted funds general Combined 2021 £
Church activities and clubs	405	5,560

### 5 Investments

	<b>Unrestricted funds general 2022 £</b>	Unrestricted funds general 2021 £
Interest receivable	51	1

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total Ministry and mission fund	Clubs and other activities	Total
	2022	2022	2022	2021	Combined 2021
	£	£	£	£	£
Staff costs	27,769	-	27,769	37,970	37,970
Depreciation and impairment	20,441	-	20,441	21,865	21,865
Costs of running activities	-	2,492	2,492	-	1,760
Building costs	-	-	-	876	876
	<u>48,210</u>	<u>2,492</u>	<u>50,702</u>	<u>60,711</u>	<u>62,471</u>
Grant funding of activities (see note 7)	25,672	-	25,672	24,742	24,742
Share of support costs (see note 8)	24,279	-	24,279	29,038	29,038
Share of governance costs (see note 8)	2,151	-	2,151	14,264	14,264
	<u>100,312</u>	<u>2,492</u>	<u>102,804</u>	<u>128,755</u>	<u>130,515</u>
<b>Analysis by fund</b>					
Unrestricted funds - general	74,640	2,492	77,132	103,137	104,897
Unrestricted funds - designated	-	-	-	876	876
Restricted funds	25,672	-	25,672	24,742	24,742
	<u>100,312</u>	<u>2,492</u>	<u>102,804</u>	<u>128,755</u>	<u>130,515</u>

### 7 Grants payable

	2022	2021
	£	Combined £
Grants made (see restricted funds note)	25,672	24,742
	<u>25,672</u>	<u>24,742</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs	Support costs	Governance costs	2022 Support costs		Governance costs	2021
	£	£	£	£	£	Combined £
Other support expenditure see below	24,279	-	24,279	29,038	-	29,038
Legal and professional	-	-	-	-	12,663	12,663
Accountancy fees	-	1,620	1,620	-	1,260	1,260
Bank charges	-	531	531	-	341	341
	<u>24,279</u>	<u>2,151</u>	<u>26,430</u>	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>
Analysed between						
Charitable activities	<u>24,279</u>	<u>2,151</u>	<u>26,430</u>	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2022 £	2021 £
Building repairs and maintenance	1,465	3,736
Rates and water	1,263	2,194
Light and heat	2,744	2,878
Insurance	2,920	2,726
Postage and stationery	311	104
Telephone	304	357
Subscriptions	1,606	1,556
Sundry Expenses	50	319
Mortgage Interest	10,234	10,890
Website Costs	744	1,070
Cleaning	2,189	2,982
Kitchen supplies	449	209
	<u>24,279</u>	<u>29,038</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 10 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Combined Number
Full-time employees	1	1

##### Employment costs

	2022	2021
	£	Combined £
Wages and salaries	23,119	31,066
Other pension costs	4,650	6,904
	<u>27,769</u>	<u>37,970</u>

The employees are considered to be the key management personnel.

There were no employees whose annual remuneration was £60,000 or more.

#### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 12 Transfers

A transfer of £13,322 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022 - combined	1,040,382	9,732	66,884	7,431	1,124,429
At 31 December 2022	1,040,382	9,732	66,884	7,431	1,124,429
<b>Depreciation and impairment</b>					
At 1 January 2022 - combined	99,986	7,787	59,053	6,637	173,463
Depreciation charged in the year	16,306	1,945	1,919	271	20,441
At 31 December 2022	116,292	9,732	60,972	6,908	193,904
<b>Carrying amount</b>					
At 31 December 2022	924,090	-	5,912	523	930,525
At 31 December 2021 - combined	940,396	1,945	7,831	794	950,966

### 14 Debtors

	2022	2021
	£	Combined £
<b>Amounts falling due within one year:</b>		
Other debtors	10,554	5,442

### 15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	Combined £
Bank loans	17	23,485	21,245
Other borrowings		5,000	5,000
Other taxation and social security		-	1,874
Accruals and deferred income		1,440	1,260
		29,925	29,379

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 Combined £
Bank loans	17	185,196	209,473
Other creditors		15,000	20,000
		<u>200,196</u>	<u>229,473</u>

### 17 Loans and overdrafts

	2022 £	2021 Combined £
Bank loans	208,681	230,718
Other loans	25,000	30,000
	<u>233,681</u>	<u>260,718</u>
Payable within one year	28,485	26,245
Payable after one year	<u>205,196</u>	<u>234,473</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>46,773</u>	<u>111,847</u>
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The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage was entered into to provide finance for the building of the church, it was for a period of 15 years, repayable by instalments and carries interest at variable rate.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021		Movement in funds		Balance at 1 January 2022		Movement in funds		Balance at 31 December 2022	
	£	£	Incoming resources	Resources expended	Transfers	Combined	Incoming resources	Resources expended	Transfers	£
Peter and Lydia Bennett Fund	-	8,825	(13,880)	5,055	-	-	7,890	(12,090)	4,200	-
Caris (India)	-	1,890	-	(1,890)	-	-	16	(618)	602	-
Donations and missions	-	-	(6,065)	6,065	-	-	-	(5,820)	5,820	-
Dignity	-	-	(635)	635	-	-	-	-	-	-
Kerala	470	-	-	-	470	470	-	-	-	470
Benevolent Fund	1,904	2,217	(1,623)	66	2,564	2,564	1,650	(922)	-	3,292
Malvern Food Banks	20	-	-	-	20	20	-	(20)	-	-
Gaines 2022	-	4,900	(2,539)	-	2,360	2,360	2,133	(3,132)	-	1,361
Dignity - The Big Give 2022	-	653	-	(653)	-	-	-	-	-	-
Ukraine Fund	-	-	-	-	-	-	2,428	(370)	-	2,058
Rhameda Abdoussalame	-	-	-	-	-	-	10	-	-	10
Frontiers Yukubu	-	-	-	-	-	-	-	(2,500)	2,500	-
Jon Witt Dignity	-	-	-	-	-	-	-	(200)	200	-
	2,394	18,485	(24,742)	9,278	5,414	5,414	14,127	(25,672)	13,322	7,191

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Restricted funds

(Continued)

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Donations and missions - donations and monies given to missions as described in the introduction.

Support Fund - funds raised to assist those undertaking theological training.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Balance at 31 December 2022
	£	£	£	£	Combined £	£	£
Freehold property	548,087	-	-	4,364	552,451	-	552,451
Accommodati on project	69,053	8,471	(876)	-	76,648	5,110	81,758
	<u>617,140</u>	<u>8,471</u>	<u>(876)</u>	<u>4,364</u>	<u>629,099</u>	<u>5,110</u>	<u>634,209</u>

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Analysis of net assets between funds

	Unrestricted funds		Designated funds		Restricted funds		Total		Total 2021 Combined £
	2022	£	2022	£	2022	£	2022	£	
Fund balances at 31 December 2022 are represented by:									
Tangible assets	378,073		552,452		-		930,525		950,966
Current assets/(liabilities)	(73,086)		81,757		7,191		15,862		4,566
Long term liabilities	(200,196)		-		-		(200,196)		(229,473)
	104,791		634,209		7,191		746,191		726,059

# **MALVERN EVANGELICAL CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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**21 Related party transactions**

There were no disclosable related party transactions during the year (2021 - none).



**MALVERN EVANGELICAL CHURCH**

England & Wales - Charity number 1178558

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# Accounts

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## Trustees Annual Report 2021

2021 was an eventful year for Malvern Evangelical Church. As with most churches and organisations around the country, MEC had to adapt to the challenges of continuing to fulfil our mission and objectives in an environment largely dominated by the COVID pandemic and associated restrictions. Despite the challenges, God has been good to us and with the support and contributions from many in the church, throughout the year MEC continued to operate online and in-person as we discovered and explored different ways of being “church”.

### Church Online

With continued restrictions on meeting indoors effective in the early part of 2021, MEC continued to cater for the congregation with online services. As lockdown was initiated the previous year, services were already being broadcast online on Sunday mornings using pre-recorded sermons and musical worship. MEC moved to live-streamed Sunday morning services using a mixture of pre-recorded resources and live broadcasts. As restrictions eased with people allowed to meet in small groups, live-broadcasts of the Sunday morning service continued, often with a few people present in the building on a Sunday morning. There was much relief and celebration as the situation improved sufficiently to allow the congregation to meet again in person later in the year.

The investment in setting up the infrastructure for live-streaming was not wasted, and has allowed the church to continue broadcasting services on Sunday mornings, allowing members of the congregation to enjoy the services when they are not able to attend in person. MEC is grateful to all those who helped to make online Sunday services possible during lockdown, both to those who helped set up the technology and provided ministry online. We are especially grateful to Rev. Leston Blackburn, our minister, for his efforts in spearheading the initiative to go online, and for the spiritual encouragement he provided to the church through his ministry, during what was for many a very difficult time.

As a result of Covid restrictions, many other aspects of the church’s ministry were adapted for online participation. Many of the weekly Small groups had begun meeting online over Zoom. Online Small group gatherings continued even as restrictions began to ease to allow those isolating to participate. A weekly Sunday evening prayer meeting also continued online over Zoom. Children and youth programs were also adapted to provide support and ministry online to the younger age groups.

### Care Team

The Care Team continued to offer support to individuals within the church and the wider community who required assistance, particularly those having to isolate as a result of the pandemic. A Benevolence fund, partly resourced from church funds and supplemented by donations from church attenders, was set up to support the work of the care team and to address needs within the fellowship. With restrictions easing other support being available, we began to find less take up of support by the local community.

While efforts were made by the church to organise support for members of the church and the wider community struggling with the impacts of the pandemic, we are aware that a lot of care was

provided individually by members within the church on their own initiative and often unnoticed. MEC acknowledges all of those in the church who noticed the needs, who shopped for others, called each other up and provided encouragement to those on their own, and in doing so, captured the essence of what it means to be church.

### **Children and Youth Ministry**

Provision for children and young people at MEC continued throughout lockdown, albeit in varying formats. Support for children and young people in the church was acknowledged to be a vital area of need at a time when they were having to isolate from friends and peers. At the same time, restrictions to meeting in person provided additional challenges to which the children and youth ministry teams adapted well.

The children's ministry team continued to create "e-packs" which were delivered individually to families by volunteers for use during an online Sunday service. Children, along with their parents or carers were invited to participate in a Zoom session prior to the morning adult online service. The sessions were moderated and led by the children's team, with time provided for children and adults to engage in activities in the e-packs. The online sessions also allowed families to interact with each other and engage in shared community online. As restrictions eased later in the year, provision for children was adapted to a similar style of service conducted in-person. The children's ministry team expended a lot of effort to create and deliver teaching, activity and support to children and families throughout the year.

Youth groups had moved to meeting online as lockdown went into effect in 2020. This continued through the early part of 2021, with the groups meeting online for prayer, study and social activities over Zoom. The use of Zoom also necessitated introducing new safeguarding guidelines for church youth activities online. The young people took the initiative to organize a monthly social over Zoom, providing the opportunity for them to organise games and activities and to share a short reflection.

While the use of Zoom served as a stop-gap measure during lockdown, the enforced isolation highlighted for the young people and leaders the value of community and in-person social interaction, something that organisations across the nation were rediscovering. As soon as restrictions eased, particularly those relating to youth provision, all were relieved when the youth groups were able to meet again in-person, following approved Covid guidelines.

By August 2021, restrictions had eased sufficiently to allow MEC to organise a 5-day youth residential at Gaines Manor Christian Activity Centre. This provided a wonderful opportunity for the young people to reconnect, to engage in activities, receive teaching and ministry, and to teach and encourage each other. Youth leaders and the young people were immensely encouraged and blessed by the experience.

We have been blessed over the years with a wonderful group of young people and children. MEC is grateful to all the children's ministry team and youth leaders who have supported them through 2021.

### **Finances**

As can be seen from the attached accounts and comments made by our treasurer and independent examiner the trust remains financially viable. More details can be found in their reports and accounts.

## **Support for Missions**

MEC continued to provide financial and prayer support for a number of local and foreign missions, most of whom were also impacted to some extent by the global pandemic. On a global front, we continued to support missionary families operating in Tasmania, the Sahel region of North Africa, Zambia and The Netherlands.

Closer to home, MEC provided financial support for Churches Together in Malvern, the Malvern Hills FoodBank and Christians Against Poverty, organisations supporting the needs of our local community.

## **Volunteers**

The work and ministry of the MEC is only made possible with God's help and the support of willing volunteers.

Although the congregation was not always able to meet in-person, many people were involved in helping to keep the various ministries of the church going.

During the course of 2021, MEC saw a few changes in appointed roles. One of the Elders resigned, having felt called to serve in other ways. MEC also saw changes in the makeup of the deaconate, with two Deacons stepping back, a new Deacon appointed, and two others reappointed for an additional 3-year term.

We wish to acknowledge and express our gratitude to all who have willingly sacrificed their time, who have put themselves out, who have taken on responsibilities and served faithfully, to those who have supported prayerfully and those who have contributed financially.

As a church we have been blessed by the many gifts and abilities within the fellowship, but more so by the willingness of all those who have made themselves available to help with teaching, worship, leading, administration, practical tasks and caring. Thank you to all who have served!

The Trustees

**Charity Registration No. 1178558**

**Company Registration No. CEO14236 (England and Wales)**

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Leston Blackburn (Minister, Chair) Steve Atkins John Jacob
<b>Elders</b>	Leston Blackburn (minister) Steve Atkins John Jacob Chris Bray Sean Brodie
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh Colin Cameron
<b>Charity number</b>	1178558
<b>Principal address</b>	210 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Deacons present their report and accounts for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

#### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Evangelical Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

#### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

#### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

#### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objects and activities within the year.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building was completed in Spring 2016. This project was detailed in previous accounts.

### **Financial review**

The surplus for the year amounted to £9,437 (2020 £24,578). The unrestricted fund reserves at the year end were £91,545 (2020:£97,088). At the year end the restricted fund reserves were £5,415 (2020 £2,394). Designated funds at the year end amounted to £629,099 (2020: £617,140), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

### **Trustee selection**

Only currently serving Elders may be Managing Trustees, however, not all Elders are required to be Managing Trustees.

The Elders will decide who from their number should be Managing Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

# **MALVERN EVANGELICAL CHURCH**

## **DEACONS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

#### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 09/09/09 version 2, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

Plans for the coming year include those of increasing the numbers of the Deaconate.

The Deacons' report was approved by the Deacons.



**George Chakko-George**

Deacon

Dated: 15 April 2022

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

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I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2021.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

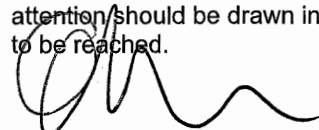
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



**Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 15 April 2022

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

### Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>						
Donations and legacies	3	107,435	8,471	18,485	134,391	132,864
Other activities	4	5,560	-	-	5,560	375
Investments	5	1	-	-	1	6
<b>Total income</b>		<u>112,996</u>	<u>8,471</u>	<u>18,485</u>	<u>139,952</u>	<u>133,245</u>
<b>Expenditure on:</b>						
Charitable activities	6	104,897	876	24,742	130,515	108,667
<b>Net incoming/(outgoing) resources before transfers</b>		8,099	7,595	(6,257)	9,437	24,578
Gross transfers between funds	11	(13,642)	4,364	9,278	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<u>(5,543)</u>	<u>11,959</u>	<u>3,021</u>	<u>9,437</u>	<u>24,578</u>
Fund balances at 1 January 2021		<u>97,088</u>	<u>617,140</u>	<u>2,394</u>	<u>716,622</u>	<u>692,044</u>
<b>Fund balances at 31 December 2021</b>		<u><u>91,545</u></u>	<u><u>629,099</u></u>	<u><u>5,415</u></u>	<u><u>726,059</u></u>	<u><u>716,622</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year - combined

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>					
Donations and legacies	3	114,786	9,863	8,215	132,864
Other activities	4	375	-	-	375
Investments	5	6	-	-	6
<b>Total income</b>		<b>115,167</b>	<b>9,863</b>	<b>8,215</b>	<b>133,245</b>
<b>Expenditure on:</b>					
Charitable activities	6	91,729	77	16,861	108,667
<b>Net incoming/(outgoing) resources before transfers</b>		<b>23,438</b>	<b>9,786</b>	<b>(8,646)</b>	<b>24,578</b>
Gross transfers between funds	11	(13,935)	3,565	10,370	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>9,503</b>	<b>13,351</b>	<b>1,724</b>	<b>24,578</b>
Fund balances at 1 January 2020		87,585	603,789	670	692,044
<b>Fund balances at 31 December 2020</b>		<b>97,088</b>	<b>617,140</b>	<b>2,394</b>	<b>716,622</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 Combined	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		950,966		972,460
<b>Current assets</b>					
Debtors	13	5,442		15,356	
Cash at bank and in hand		28,503		12,478	
			33,945		27,834
<b>Creditors: amounts falling due within one year</b>	14	(29,379)		(27,951)	
Net current assets/(liabilities)			4,566		(117)
<b>Total assets less current liabilities</b>			955,532		972,343
<b>Creditors: amounts falling due after more than one year</b>	15		(229,473)		(255,721)
<b>Net assets</b>			726,059		716,622
<b>Income funds</b>					
Restricted funds	17		5,415		2,394
<u>Unrestricted funds</u>					
Designated funds	18	629,099		617,140	
General unrestricted funds		91,545		97,088	
			720,644		714,228
			726,059		716,622

The financial statements were approved by the Deacons on 15 April 2022

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 210 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

##### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the the former charity were transferred to the new organisation on 1 January 2019.

These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

#### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Donations and legacies

	Unrestricted funds general 2021	Unrestricted funds designated 2021	Restricted funds 2021	Total 2021	Unrestricted funds general 2020	Unrestricted funds designated 2020	Restricted funds 2020	Total Combined 2020
	£	£	£	£	£	£	£	£
Donations and gifts	107,435	8,471	18,485	134,391	114,786	9,863	8,215	132,864

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 4 Other activities

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general Combined 2020 £</b>
Church activities and clubs	5,560	375

### 5 Investments

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Interest receivable	1	6

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total	Ministry and mission fund	Clubs and other activities	Total
	2021	2021	2021	2020	2020	Combined 2020
	£	£	£	£	£	£
Staff costs	37,970	-	37,970	37,768	-	37,768
Depreciation and impairment	21,865	-	21,865	23,658	-	23,658
Costs of running activities	-	1,760	1,760	-	1,580	1,580
Building costs	876	-	876	77	-	77
	<u>60,711</u>	<u>1,760</u>	<u>62,471</u>	<u>61,503</u>	<u>1,580</u>	<u>63,083</u>
Grant funding of activities (see note 7)	24,742	-	24,742	16,861	-	16,861
Share of support costs (see note 8)	29,038	-	29,038	27,223	-	27,223
Share of governance costs (see note 8)	14,264	-	14,264	1,500	-	1,500
	<u>128,755</u>	<u>1,760</u>	<u>130,515</u>	<u>107,087</u>	<u>1,580</u>	<u>108,667</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	103,137	1,760	104,897	90,149	1,580	91,729
Unrestricted funds - designated	876	-	876	77	-	77
Restricted funds	24,742	-	24,742	16,861	-	16,861
	<u>128,755</u>	<u>1,760</u>	<u>130,515</u>	<u>107,087</u>	<u>1,580</u>	<u>108,667</u>

### 7 Grants payable

	2021	2020
	£	Combined £
Grants made (see restricted funds note)	24,742	16,861
	<u>24,742</u>	<u>16,861</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	Combined £
Other support expenditure see below	29,038	-	29,038	27,223	-	27,223
Legal and professional	-	12,663	12,663	-	-	-
Accountancy fees	-	1,260	1,260	-	1,260	1,260
Bank charges	-	341	341	-	240	240
	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>	<u>27,223</u>	<u>1,500</u>	<u>28,723</u>
Analysed between						
Charitable activities	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>	<u>27,223</u>	<u>1,500</u>	<u>28,723</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2021	2020
	£	£
Building repairs and maintenance	3,736	1,184
Rates and water	2,194	2,381
Light and heat	2,878	2,683
Insurance	2,726	2,657
Postage and stationery	104	171
Telephone	357	433
Subscriptions	1,556	1,570
Sundry Expenses	319	-
Mortgage Interest	10,890	11,710
Website Costs	1,070	1,074
Cleaning	2,982	2,946
Kitchen supplies	209	408
	<u>29,038</u>	<u>27,223</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Combined Number
Full-time employees	1	1

#### Employment costs

	2021 £	2020 Combined £
Wages and salaries	31,066	30,128
Social security costs	-	876
Other pension costs	6,904	6,764
	<u>37,970</u>	<u>37,768</u>

The employees are considered to be the key management personnel.

There were no employees whose annual remuneration was £60,000 or more.

### 11 Transfers

A transfer of £9,278 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021 - combined	1,040,382	9,732	66,884	7,059	1,124,057
Additions	-	-	-	372	372
At 31 December 2021	1,040,382	9,732	66,884	7,431	1,124,429
<b>Depreciation and impairment</b>					
At 1 January 2021 - combined	83,347	5,840	56,178	6,233	151,598
Depreciation charged in the year	16,639	1,947	2,875	404	21,865
At 31 December 2021	99,986	7,787	59,053	6,637	173,463
<b>Carrying amount</b>					
At 31 December 2021	940,396	1,945	7,831	794	950,966
At 31 December 2020 - combined	957,036	3,892	10,706	826	972,460

### 13 Debtors

	2021	2020
	£	Combined £
<b>Amounts falling due within one year:</b>		
Other debtors	5,442	15,356

### 14 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	Combined £
Bank loans	16	21,245	20,733
Other borrowings		5,000	5,000
Other taxation and social security		1,874	958
Accruals and deferred income		1,260	1,260
		29,379	27,951

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 Combined £
Bank loans	16	209,473	230,721
Other creditors		20,000	25,000
		<u>229,473</u>	<u>255,721</u>

### 16 Loans and overdrafts

	2021 £	2020 Combined £
Bank loans	230,718	251,454
Other loans	25,000	30,000
	<u>255,718</u>	<u>281,454</u>
Payable within one year	26,245	25,733
Payable after one year	<u>229,473</u>	<u>255,721</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>111,847</u>	<u>137,968</u>
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The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage has been entered into to provide finance for the building of the church, it is for a period of 15 years, repayable by instalments and carries interest at 4.5% per annum.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Peter and Lydia Bennett Fund	-	4,662	(8,392)	3,730	-	8,825	(13,880)	5,055	-
Caris (India)	-	-	-	-	-	1,890	-	(1,890)	-
Donations and missions	-	-	(6,840)	6,840	-	-	(6,065)	6,065	-
Dignity	200	-	-	(200)	-	-	(635)	635	-
Kerala	470	-	-	-	470	-	-	-	470
Benevolent Fund	-	3,533	(1,629)	-	1,904	2,217	(1,623)	66	2,564
Malvern Food Banks	-	20	-	-	20	-	-	-	20
Gaines 2021	-	-	-	-	-	4,900	(2,539)	-	2,361
Dignity - The Big Give 2021	-	-	-	-	-	653	-	(653)	-
	670	8,215	(16,861)	10,370	2,394	18,485	(24,742)	9,278	5,415

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 17 Restricted funds

(Continued)

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Donations and missions - donations and monies given to missions as described in the introduction.

Support Fund - funds raised to assist those undertaking theological training.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Combined	Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers 1 January 2021		Balance at 1 January 2021	Incoming resources	Resources expended	Transfers 31 December 2021
Freehold property	£ 544,522	£ -	£ -	£ 3,565	£ 548,087	£ -	£ -	£ 4,364	£ 552,451
Accommodation project	59,267	9,863	(77)	-	69,053	8,471	(876)	-	76,648
	<u>603,789</u>	<u>9,863</u>	<u>(77)</u>	<u>3,565</u>	<u>617,140</u>	<u>8,471</u>	<u>(876)</u>	<u>4,364</u>	<u>629,099</u>

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Fund balances at 31 December 2021 are represented by:																
Tangible assets	395,649		555,317		-		950,966		424,372		548,088		-		972,460	
Current assets/(liabilities)	(74,631)		73,782		5,415		4,566		(71,563)		69,052		2,394		(117)	
Long term liabilities	(229,473)		-		-		(229,473)		(255,721)		-		-		(255,721)	
	<u>91,545</u>		<u>629,099</u>		<u>5,415</u>		<u>726,059</u>		<u>97,088</u>		<u>617,140</u>		<u>2,394</u>		<u>716,622</u>	

# **MALVERN EVANGELICAL CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **20 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).



**Charity Registration No. 1178558**

**Company Registration No. CEO14236 (England and Wales)**

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Leston Blackburn (Minister, Chair) Steve Atkins John Jacob
<b>Elders</b>	Leston Blackburn (minister) Steve Atkins John Jacob Chris Bray Sean Brodie
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh Colin Cameron
<b>Charity number</b>	1178558
<b>Principal address</b>	210 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Deacons present their report and accounts for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

#### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Evangelical Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

#### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

#### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

#### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objects and activities within the year.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building was completed in Spring 2016. This project was detailed in previous accounts.

### **Financial review**

The surplus for the year amounted to £9,437 (2020 £24,578). The unrestricted fund reserves at the year end were £91,545 (2020:£97,088). At the year end the restricted fund reserves were £5,415 (2020 £2,394). Designated funds at the year end amounted to £629,099 (2020: £617,140), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

### **Trustee selection**

Only currently serving Elders may be Managing Trustees, however, not all Elders are required to be Managing Trustees.

The Elders will decide who from their number should be Managing Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

# **MALVERN EVANGELICAL CHURCH**

## **DEACONS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

#### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 09/09/09 version 2, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

Plans for the coming year include those of increasing the numbers of the Deaconate.

The Deacons' report was approved by the Deacons.



**George Chakko-George**

Deacon

Dated: 15 April 2022

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

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I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2021.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

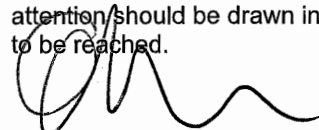
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



**Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 15 April 2022

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

### Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>						
Donations and legacies	3	107,435	8,471	18,485	134,391	132,864
Other activities	4	5,560	-	-	5,560	375
Investments	5	1	-	-	1	6
<b>Total income</b>		<u>112,996</u>	<u>8,471</u>	<u>18,485</u>	<u>139,952</u>	<u>133,245</u>
<b>Expenditure on:</b>						
Charitable activities	6	104,897	876	24,742	130,515	108,667
<b>Net incoming/(outgoing) resources before transfers</b>		8,099	7,595	(6,257)	9,437	24,578
Gross transfers between funds	11	(13,642)	4,364	9,278	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<u>(5,543)</u>	<u>11,959</u>	<u>3,021</u>	<u>9,437</u>	<u>24,578</u>
Fund balances at 1 January 2021		<u>97,088</u>	<u>617,140</u>	<u>2,394</u>	<u>716,622</u>	<u>692,044</u>
<b>Fund balances at 31 December 2021</b>		<u><u>91,545</u></u>	<u><u>629,099</u></u>	<u><u>5,415</u></u>	<u><u>726,059</u></u>	<u><u>716,622</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year - combined

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>					
Donations and legacies	3	114,786	9,863	8,215	132,864
Other activities	4	375	-	-	375
Investments	5	6	-	-	6
<b>Total income</b>		<b>115,167</b>	<b>9,863</b>	<b>8,215</b>	<b>133,245</b>
<b>Expenditure on:</b>					
Charitable activities	6	91,729	77	16,861	108,667
<b>Net incoming/(outgoing) resources before transfers</b>		<b>23,438</b>	<b>9,786</b>	<b>(8,646)</b>	<b>24,578</b>
Gross transfers between funds	11	(13,935)	3,565	10,370	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>9,503</b>	<b>13,351</b>	<b>1,724</b>	<b>24,578</b>
Fund balances at 1 January 2020		87,585	603,789	670	692,044
<b>Fund balances at 31 December 2020</b>		<b>97,088</b>	<b>617,140</b>	<b>2,394</b>	<b>716,622</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020 Combined	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		950,966		972,460
<b>Current assets</b>					
Debtors	13	5,442		15,356	
Cash at bank and in hand		28,503		12,478	
			33,945		27,834
<b>Creditors: amounts falling due within one year</b>	14	(29,379)		(27,951)	
Net current assets/(liabilities)			4,566		(117)
<b>Total assets less current liabilities</b>			955,532		972,343
<b>Creditors: amounts falling due after more than one year</b>	15		(229,473)		(255,721)
<b>Net assets</b>			726,059		716,622
<b>Income funds</b>					
Restricted funds	17		5,415		2,394
<u>Unrestricted funds</u>					
Designated funds	18	629,099		617,140	
General unrestricted funds		91,545		97,088	
			720,644		714,228
			726,059		716,622

The financial statements were approved by the Deacons on 15 April 2022

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 210 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

##### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the the former charity were transferred to the new organisation on 1 January 2019.

These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

#### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Donations and legacies

	Unrestricted funds general 2021	Unrestricted funds designated 2021	Restricted funds 2021	Total 2021	Unrestricted funds general 2020	Unrestricted funds designated 2020	Restricted funds 2020	Total Combined 2020
	£	£	£	£	£	£	£	£
Donations and gifts	107,435	8,471	18,485	134,391	114,786	9,863	8,215	132,864

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 4 Other activities

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general Combined 2020 £</b>
Church activities and clubs	5,560	375

### 5 Investments

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Interest receivable	1	6

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total	Ministry and mission fund	Clubs and other activities	Total
	2021	2021	2021	2020	2020	Combined 2020
	£	£	£	£	£	£
Staff costs	37,970	-	37,970	37,768	-	37,768
Depreciation and impairment	21,865	-	21,865	23,658	-	23,658
Costs of running activities	-	1,760	1,760	-	1,580	1,580
Building costs	876	-	876	77	-	77
	<u>60,711</u>	<u>1,760</u>	<u>62,471</u>	<u>61,503</u>	<u>1,580</u>	<u>63,083</u>
Grant funding of activities (see note 7)	24,742	-	24,742	16,861	-	16,861
Share of support costs (see note 8)	29,038	-	29,038	27,223	-	27,223
Share of governance costs (see note 8)	14,264	-	14,264	1,500	-	1,500
	<u>128,755</u>	<u>1,760</u>	<u>130,515</u>	<u>107,087</u>	<u>1,580</u>	<u>108,667</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	103,137	1,760	104,897	90,149	1,580	91,729
Unrestricted funds - designated	876	-	876	77	-	77
Restricted funds	24,742	-	24,742	16,861	-	16,861
	<u>128,755</u>	<u>1,760</u>	<u>130,515</u>	<u>107,087</u>	<u>1,580</u>	<u>108,667</u>

### 7 Grants payable

	2021	2020
	£	Combined £
Grants made (see restricted funds note)	24,742	16,861
	<u>24,742</u>	<u>16,861</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	Combined £
Other support expenditure see below	29,038	-	29,038	27,223	-	27,223
Legal and professional	-	12,663	12,663	-	-	-
Accountancy fees	-	1,260	1,260	-	1,260	1,260
Bank charges	-	341	341	-	240	240
	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>	<u>27,223</u>	<u>1,500</u>	<u>28,723</u>
Analysed between						
Charitable activities	<u>29,038</u>	<u>14,264</u>	<u>43,302</u>	<u>27,223</u>	<u>1,500</u>	<u>28,723</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2021	2020
	£	£
Building repairs and maintenance	3,736	1,184
Rates and water	2,194	2,381
Light and heat	2,878	2,683
Insurance	2,726	2,657
Postage and stationery	104	171
Telephone	357	433
Subscriptions	1,556	1,570
Sundry Expenses	319	-
Mortgage Interest	10,890	11,710
Website Costs	1,070	1,074
Cleaning	2,982	2,946
Kitchen supplies	209	408
	<u>29,038</u>	<u>27,223</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Combined Number
Full-time employees	1	1

#### Employment costs

	2021 £	2020 Combined £
Wages and salaries	31,066	30,128
Social security costs	-	876
Other pension costs	6,904	6,764
	<u>37,970</u>	<u>37,768</u>

The employees are considered to be the key management personnel.

There were no employees whose annual remuneration was £60,000 or more.

### 11 Transfers

A transfer of £9,278 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 12 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021 - combined	1,040,382	9,732	66,884	7,059	1,124,057
Additions	-	-	-	372	372
At 31 December 2021	1,040,382	9,732	66,884	7,431	1,124,429
<b>Depreciation and impairment</b>					
At 1 January 2021 - combined	83,347	5,840	56,178	6,233	151,598
Depreciation charged in the year	16,639	1,947	2,875	404	21,865
At 31 December 2021	99,986	7,787	59,053	6,637	173,463
<b>Carrying amount</b>					
At 31 December 2021	940,396	1,945	7,831	794	950,966
At 31 December 2020 - combined	957,036	3,892	10,706	826	972,460

### 13 Debtors

	2021	2020
	£	Combined £
<b>Amounts falling due within one year:</b>		
Other debtors	5,442	15,356

### 14 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	Combined £
Bank loans	16	21,245	20,733
Other borrowings		5,000	5,000
Other taxation and social security		1,874	958
Accruals and deferred income		1,260	1,260
		29,379	27,951

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 Combined £
Bank loans	16	209,473	230,721
Other creditors		20,000	25,000
		<u>229,473</u>	<u>255,721</u>

### 16 Loans and overdrafts

	2021 £	2020 Combined £
Bank loans	230,718	251,454
Other loans	25,000	30,000
	<u>255,718</u>	<u>281,454</u>
Payable within one year	26,245	25,733
Payable after one year	<u>229,473</u>	<u>255,721</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>111,847</u>	<u>137,968</u>
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The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage has been entered into to provide finance for the building of the church, it is for a period of 15 years, repayable by instalments and carries interest at 4.5% per annum.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Peter and Lydia Bennett Fund	-	4,662	(8,392)	3,730	-	8,825	(13,880)	5,055	-
Caris (India)	-	-	-	-	-	1,890	-	(1,890)	-
Donations and missions	-	-	(6,840)	6,840	-	-	(6,065)	6,065	-
Dignity	200	-	-	(200)	-	-	(635)	635	-
Kerala	470	-	-	-	470	-	-	-	470
Benevolent Fund	-	3,533	(1,629)	-	1,904	2,217	(1,623)	66	2,564
Malvern Food Banks	-	20	-	-	20	-	-	-	20
Gaines 2021	-	-	-	-	-	4,900	(2,539)	-	2,361
Dignity - The Big Give 2021	-	-	-	-	-	653	-	(653)	-
	670	8,215	(16,861)	10,370	2,394	18,485	(24,742)	9,278	5,415

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 17 Restricted funds

(Continued)

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Donations and missions - donations and monies given to missions as described in the introduction.

Support Fund - funds raised to assist those undertaking theological training.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Combined	Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers 1 January 2021		Balance at 1 January 2021	Incoming resources	Resources expended	Transfers 31 December 2021
Freehold property	544,522	-	-	3,565	548,087	-	-	4,364	552,451
Accommodation project	59,267	9,863	(77)	-	69,053	8,471	(876)	-	76,648
	603,789	9,863	(77)	3,565	617,140	8,471	(876)	4,364	629,099

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Analysis of net assets between funds

	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total Combined
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	
Fund balances at 31 December 2021 are represented by:															
Tangible assets	395,649		555,317		-		950,966		424,372		548,088		-		972,460
Current assets/(liabilities)	(74,631)		73,782		5,415		4,566		(71,563)		69,052		2,394		(117)
Long term liabilities	(229,473)		-		-		(229,473)		(255,721)		-		-		(255,721)
	<u>91,545</u>		<u>629,099</u>		<u>5,415</u>		<u>726,059</u>		<u>97,088</u>		<u>617,140</u>		<u>2,394</u>		<u>716,622</u>

# **MALVERN EVANGELICAL CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **20 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).



**MALVERN EVANGELICAL CHURCH**

England & Wales - Charity number 1178558

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# Accounts

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## Minister's Report - MEC 2021

2020 and 2021 has been a very unusual and very challenging time for us as a congregation. The various restrictions that have been in place have meant that we, along with all other churches in the UK, have had to think creatively and strategically in how we have conducted services and tried to keep people connected.

Since our last AGM in October, which had to be pushed back due to the pandemic, the following has taken place:

### Godward –

- Sunday Evening Prayer continues online at 6pm as well as some weekday prayer.

### Inward –

- Children's and family e-packs have continued during lockdown.
- New members: Sarah W, Colin and Katie C.
- Small groups have continued online and meeting on Sunday after the service with Small Group questions to work through, and feedback is that this has been very beneficial and engaging.

### Outward (community) -

- Sarah Wilks ran with her idea of creating and placing Christmas theme decorations on MEC windows for people in the community to see. Various people from the congregation assisted with making of decorations. Many thanks Sarah!
- The Care Team continued to support people needing help, both within MEC and the wider community. A big thank you to the care team for all your input!
- We have continued to pre-record our services and upload them on the website, and there has been a really positive response. In the last calendar year, we have had 10320 unique visitors to the website. The past month has seen over 1500 visits.
- The last couple of weeks saw us move back to live services, and consequently, the online service has been live-streamed. A big thank you to Matt, Sean and all those involved in making this possible. I also want to say a big thank you to Chris and Sue in particular for organising the worship rota these last few months.

- Alpha online was run by Lynne Robinson – and the Lord ministered through her in a very special way. Lynne will also be spearheading some outreach initiatives from September this year, so watch this space for details!
- Steve Atkins has been hard at work keeping the grounds looking fabulous. The RHS will be assessing and judging MEC's garden (date to be confirmed)

#### Leadership -

- New Deacon - Colin Cameron.
- GCG continuing another term as Deacon.
- Dave N has stepped down from being a Deacon – and we want to thank him for all his hard work and service. He continues to be involved with the sound.

#### Strategic Planning –

- Small Group Ministry Coordinator – role was taken up by Tristan M
- Prayer Ministry Coordinator – Pauline Jacob
- We are in the process of filling other roles and will update you in due course.

On a personal note, it has been quite a tough year, but I am grateful to the Lord for holding me during this time and want to say a big thank you to all of you for your love, prayers and support. It has been greatly appreciated!

A very big thank you to everyone who has contributed this last year. Special thanks to the elders for your dedication and devotion and for serving so faithfully and selflessly in very unprecedented and difficult circumstances.

Last but not least, a big thank you to each and every one of you who make MEC so special. Without you, our church would not be the church that it is! So let's continue to shine and grow together to His glory in the weeks and months ahead.

**Charity Registration No. 1178558**

**Company Registration No. CEO14236 (England and Wales)**

**MALVERN EVANGELICAL CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# MALVERN EVANGELICAL CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Leston Blackburn (Minister, Chair) Steve Atkins John Jacob
<b>Elders</b>	Leston Blackburn (minister) Steve Atkins John Jacob Chris Bray Sean Brodie Tristan Mitchell
<b>Deacons</b>	George Chakko-George (Treasurer) Matt Greenhalgh David Niblett Gill Purdham (appointed 23 October 2019)
<b>Charity number</b>	1178558
<b>Principal address</b>	210 Pickersleigh Road Malvern Worcestershire WR14 2QX
<b>Accountants</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
<b>Bankers</b>	HSBC Bank plc 1 Church Street Malvern Worcestershire WR14 2AB

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# MALVERN EVANGELICAL CHURCH

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Notes to the financial statements	9 - 24

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# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Deacons present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's Rules and Constitution, the Charities Act 2011 and "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**

Summary of the objects of the charity are set out in its governing document:

The purposes of the church shall be:

1. The advancement of the Christian faith in accordance with the Basis of Faith primarily but not exclusively within Malvern; and
2. Such other charitable purposes as shall, in the opinion of the Elders further the work of the Church.

#### **Public Benefit**

The main public benefit that the charity provides is the advancement of the Evangelical Christian Faith within the Malvern area, which is the primary objective of the charity. Anyone is welcome to worship at the church and any private benefits received by the Deacons is considered to be incidental to the work of the church. The charity also supports the relief of poverty by way of donations to people in need and people directly working to relieve people in poverty.

#### **Summary of the main activities undertaken for the public benefit**

Our 'Ministry Magazine' is produced separately and includes reports of our activities.

#### **Statutory declaration**

The Trustees consider the activities of MEC (with regard to the guidance issued by the Charity Commission on public benefit) to be of real value, not just to the immediate neighbourhood but much further afield and to all age groups.

#### **Giving to Mission**

MEC allocates 10% of its income to support missions both in the UK and overseas, this budget is reviewed annually.

#### **Contribution made by volunteers**

MEC is run by volunteers giving freely of their time and effort, we see this as part of our worship and service to God.

The Deacons have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

The church provides a place of worship for its members. The church is responsible for maintaining its fabric and environs, for organising and arranging religious services, supporting its Pastor and staff and providing pastoral care. Making donations to charitable organisations is an expression of its wider responsibilities.

The grant making policy is established by the church which certifies and makes grants to charitable organisations demonstrating similar objectives and outreach as the church. Grants allocated during the year are shown within the accounts.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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### **Achievements and performance**

In the opinion of the Deacons, the church has achieved its stated objects and activities within the year. Please see our 'Ministry Magazine' for reports on what we have achieved together.

MEC launched an initiative to start planning to Extend The Tent by re-building our existing building. For this initiative, the Treasury team introduced an Accommodation Fund. Building commenced during the year and was completed in Spring 2016. This project was detailed in previous accounts.

### **Financial review**

The surplus for the year amounted to £24,578 (2019: deficit £8,976). The unrestricted fund reserves at the year end were £97,088 (2019:£87,585). At the year end the restricted fund reserves were £2,394 (2019 £670). Designated funds at the year end amounted to £617,140 (2019: £603,789), these funds represent those utilised in the new church building which will be eroded by depreciation over time. The funds are adequate and available to fulfil the obligations of the organisation.

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

### **Risk assessment**

The Deacons have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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### **Structure, governance and management**

The church was established by a charitable trust deed on 13 May 1975, as revised in the church constitution in 2001. On 9 September 2009 the trust deed was updated and replaced by a new constitution. The church registered with the Charity Commission on 4 December 2009. It registered as a CIO on 30th May 2018, the assets and liabilities of the original charity (number 1133125) were transferred to the CIO on 1 January 2019.

The Trustees and Deacons who are currently serving are as shown on the legal and administrative details page.

### **Trustee selection**

Only currently serving Elders may be Managing Trustees, however, not all Elders are required to be Managing Trustees.

The Elders will decide who from their number should be Managing Trustees. The church will ratify this at a Church Business Meeting by secret ballot and requires a majority of those present and voting.

The Elders shall add to their number from time to time, as shall be seen good to them, from amongst the numbers of the church, aiming to reach unanimity in their decision. Any such intention shall be indicated to the members giving notice on the two Lord's days prior to a church meeting, and prayerful comment and unity sought from the members in the recognition of the new Elder. The final responsibility for the appointment of an Elder shall, however, rest with the existing Elders. When appointed a new Elder shall be separated to the work by the existing Elders at a service on the next convenient Lord's Day. The New Testament makes a distinction between those Elders who only direct the affairs of the church and those whose work is preaching and teaching. There is no suggestion that the number of teaching Elders in a given local church is limited. Should any Elder cease to meet the qualifications for this office that Elder will be required to relinquish it by the remaining Elders. Any Elder wishing to terminate their position as an Elder shall inform the rest of the Eldership, giving as much notice as possible according to the prevailing circumstances and providing reasons for their decision where possible.

The Pastor shall be a Teaching Elder whose aptitude to receive final responsibility for the pastoral oversight of the church and the ministry of the word has been recognised by the Elders, supported by the membership. To him particularly, the Gospel is committed as a solemn charge. He is to preach the Word, be prepared in season and out of season, correct, rebuke, and encourage with great patience and careful instruction. That he might fully perform this work he is normally to be maintained wholly by the church he serves. The Pastor's authority over and above that of other Elders stems from the charge committed to him by God. Thus he has from God the right and duty to encourage and rebuke with all authority, letting no one despise him. He is nevertheless to do these things with great patience as befits a shepherd of the flock and with careful teaching (i.e. basing his exhortations on the pure Word of God), seeking only the glory of the Triune God. As the senior Teaching Elder the Pastor has the right to preside over all organisations connected with the church. The Pastor shall be in full accord with the Statement of Doctrine and the Rules of Practice. The Nomination of the Pastor shall be made by the Elders, giving due consideration to the mind of the church and the invitation to the Pastorate shall be by a supporting vote of three quarters of the church membership present and voting, though complete unanimity shall be sought. The vote shall be taken at a church meeting specially convened for this purpose. The Pastor shall give the church at least three months notice of his desire to terminate his ministry in the church. The church on the other hand shall give the Pastor at least six months notice to their desire to terminate his ministry in the church.

# MALVERN EVANGELICAL CHURCH

## DEACONS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The word Deacon literally means servant and is so translated many times in Scripture. It is also used however to denote an office in the church. The function of the Deacons is to relieve the Elders of those necessary duties in the life and conduct of the church that are temporal rather than spiritual in nature. In these duties they shall be responsible to the Elders. The Deacons may be men or women and shall be members of the church who are "known to be full of the spirit and wisdom" (Act 6 vs 3). The number of Deacons shall be appropriate to the current needs of the church as determined by the Elders. Deacons shall normally be appointed at the Annual General Meeting of the church, but occasionally it may be necessary to appoint extra Deacons at a normal church meeting. When it is recognised by the Elders that the appointment of further Deacons is necessary, members will be invited to make nominations from the church membership to the Pastor, or an Elder if there is no Pastor, at least fourteen days before the meeting. The pastor, or Elder, shall obtain the consent of the nominee before that person can be put forward for election. At the meeting the nomination must then be seconded and receive at least a two thirds majority vote of the members present and voting before the appointment can be confirmed by the Elders. A Deacon shall retire after a three year tenure of office but is eligible for re-election. If a Deacon was appointed at a mid-point between Annual General Meetings, their time of service shall be from the AGM following their appointment. If the Elders are of the opinion that a Deacon shall relinquish the office before the end of their term they shall inform the Deacon and the church of the termination of their appointment.

Persons seeking membership shall arrange, after reading a copy of the Church Constitution, to be visited by at least two Elders or other members nominated by the Elders to gain satisfaction of their new birth, Christian character and consistent life, record their intention to abide by the Rules of Practice of the Constitution and their wholehearted assent to the church's Statement of Doctrine. Membership is then confirmed by a vote by the Elders and acceptance is acknowledged at the next convenient Lord's Table or at a Lord's Day service.

### **Induction of trustees**

On induction a Trustee receives a copy of the Church rules 09/09/09 version 2, the Constitution, latest annual financial statements and Guidance on the Role of a Trustee as issued by the Charity Commission.

The Trustees are responsible for setting remuneration for those staff paid by the church.

### **Policies**

Policies are adopted by the Church to ensure compliance with Child Protection and Environmental Issues.

### **Future plans**

The Deacons' report was approved by the Board of Deacons.



**George Chakko-George**

Deacon

Dated: 11 May 2021

# MALVERN EVANGELICAL CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE DEACONS OF MALVERN EVANGELICAL CHURCH

---

I report to the Deacons on my examination of the financial statements of Malvern Evangelical Church (the church) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

As the Deacons of the church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the church's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

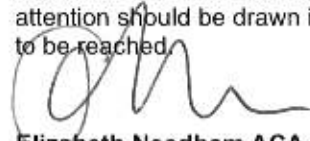
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



**Elizabeth Needham ACA CTA (VAT)**

Kendall Wadley LLP

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: 11 May 2021

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

### Current financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b>Income from:</b>						
Donations and legacies	3	114,786	9,863	8,215	132,864	115,319
Other activities	4	375	-	-	375	4,871
Investments	5	6	-	-	6	12
<b>Total income</b>		<b>115,167</b>	<b>9,863</b>	<b>8,215</b>	<b>133,245</b>	<b>120,202</b>
<b>Expenditure on:</b>						
Charitable activities	6	91,729	77	16,861	108,667	129,178
<b>Net incoming/(outgoing) resources before transfers</b>		<b>23,438</b>	<b>9,786</b>	<b>(8,646)</b>	<b>24,578</b>	<b>(8,976)</b>
Gross transfers between funds	11	(13,935)	3,565	10,370	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>9,503</b>	<b>13,351</b>	<b>1,724</b>	<b>24,578</b>	<b>(8,976)</b>
Fund balances at 1 January 2020		87,585	603,789	670	692,044	701,020
<b>Fund balances at 31 December 2020</b>		<b>97,088</b>	<b>617,140</b>	<b>2,394</b>	<b>716,622</b>	<b>692,044</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year - combined

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>					
Donations and legacies	3	96,377	10,008	8,934	115,319
Other activities	4	4,871	-	-	4,871
Investments	5	12	-	-	12
<b>Total income</b>		101,260	10,008	8,934	120,202
<b>Expenditure on:</b>					
Charitable activities	6	108,588	611	19,979	129,178
<b>Net incoming/(outgoing) resources before transfers</b>		(7,328)	9,397	(11,045)	(8,976)
Gross transfers between funds	11	(12,072)	1,342	10,730	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		(19,400)	10,739	(315)	(8,976)
Fund balances at 1 January 2019		106,985	593,050	985	701,020
<b>Fund balances at 31 December 2019</b>		87,585	603,789	670	692,044

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# MALVERN EVANGELICAL CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	Combined	£
<b>Fixed assets</b>					
Tangible assets	12		972,460		995,575
<b>Current assets</b>					
Debtors	13	15,356		4,146	
Cash at bank and in hand		12,478		1,764	
			27,834		5,910
<b>Creditors: amounts falling due within one year</b>	14	(27,951)		(27,858)	
Net current liabilities			(117)		(21,948)
<b>Total assets less current liabilities</b>			972,343		973,627
<b>Creditors: amounts falling due after more than one year</b>	15		(255,721)		(281,583)
<b>Net assets</b>			716,622		692,044
<b>Income funds</b>					
Restricted funds	17		2,394		670
<u>Unrestricted funds</u>					
Designated funds	18	617,140		603,789	
General unrestricted funds		97,088		87,585	
			714,228		691,374
			716,622		692,044

The financial statements were approved by the Deacons on 11 May 2021

  
George Chakko-George

Treasurer

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Entity information

Malvern Evangelical Church is a Charitable Incorporated Organisation registered with the Charity Commission in May 2018. The principal address is 210 Pickersleigh Road, Malvern, Worcestershire, WR14 2QX.

#### Basis of preparation

Malvern Evangelical Church was a registered charity 113125, a new Charitable Incorporated Organisation was established and is registered with the Charity Commission under number 1178558. All the assets and liabilities of the the former charity were transferred to the new organisation on 1 January 2019.

These financial statements are prepared in accordance with section 27 of the Statement of Recommended Practice, merger accounting. The assets, liabilities and funds of the two entities have been aggregated, the results for the year show the combined position for the whole accounting period and the comparatives relate to the old charity 1133125 now removed from the Register.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's Rules and Constitution, the Charities Act 2011 and "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). The church is a Public Benefit Entity as defined by FRS 102.

The church has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Deacons have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Deacons in furtherance of their charitable objectives.

All income received for a specific purpose, and expenditure relating to such purposes, is assigned to the relevant restricted fund.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the church.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.4 Incoming resources

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

All other income is recognised when it is received.

#### 1.5 Resources expended

Liabilities are recognised for the amounts that the charity anticipates it will have to pay to settle a debt or the amount that it has received in advance as payment for services it has to provide.

Expenditure on charitable activities includes the costs associated with the activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the programmes and activities undertaken.

The support costs are treated as core running costs of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Buildings over 50 years
Property improvements	5 years straight line
Computer equipment	33% on net book value
Fixtures, fittings & equipment	33% on net book value and 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the church's accounting policies, the Deacons are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**MALVERN EVANGELICAL CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

3 Donations and legacies	Unrestricted funds general		Unrestricted funds designated		Restricted funds		Total Unrestricted funds general		Unrestricted funds designated		Restricted funds		Total Combined	
	2020	£	2020	£	2020	£	2020	£	2019	£	2019	£	2019	£
Donations and gifts	114,786		9,863		8,215		132,864		10,008		8,934		115,319	

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 4 Other activities

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general Combined 2019 £</b>
Church activities and clubs	375	4,871

### 5 Investments

	<b>Unrestricted funds general 2020 £</b>	<b>Unrestricted funds general 2019 £</b>
Interest receivable	6	12

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Charitable activities

	Ministry and mission fund	Clubs and other activities	Total	Ministry and mission fund	Clubs and other activities	Total
	2020	2020	2020	2019	2019	Combined 2019
	£	£	£	£	£	£
Staff costs	37,768	-	37,768	37,065	-	37,065
Depreciation and impairment	23,658	-	23,658	26,800	-	26,800
Costs of running activities	-	1,580	1,580	-	11,604	11,604
Building costs	77	-	77	611	-	611
	<u>61,503</u>	<u>1,580</u>	<u>63,083</u>	<u>64,476</u>	<u>11,604</u>	<u>76,080</u>
Grant funding of activities (see note 7)	16,861	-	16,861	19,979	-	19,979
Share of support costs (see note 8)	27,223	-	27,223	29,870	-	29,870
Share of governance costs (see note 8)	1,500	-	1,500	3,249	-	3,249
	<u>107,087</u>	<u>1,580</u>	<u>108,667</u>	<u>117,574</u>	<u>11,604</u>	<u>129,178</u>
<b>Analysis by fund</b>						
Unrestricted funds - general	90,149	1,580	91,729	96,984	11,604	108,588
Unrestricted funds - designated	77	-	77	611	-	611
Restricted funds	16,861	-	16,861	19,979	-	19,979
	<u>107,087</u>	<u>1,580</u>	<u>108,667</u>	<u>117,574</u>	<u>11,604</u>	<u>129,178</u>

### 7 Grants payable

	2020	2019
	£	Combined £
Grants made (see restricted funds note)	16,861	19,979
	<u>16,861</u>	<u>19,979</u>

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019 Combined
	£	£	£	£	£	£
Other support expenditure see below	27,223	-	27,223	29,870	-	29,870
Legal and professional	-	-	-	-	1,673	1,673
Accountancy fees	-	1,260	1,260	-	1,260	1,260
Bank charges	-	240	240	-	316	316
	<u>27,223</u>	<u>1,500</u>	<u>28,723</u>	<u>29,870</u>	<u>3,249</u>	<u>33,119</u>
Analysed between						
Charitable activities	<u>27,223</u>	<u>1,500</u>	<u>28,723</u>	<u>29,870</u>	<u>3,249</u>	<u>33,119</u>

Governance costs includes payments to the accountants as shown above for accountancy fees and other services.

### Other support expenditure

	2020	2019
	£	£
Building repairs and maintenance	1,184	2,665
Rates and water	2,381	2,358
Light and heat	2,683	3,413
Insurance	2,657	2,548
Postage and stationery	171	290
Telephone	433	455
Subscriptions	1,570	1,404
Sundry Expenses	-	144
Mortgage Interest	11,710	12,674
Website Costs	1,074	487
Cleaning	2,946	2,648
Kitchen supplies	408	784
	<u>27,223</u>	<u>29,870</u>

### 9 Deacons

None of the Deacons (or any persons connected with them) received any remuneration during the year. None of the Deacons were reimbursed travelling expenses during the year.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Combined Number
Full-time employees	1	1

#### Employment costs

	2020 £	2019 Combined £
Wages and salaries	30,128	29,667
Social security costs	876	736
Other pension costs	6,764	6,662
	<u>37,768</u>	<u>37,065</u>

The employees are considered to be the key management personnel.

There were no employees whose annual remuneration was £60,000 or more.

### 11 Transfers

A transfer of £10,570 was made from unrestricted to restricted funds to cover the excess of restricted fund expenditure over income.

Following the completion of the accommodation project, all restricted funds received in connection with the project were released to the designated funds. Transfers are made to match the value of freehold property and fixtures and fittings associated therewith, after due allowance for outstanding loans and creditors.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Tangible fixed assets

	Land and buildings	Property improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020 - combined	1,040,382	9,732	66,884	6,517	1,123,515
Additions	-	-	-	542	542
At 31 December 2020	1,040,382	9,732	66,884	7,059	1,124,057
<b>Depreciation and impairment</b>					
At 1 January 2020 - combined	66,367	3,893	51,868	5,812	127,940
Depreciation charged in the year	16,979	1,947	4,310	421	23,657
At 31 December 2020	83,346	5,840	56,178	6,233	151,597
<b>Carrying amount</b>					
At 31 December 2020	957,036	3,892	10,706	826	972,460
At 31 December 2019 - combined	974,015	5,839	15,016	705	995,575

### 13 Debtors

	2020	2019
	£	Combined £
<b>Amounts falling due within one year:</b>		
Other debtors	15,356	4,146

### 14 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	Combined £
Bank loans	16	20,733	19,790
Other borrowings		5,000	5,000
Other taxation and social security		958	1,808
Accruals and deferred income		1,260	1,260
		27,951	27,858

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 Combined £
Bank loans	16	230,721	251,583
Other creditors		25,000	30,000
		<u>255,721</u>	<u>281,583</u>

### 16 Loans and overdrafts

	2020 £	2019 Combined £
Bank loans	251,454	271,373
Other loans	30,000	35,000
	<u>281,454</u>	<u>306,373</u>
Payable within one year	25,733	24,790
Payable after one year	<u>255,721</u>	<u>281,583</u>

Amounts included above which fall due after five years:

Payable by instalments	<u>137,968</u>	<u>162,781</u>
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The long-term loan is secured by a fixed charge over the freehold property of the charity.

The mortgage has been entered into to provide finance for the building of the church, it is for a period of 15 years, repayable by instalments and carries interest at 4.5% per annum.

The other loan relates to funds advanced by a member to facilitate the financing of the new church building. This advance is unsecured and interest free and repayable, provided funds allow, in equal instalments of £5,000.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019	Movement in funds			Balance at 1 January 2020	Movement in funds			Balance at 31 December 2020
		Incoming resources	Resources expended	Transfers		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
Peter and Lydia Bennett Fund	-	5,905	(9,755)	3,850	-	4,662	(8,392)	3,730	-
Isibani	315	250	(570)	5	-	-	-	-	-
Donations and missions	-	797	(7,062)	6,265	-	-	(6,840)	6,840	-
Support fund and missionary trips (or expeditions)	-	1,982	(2,592)	610	-	-	-	-	-
Dignity	200	-	-	-	200	-	-	(200)	-
Kerala	470	-	-	-	470	-	-	-	470
Benevolent Fund	-	-	-	-	-	3,533	(1,629)	-	1,904
Malvern Food Banks	-	-	-	-	-	20	-	-	20
	985	8,934	(19,979)	10,730	670	8,215	(16,861)	10,370	2,394

The church has historically supported a number of people and their causes out of unrestricted funds as well as dedicated gifts. Some individual people chose to make specific gifts for these people. Therefore the restricted giving is made up of some individuals who have given to the church with a note stating that their gift is for a dedicated purpose or missionary, and also where the church has decided to set aside funds for such gifts.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Restricted funds

(Continued)

Peter & Lydia Bennett have been supported by the church since it began, originally with New Tribes Mission, but now as independent missionaries. Their work is based in Tasmania where they work mainly with family groups, the underprivileged, alcoholics and drug addicts, whilst Peter also teaches and pastors in local Baptist and Brethren churches (as required).

Isibani - funds raised to support the Isibani project at Winterton, South Africa (This project is now called Isiphephelo Central Berg).

Donations and missions - donations and monies given to missions as described in the introduction.

Support Fund - funds raised to assist those undertaking theological training.

**MALVERN EVANGELICAL CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**18 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2019	Movement in funds		Transfers 1 January 2020	Balance at 1 January 2020	Movement in funds		Transfers 31 December 2020	Balance at 31 December 2020
		Incoming resources	Resources expended			Incoming resources	Resources expended		
	£	£	£	£	£	£	£	£	£
Freehold property	543,180	-	-	1,342	544,522	-	-	3,565	548,087
Accommodation project	49,870	10,008	(611)	-	59,267	9,863	(77)	-	69,053
	<u>593,050</u>	<u>10,008</u>	<u>(611)</u>	<u>1,342</u>	<u>603,789</u>	<u>9,863</u>	<u>(77)</u>	<u>3,565</u>	<u>617,140</u>

As the freehold properties owned by the church are not to be sold within the foreseeable future, the value of the freehold property held, net of mortgage loans and other associated creditors, is treated as a designated fund.

The accommodation fund represents money set aside by the deacons to assist with costs involved with expanding the physical buildings and facilities to accommodate the long term needs of the MEC.

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 19 Analysis of net assets between funds

	Unrestricted funds		Designated funds		Restricted funds		Total		Designated funds		Unrestricted funds		Restricted funds		Total	
	2020	£	2020	£	2020	£	2020	£	2019	£	2019	£	2019	£	2019	£
Fund balances at 31 December 2020 are represented by:																
Tangible assets	424,372		548,088		-		972,460		451,053		544,522		-		995,575	
Current assets/(liabilities)	(71,563)		69,052		2,394		(117)		(81,885)		59,267		670		(21,948)	
Long term liabilities	(255,721)		-		-		(255,721)		(281,583)		-		-		(281,583)	
	97,088		617,140		2,394		716,622		87,585		603,789		670		692,044	

# MALVERN EVANGELICAL CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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### **20 Related party transactions**

There were no disclosable related party transactions during the year (2019 - none).