

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

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

MALVERN EVANGELICAL CHURCH

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MALVERN EVANGELICAL CHURCH

DEACONS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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.

MALVERN EVANGELICAL CHURCH

DEACONS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

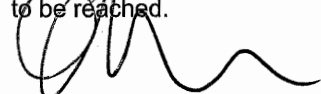
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting 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

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

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

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

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	£	£	£	£
Fixed assets					
Tangible assets	12		950,966		972,460
Current assets					
Debtors	13	5,442		15,356	
Cash at bank and in hand		28,503		12,478	
		33,945		27,834	
Creditors: amounts falling due within one year	14	(29,379)		(27,951)	
Net current assets/(liabilities)			4,566		(117)
Total assets less current liabilities			955,532		972,343
Creditors: amounts falling due after more than one year	15		(229,473)		(255,721)
Net assets			726,059		716,622
Income funds					
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

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

	Unrestricted funds general 2021 £	Unrestricted funds general Combined 2020 £
Church activities and clubs	5,560	375

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
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>
Analysis by fund						
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
	£	£	£	£	£
Cost					
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
Depreciation and impairment					
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
Carrying amount					
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 £
Amounts falling due within one year:		
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>
------------------------	----------------	----------------

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
	£	£	£	£	Combined £	£	£	£
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	-	-	-
Benevolent Fund	-	3,533	(1,629)	-	1,904	2,217	(1,623)	66
Malvern Food Banks	-	20	-	-	20	-	-	-
Gaines 2021	-	-	-	-	-	4,900	(2,539)	-
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

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				Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers 1 January 2021	Combined Balance at 1 January 2021	Incoming resources	Resources expended	Transfers 31 December 2021
	£	£	£	£	£	£	£	£
Freehold property	544,522	-	-	3,565	548,087	-	-	4,364
Accommodation project	59,267	9,863	(77)	-	69,053	8,471	(876)	-
	603,789	9,863	(77)	3,565	617,140	8,471	(876)	4,364
	=====	=====	=====	=====	=====	=====	=====	=====

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)		
	91,545			629,099			5,415			726,059			97,088			617,140			2,394			716,622		

MALVERN EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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

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

MALVERN EVANGELICAL CHURCH

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MALVERN EVANGELICAL CHURCH

DEACONS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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.

MALVERN EVANGELICAL CHURCH

DEACONS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

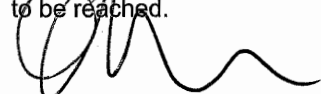
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting 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

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

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

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

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020 Combined	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		950,966		972,460
Current assets					
Debtors	13	5,442		15,356	
Cash at bank and in hand		28,503		12,478	
		33,945		27,834	
Creditors: amounts falling due within one year	14	(29,379)		(27,951)	
Net current assets/(liabilities)			4,566		(117)
Total assets less current liabilities			955,532		972,343
Creditors: amounts falling due after more than one year	15		(229,473)		(255,721)
Net assets			726,059		716,622
Income funds					
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

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

	Unrestricted funds general 2021 £	Unrestricted funds general Combined 2020 £
Church activities and clubs	5,560	375

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
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>
Analysis by fund						
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
	37,970	37,768

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
	£	£	£	£	£
Cost					
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
Depreciation and impairment					
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
Carrying amount					
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 £
Amounts falling due within one year:		
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

	Notes	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	111,847	137,968
	<u>111,847</u>	<u>137,968</u>

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
	£	£	£	£	Combined £	£	£	£
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	-	-	-
Benevolent Fund	-	3,533	(1,629)	-	1,904	2,217	(1,623)	66
Malvern Food Banks	-	20	-	-	20	-	-	-
Gaines 2021	-	-	-	-	-	4,900	(2,539)	-
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

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				Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers 1 January 2021	Combined Balance at 1 January 2021	Incoming resources	Resources expended	Transfers 31 December 2021
	£	£	£	£	£	£	£	£
Freehold property	544,522	-	-	3,565	548,087	-	-	4,364
Accommodation project	59,267	9,863	(77)	-	69,053	8,471	(876)	-
	603,789	9,863	(77)	3,565	617,140	8,471	(876)	4,364
	=====	=====	=====	=====	=====	=====	=====	=====

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)		
	91,545			629,099			5,415			726,059			97,088			617,140			2,394			716,622		

MALVERN EVANGELICAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2021***

20 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

