

Company registration number: 05101167

Charity registration number: 1104551

# The Melanesian Mission

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2019

Redwoods  
Redwoods Chartered Certified Accountants  
2 Clyst Works  
Clyst Road  
Topsham  
Exeter  
Devon  
EX3 0DB



# **The Melanesian Mission**

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## **The Melanesian Mission**

### **Reference and Administrative Details**

<b>Secretary</b>	Mrs K A Drew
<b>Principal Office</b>	21 The Burlands Feniton Honiton Devon EX14 3UN  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	05101167
<b>Charity Registration Number</b>	1104551
<b>Independent Examiner</b>	Redwoods Redwoods Chartered Certified Accountants 2 Clyst Works Clyst Road Topsham Exeter Devon EX3 0DB

## **The Melanesian Mission**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2019.

#### **Trustees**

Mr A M Cartwright

Revd M B Cox

Mr I D Drew

Revd C Duce (appointed 8 September 2018)

Ven Dr M R Gilbertson - Vice Chair

Ven C F Liley (retired 8th September 2018) (seconded 8th September 2018 until new Hon Treasurer appointed)

Mrs B Molyneux (retired 8 June 2018)

Revd J Pinder

Miss K Pwaisiho (appointed 8 September 2018)

Rt Revd M J Rylands - Chair

Mr S J Scofield - Honorary Treasurer (appointed 21 January 2019)

Revd J J Wise

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

##### ***Nature of governing document***

The organisation is a charitable company, limited by guarantee, incorporated on 14th April 2004 and registered as a charity in the UK on 25th June 2004. The company was established under a memorandum of association which established the objectives and powers of the charitable company and is governed under its articles of association.

##### ***Organisational structure***

The company is governed by members of a Board who are appointed as Directors under the Companies Act 2006 and as Trustees for charitable purposes. The Board of Trustees (which shall be not less than six and not more than ten, plus up to one co-opted member) administers the Charity. The Board meets regularly during the year. The Trustees appoint an Executive Officer to manage the day to day operations of the Charity. To facilitate operations, the Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance.

##### ***Recruitment and appointment of trustees***

Trustees are elected at an Annual General Meeting of the company. One third in number of the Trustees retire by rotation at the Annual General Meeting and are eligible for immediate re-election. All members are entitled to nominate Trustees prior to the AGM. When considering potential Trustees, the Board has regard to the requirement for any specialist skills needed. An audit of the skills of current Trustees has been conducted.

As permitted in the Constitution two of the Trustee Directors, Revd. Jacky Wise and Mr Ian Drew are appointed as Trustees by the Archbishop of Melanesia. The Revd Richard Carter, as Commissary to the Archbishop of Melanesia, normally attends Trustee meetings.

##### ***Induction and training of trustees***

New Trustees are fully briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

## **The Melanesian Mission**

### **Trustees' Report**

#### **Objectives and activities**

##### ***Objects and aims***

##### **Objective**

The constitutional objective of the Mission is: -

'to advance the Christian religion by furthering the charitable activities of the Anglican Church of the Province of Melanesia and the United Kingdom'.

##### **Mission Statement**

The Melanesian Mission is a Christian mission agency that provides support to the work of the Anglican Church of Melanesia (ACoM) through prayer, people and giving.

##### **Vision Statement**

By building a relationship between the people of Melanesia and the UK, and through funding, the Melanesian Mission aims to be: -

- a channel that fosters a sense of communion and Christian community between the UK and Melanesia
- a voice for ACoM at times when their own voice cannot be heard or needs extra support
- a critical friend allowing support and challenge of ACoM and national governments in Melanesia, whilst being a channel of connection between ACoM education and schools and colleges in the UK, and a provider of support for other projects.

##### **Aims**

The aims of the Melanesian Mission are: -

- to provide financial support for ACoM and its chosen projects
- to develop living partnerships between ACoM and the C of E
- to resource and encourage prayer support
- to raise awareness of ACoM in the UK
- to enable personnel exchange between Melanesia and the UK

The work of the Melanesian Mission is: -

- to help people in the UK and in Melanesia to share and deepen Christian spirituality, relationships and prayer for the benefit of both regions
- to speak out on issues that affect Melanesia and its peoples
- to work with ACoM to emphasise the values and benefits of Christian education work in Melanesia and the UK
- to support the work carried out by Diocesan, Church, Companion and School Partnerships.

##### ***Public benefit***

The Trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. Having considered the activities which the Mission undertakes, and its planning for the future, the Trustees are of the opinion that the Mission exists and conforms to the requirements for the public benefit.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **The Melanesian Mission**

### **Trustees' Report**

#### **Achievements and performance**

The Trustees held a two-day residential in March to continue to review the charity's strategy.

Content has continued to be added to the website, with blogs, news and prayer requests and advice pages for visitors.

The number of visits to the region has been encouraging, with several making their first trip to the region. These visitors have returned and increased awareness of the work of the charity, ACoM and issues in the region amongst their local audiences.

The charity continued to make the most of visitors to the UK and was able to add on their programmes to visits made by two Bishops attending the new Bishops course at Lambeth and to members of the religious orders visiting their communities in the UK. This is a cost-effective way for UK supporters to meet Melanesians.

The Christian Distinctiveness project in ACoM schools was rolled out to the Solomon Islands at the request of ACoM and also reviewed in Vanuatu.

The second round of training for Human Rights teachers also took place and was completely funded by the British High Commission in the Solomon Islands.

Both teacher training programmes were praised by ACoM.

The Church Observatory project continued working with Social Geographer Adam Bobbette from Selwyn College, Cambridge. The project is to help the Anglican Church of Melanesia's parishes record changes in their local environment such as climate change, coastal erosion, flooding, crop failures and loss of fish stock. The collected data will enable the church to assist local communities who may need to adapt or move in the future due to these changes. The information will also be passed to the national governments in Melanesian and shared with the UN to raise awareness for fragile eco-systems and loss of homes, livelihoods and cultural homelands.

The research project into sea level changes and coast erosion in the Solomon Islands, requested by ACoM, began in October 2018 and will continue for three years.

Over 60 supporters attended the AGM in September at Selwyn College, Cambridge including Br Samson SSF and Srs Catherine, Mary Gladys and Priscilla CSC. Guest speakers including some supporters who had made their first visits to the region and one of Project Trust's first gap year volunteers in the Solomon Islands.

The Honorary Archivist has sorted and catalogued the archives in preparation for their deposit at the Centre for Christianity Worldwide at Westminster College, Cambridge, and the School of Oriental and African Studies at London University. This will ensure the care of the archives of the Mission including its historical records, artefacts, publications and books, and encourage study of its history.

With new Trustee appointments the age range and skill set of Trustees has been increased.

The Executive officer made a five-week trip to the region, making her first visit to the Dioceses of Vanuatu and Ysabel. The trip strengthen links between the charity and ACoM across its nine dioceses, and the religious orders and the Mothers' Union.

Mrs Caroline Welby's Women on the Front-Line training course was delivered in September to the Bishops' wives, CSM, CSC and the Mothers' Union. The skills learnt have already been used in various situations including with the displaced Ambae refugees.

## **The Melanesian Mission**

### **Trustees' Report**

MMUK fundraised to enable the Community of the Sisters of the Church to complete their retreat house at TNK. This was at the request of ACoM.

UK supporters were also very generous with donations following appeals for the Ambae evacuation and when flooding hit the Solomon Islands in January 2019.

#### **Financial review**

The trustees are pleased to report:

- a small surplus of £7,214 (2018 £24,451) on Unrestricted funds. The reduction in surplus reflects planned additional expenditure and a £6,958 reduction in donations and legacies in the year.
- a deficit of £19,919 (2018 surplus £2,304) on restricted funds. The deficit is due to restricted funds received in previous years being spent in this financial year.

#### ***Principal funding sources***

##### **Voluntary income**

During the year the charity received £101,729 in voluntary donations (2018 - £49,600). The increase is due to additional restricted donations including funding for the Melanesian Brotherhood, CSC Retreat House, Human Rights project and relocation projects.

##### **Investment income**

The accounts are showing an increase in investment income this year at £107,401 (2018 - £105,741) and the Trustees are pleased that investments continue to provide a consistent level of income for the charity.

#### ***Policy on reserves***

The Trustees hold restricted reserves of £8,257.

The trustees have reviewed their use of the Cornell Bequests/Sabbaticals and Dudley Heath Trust designated reserves and have decided to transfer these funds back to the unrestricted income fund. The trustees are still committed to funding training in Melanesia, visits to the UK and Melanesia.

The following designated reserves are held at the year end:

##### **• Investment Reserve**

Unrestricted Investments are held to provide income to fund the activities of the charity. Investment income forms our principal source of funding. The Trustees have designated a reserve equal to the valuation of its unrestricted investments which cannot be used to fund expenditure without being sold of £2,878,920

The remaining reserves of £59,538 are held in the Unrestricted Income Fund.

#### ***Going concern***

The Trustees have reviewed the circumstances of the Charity and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The Trustees are of the view that the charity is a going concern.

## **The Melanesian Mission**

### **Trustees' Report**

#### ***Investment policy and objectives***

The Trustees adopted a revised investment policy at their meeting on 30 November 2015 which is reviewed annually.

The aim is to balance the need of current and future beneficiaries. The capital remains invested to provide for future beneficiaries and the income is spent on current charitable activity.

- The Charity's investment funds are invested to produce the best financial return within an acceptable level of risk.
- The investment objective is to balance income and capital returns. The assets should be managed to at least maintain the real capital value of the funds, whilst generating a sustainable level of investment income to support the current charitable activities.
- The current income target is set at £100,000 per annum (a starting yield of 5%) and as such the overall investment objective is a return of inflation plus 5% pa, which will maintain the real valuation of the assets, whilst funding annual increase in expenditure in the region of 5% per annum.

#### **Financial instruments**

##### ***Objectives and policies***

The Trustees adopted a risk assessment document in October 2007 which was fully updated in November 2017. Systems and procedures are in place to mitigate the identified risks. The Trustees are of the opinion that the charity's objectives and operation are inherently of low risk and this is minimised by its procedures in all areas.

The Trustees regularly review the Charity's risk and have identified the main risks.

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The use of financial derivatives is governed by the Charity's policies approved by the board of Trustees which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### ***Cash flow risk***

The trustees manage the risk to cashflows by preparing and reviewing budgets on a regular basis and ensuring sufficient cash deposits are held to meet current spending commitments.

##### ***Credit risk***

The Charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.



## **The Melanesian Mission**

### **Trustees' Report**

#### **Plans for future periods**

##### ***Aims and key objectives for future periods***

Encourage more ordinands to undertake placements in Melanesia.

Develop the website to include a secure area for Trustees.

Prepare for the Lambeth 2020.

Establish a good working relationship with the new Archbishop, elected in June 2019 and installed in September 2019. The Chair of the Charity will attend the enthronement.

Organise scheduled Trustee and EO visits to fulfil particular needs, at the request of ACoM.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under section 415 of the Companies Act 2006.

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

The trustees (who are also the directors of The Melanesian Mission for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:


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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **The Melanesian Mission**

### **Trustees' Report**

The annual report was approved by the trustees of the charity on 21 September 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Rt Revd M J Rylands', written over a dotted line.

Rt Revd M J Rylands  
Trustee

## **The Melanesian Mission**

### **Independent Examiner's Report to the trustees of The Melanesian Mission**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2019 which are set out on pages 10 to 36.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of The Melanesian Mission (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

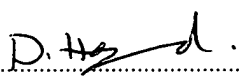
Having satisfied myself that the accounts of The Melanesian Mission are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

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:

1. accounting records were not kept in respect of The Melanesian Mission as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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 accounts to be reached.

  
.....  
Diana Heywood FCCA  
Redwoods Chartered Certified Accountants  
ACCA

2 Clyst Works  
Clyst Road  
Topsham  
Exeter  
Devon  
EX3 0DB

21 September 2019

## The Melanesian Mission

### Statement of Financial Activities for the Year Ended 31 March 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

<b>CURRENT YEAR</b>	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowment funds £</b>	<b>Total 2019 £</b>
<b>Income and Endowments from:</b>					
Donations and legacies	3	21,197	80,532	-	101,729
Investment income	4	105,790	-	1,611	107,401
Other income	5	3,000	-	-	3,000
<b>Total income</b>		<b>129,987</b>	<b>80,532</b>	<b>1,611</b>	<b>212,130</b>
<b>Expenditure on:</b>					
Charitable activities	6	(122,773)	(100,451)	-	(223,224)
<b>Total expenditure</b>		<b>(122,773)</b>	<b>(100,451)</b>	<b>-</b>	<b>(223,224)</b>
Net income/(expenditure) before gains on investment		7,214	(19,919)	1,611	(11,094)
Gains/losses on investment assets		196,449	-	3,027	199,476
<b>Net income/(expenditure)</b>		<b>203,663</b>	<b>(19,919)</b>	<b>4,638</b>	<b>188,382</b>
<b>Net movement in funds</b>		<b>203,663</b>	<b>(19,919)</b>	<b>4,638</b>	<b>188,382</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,734,795	28,194	39,006	2,801,995
Total funds carried forward	18	2,938,458	8,275	43,644	2,990,377

## The Melanesian Mission

### Statement of Financial Activities for the Year Ended 31 March 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

<b>PRIOR YEAR</b>	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Endowment funds £</b>	<b>Total 2018 £</b>
<b>Income and Endowments from:</b>					
Donations and legacies	3	28,155	21,445	-	49,600
Investment income	4	104,201	-	1,540	105,741
Other income	5	3,000	-	-	3,000
Total income		<u>135,356</u>	<u>21,445</u>	<u>1,540</u>	<u>158,341</u>
<b>Expenditure on:</b>					
Charitable activities	6	<u>(110,905)</u>	<u>(19,141)</u>	<u>-</u>	<u>(130,046)</u>
Total expenditure		<u>(110,905)</u>	<u>(19,141)</u>	<u>-</u>	<u>(130,046)</u>
Net income/(expenditure) before gains on investment		24,451	2,304	1,540	28,295
Gains/losses on investment assets		<u>70,268</u>	<u>-</u>	<u>1,030</u>	<u>71,298</u>
Net income		<u>94,719</u>	<u>2,304</u>	<u>2,570</u>	<u>99,593</u>
Net movement in funds		94,719	2,304	2,570	99,593
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>2,640,076</u>	<u>25,890</u>	<u>36,436</u>	<u>2,702,402</u>
Total funds carried forward	18	<u>2,734,795</u>	<u>28,194</u>	<u>39,006</u>	<u>2,801,995</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 18.

**The Melanesian Mission**  
**(Registration number: 05101167)**  
**Balance Sheet as at 31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	14	2,922,564	2,723,088
<b>Current assets</b>			
Debtors	15	2,201	3,055
Cash at bank and in hand		<u>68,162</u>	<u>78,904</u>
		70,363	81,959
<b>Creditors: Amounts falling due within one year</b>	16	<u>(2,550)</u>	<u>(3,052)</u>
<b>Net current assets</b>		<u>67,813</u>	<u>78,907</u>
<b>Net assets</b>		<u>2,990,377</u>	<u>2,801,995</u>
<b>Funds of the charity:</b>			
<b>Endowment funds</b>		43,644	39,006
<b>Restricted funds</b>		8,275	28,194
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>2,938,458</u>	<u>2,734,795</u>
<b>Total funds</b>	18	<u>2,990,377</u>	<u>2,801,995</u>

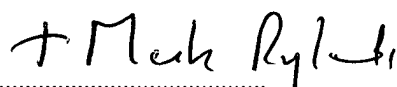
For the financial year ending 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 10 to 36 were approved by the trustees, and authorised for issue on 21 September 2019 and signed on their behalf by:

  
 .....  
 Rt Revd M J Rylands  
 Trustee

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **1 Charity status**

The charity is a public benefit entity and private company limited by guarantee, incorporated in England and Wales and is a registered charity in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

21 The Burlands

Feniton

Honiton

Devon

EX14 3UN

These financial statements were authorised for issue by the trustees on 21 September 2019.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

The Melanesian Mission meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The accounts are presented in £ Sterling and rounded to the nearest £1.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cashflow forecast**

The entity satisfies the criteria of being a small entity as defined in FRS 102 and as a result has taken the exemption from preparing a cashflow statement.

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **Judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Income and endowments**

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

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

#### ***Gift aid***

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Grant expenditure***

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional such as grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.



## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £1,000 or more are initially recorded at cost

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	20% straight line basis

#### **Fixed asset investments**

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Expendable endowment funds are invested to produce income which is spent on furthering the charitable purposes. The income from the funds is unrestricted and available to use at the trustees' discretion in furtherance of the objectives of the charity.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### ***Investments***

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

#### ***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	General £	£	£	£
Donations and legacies;				
Appeals and donations	13,660	70,728	84,388	39,090
Legacies	7,537	9,804	17,341	10,510
	<u>21,197</u>	<u>80,532</u>	<u>101,729</u>	<u>49,600</u>

Income from appeals and donations includes two restricted donations from the Richard Lumley Trust totalling £30,000.

#### 4 Investment income

	Unrestricted funds	Endowment funds	Total 2019	Total 2018
	General £	Expendable £	£	£
Interest receivable and similar income:				
Interest receivable on bank deposits	295	-	295	98
Other income from fixed asset investments	105,495	1,611	107,106	105,643
	<u>105,790</u>	<u>1,611</u>	<u>107,401</u>	<u>105,741</u>

#### 5 Other income

	Unrestricted funds	Total 2019	Total 2018
	General £	£	£
Other income	3,000	3,000	3,000

Government funded employment allowance

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 6 Expenditure on charitable activities

	<b>Unrestricted funds</b>			
	<b>General £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Maintenance grant to ACoM	39,000	-	39,000	39,000
Education project	2,726	8,144	10,870	-
CoM Visitors to the UK	1,752	-	1,752	11,331
Regional visits in support of core work	5,285	-	5,285	-
Ambae relocation	-	17,977	17,977	-
Other Projects in Melanesia	64,430	74,330	138,760	70,353
Governance costs (analysed per note 7)	9,580	-	9,580	9,362
	<u>122,773</u>	<u>100,451</u>	<u>223,224</u>	<u>130,046</u>

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 6 Expenditure on charitable activities continued

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2019 £	Total 2018 £
<b>Expenditure on charitable activities by activity type</b>					
Grants payable - institutions	-	148,128	-	148,128	60,195
Grants payable - individuals	-	657	-	657	937
Staff costs	-	-	39,817	39,817	36,333
Shipping	527	-	-	527	543
CoM visitors to the UK	1,752	-	-	1,752	11,331
Education project travel and other costs	2,726	-	-	2,726	-
Trustee expenses	269	-	-	269	1,154
Office and general expenses	-	-	6,008	6,008	3,199
Travel and subsistence	-	-	3,565	3,565	2,238
Promotional expenses	4,910	-	-	4,910	4,754
Regional visits supporting core work	5,285	-	-	5,285	-
Governance costs (analysed per note 7)	-	-	9,580	9,580	9,362
	<u>15,469</u>	<u>148,785</u>	<u>58,970</u>	<u>223,224</u>	<u>130,046</u>

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 7 Analysis of governance and support costs

##### Support costs allocated to charitable activities

		Governance costs £	Staff costs £	Administration costs £	Other support costs £	Total 2019 £	Total 2018 £
	<b>Basis of allocation</b>						
Other projects in Melanesia	Governance	9,580	-	-	-	9,580	9,362
Other projects in Melanesia	Employment costs	-	39,817	-	-	39,817	36,333
Other projects in Melanesia	Office expenses	-	-	6,008	-	6,008	3,199
Other projects in Melanesia	Travel and subsistence	-	-	-	3,565	3,565	2,238
		<u>9,580</u>	<u>39,817</u>	<u>6,008</u>	<u>3,565</u>	<u>58,970</u>	<u>51,132</u>

##### Basis of allocation

Reference	Method of allocation
Governance	100% charitable expenses (of which 80% to grant making)
Employment costs	Time spent 80% grant making, 15% charitable, 5% governance
Office expenses	100% charitable expenses (of which 80% to grant making)
Travel and subsistence	100% charitable expenses (of which 80% to grant making)

# **The Melanesian Mission**

## **Notes to the Financial Statements for the Year Ended 31 March 2019**

### **7 Analysis of governance and support costs continued**

#### **Governance costs**

	<b>Unrestricted funds</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Staff costs			
Wages and salaries	1,722	1,722	1,616
Social security costs	184	184	166
Pension costs	145	145	130
Independent examiner fees			
Examination of the financial statements	580	580	560
Other fees paid to examiners	2,703	2,703	2,783
Trustees expenses	3,374	3,374	1,298
Other governance costs	872	872	2,809
	<u>9,580</u>	<u>9,580</u>	<u>9,362</u>



## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 8 Grant-making

##### Analysis of grants

	Grants to institutions		Grants to individuals	
	2019	2018	2019	2018
	£	£	£	£
<b>Analysis</b>				
Annual grant ACoM	39,000	39,000	-	-
Other Specific grants	9,537	2,100	-	-
Specific appeals	99,591	19,095	-	-
Short term placement grants	-	-	657	937
	<u>148,128</u>	<u>60,195</u>	<u>657</u>	<u>937</u>

The support costs associated with grant-making are £48,906 (31 March 2018 - £42,435).

The Trustees make an annual grant of £39,000 to the Anglican Church of Melanesia (ACoM). Applications for further grants are considered by the Trustees as appropriate.

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **9 Trustees remuneration and expenses**

During the year the charity made the following transactions with trustees:

**Mr A M Cartwright**

£810 (2018: £2,727) of expenses were reimbursed to Mr A M Cartwright during the year for travel expenses.

**Mrs B Molyneux**

£927 (2018: £471) of expenses were reimbursed to Mrs B Molyneux during the year for travel and visiting hospitality expenses.

**Mr I D Drew**

£298 (2018: £Nil) of expenses were reimbursed to Mr I D Drew during the year for travel and subsistence expenses.

**Revd J Pinder**

£263 (2018: £146) of expenses were reimbursed to Revd J Pinder during the year for travel expenses.

**Revd J J Wise**

£171 (2018: £107) of expenses were reimbursed to Revd J J Wise during the year for travel expenses.

**Revd M B Cox**

£582 (2018: £229) of expenses were reimbursed to Revd M B Cox during the year for travel expenses.

**Rt Revd M J Rylands**

£804 (2018: £Nil) of expenses were reimbursed to Rt Revd M J Rylands during the year for travel and subsistence expenses.

**Revd C Duce**

£78 (2018: £Nil) of expenses were reimbursed to Revd C Duce during the year for travel expenses.

**Ven Dr M R Gilbertson**

£279 (2018: £Nil) of expenses were reimbursed to Ven Dr M R Gilbertson during the year for travel expenses.

**Mr S J Scofield**

£270 (2018: £Nil) of expenses were reimbursed to Mr S J Scofield during the year for travel expenses and computer software costs.

**Miss K Pwaisiho**

£36 (2018: £Nil) of expenses were reimbursed to Miss K Pwaisiho during the year for travel expenses.

No trustees have received any other benefits from the charity during the year.

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
<b>Staff costs during the year were:</b>		
Wages and salaries	35,291	32,314
Social security costs	3,685	3,314
Pension costs	2,892	2,617
	<u>41,868</u>	<u>38,245</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
Charitable activities	<u>1</u>	<u>1</u>

1 (2018 - 1) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £2,892 (2018 - £2,617).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £41,868 (2018 - £38,245).

#### 11 Independent examiner's remuneration

	2019 £	2018 £
Examination of the financial statements	<u>580</u>	<u>560</u>
<b>Other fees to examiners</b>		
All other services	<u>2,703</u>	<u>2,783</u>

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **12 Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

#### **13 Tangible fixed assets**

	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2018	<u>1,097</u>	<u>1,097</u>
At 31 March 2019	<u>1,097</u>	<u>1,097</u>
<b>Depreciation</b>		
At 1 April 2018	<u>1,097</u>	<u>1,097</u>
At 31 March 2019	<u>1,097</u>	<u>1,097</u>
<b>Net book value</b>		
At 31 March 2019	<u>-</u>	<u>-</u>
At 31 March 2018	<u>-</u>	<u>-</u>

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 14 Fixed asset investments

##### Other investments

	Listed investments £
<b>Cost or Valuation</b>	
At 1 April 2018	2,723,088
Revaluation	<u>199,476</u>
At 31 March 2019	<u>2,922,564</u>
<b>Net book value</b>	
At 31 March 2019	<u>2,922,564</u>
At 31 March 2018	<u>2,723,088</u>

The market value of the listed investments at 31 March 2019 was £2,922,564 (2018 - £2,723,088).

#### 15 Debtors

	2019 £	2018 £
Other debtors	<u>2,201</u>	<u>3,055</u>

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

	2019 £	2018 £
Other taxation and social security	-	556
Accruals	<u>2,550</u>	<u>2,496</u>
	<u>2,550</u>	<u>3,052</u>

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £2,892 (2018 - £2,617).

# The Melanesian Mission

## Notes to the Financial Statements for the Year Ended 31 March 2019

### 18 Funds

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2019 £
<b><u>CURRENT YEAR</u></b>						
<b>Endowment funds</b>						
<i>Expendable</i>						
Patteson Moss Fund	3,376	96	-	-	213	3,685
Amy Rawson	11,876	505	-	-	938	13,319
Eleanor Rawson	11,876	505	-	-	938	13,319
Cyril Rawson	11,878	505	-	-	938	13,321
	<u>39,006</u>	<u>1,611</u>	<u>-</u>	<u>-</u>	<u>3,027</u>	<u>43,644</u>
<b>Restricted funds</b>						
JCPU	633	-	-	-	-	633
Melanesian Brotherhood	25	20,137	(20,125)	-	-	37
CSM - Lunch project	1,272	1,935	(2,100)	-	-	1,107
CSM - General	1,001	636	(1,637)	-	-	-
CSM - Exchange project	822	145	(967)	-	-	-
CSC - TNK Kindy	-	340	(340)	-	-	-
CSC - Retreat house	-	12,093	(12,093)	-	-	-
Community of the Sisters of the Church General	3,397	1,276	(4,672)	-	-	1
Human Rights project	714	-	(714)	-	-	-
Other restricted funds	10,510	8,708	(19,191)	-	-	27
Human Rights BHC	-	10,413	(10,128)	-	-	285
Richard Lumley Education Projects grant	9,800	3,033	(8,144)	-	-	4,689

# The Melanesian Mission

## Notes to the Financial Statements for the Year Ended 31 March 2019

### 18 Funds continued

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2019 £
<b>CURRENT YEAR</b>						
Mothers' Union	(6)	102	(94)	-	-	2
Cyclone Donna	26	-	(26)	-	-	-
Joseph Banks Society	-	557	-	-	-	557
Climate change	-	1,410	(1,410)	-	-	-
ACoM Ambae relocation	-	12,021	(12,021)	-	-	-
Exeter Diocese links	-	1,643	(833)	-	-	810
Melanesian Brotherhood Ambae relocation	-	1,016	(924)	-	-	92
St Patricks Ambae relocaton	-	5,067	(5,032)	-	-	35
<b>Total restricted funds</b>	<b>28,194</b>	<b>80,532</b>	<b>(100,451)</b>	<b>-</b>	<b>-</b>	<b>8,275</b>
<b>General</b>						
Unrestricted income fund	2,487,271	129,987	(122,773)	(2,631,396)	196,449	59,538
<b>Unrestricted funds</b>						
<b>Designated</b>						
Cornell Bequests/Sabbaticals reserve	228,550	-	-	(228,550)	-	-
Dudley Heath Trust	18,974	-	-	(18,974)	-	-
Investment reserve	-	-	-	2,878,920	-	2,878,920
	<b>247,524</b>	<b>-</b>	<b>-</b>	<b>2,631,396</b>	<b>-</b>	<b>2,878,920</b>
<b>Total Unrestricted funds</b>	<b>2,734,795</b>	<b>129,987</b>	<b>(122,773)</b>	<b>-</b>	<b>196,449</b>	<b>2,938,458</b>
<b>Total funds</b>	<b>2,801,995</b>	<b>212,130</b>	<b>(223,224)</b>	<b>-</b>	<b>199,476</b>	<b>2,990,377</b>

**The Melanesian Mission**

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**18 Funds continued**

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2018 £
<b><u>PRIOR YEAR</u></b>					
<b>Endowment funds</b>					
<i>Expendable</i>					
Patteson Moss Fund	3,227	94	-	55	3,376
Amy Rawson	11,069	482	-	325	11,876
Eleanor Rawson	11,069	482	-	325	11,876
Cyril Rawson	11,071	482	-	325	11,878
	<u>36,436</u>	<u>1,540</u>	<u>-</u>	<u>1,030</u>	<u>39,006</u>
<b>Restricted funds</b>					
JCPU	633	-	-	-	633
Melanesian Brotherhood	25	181	(181)	-	25
CSM - Lunch project	746	1,901	(1,375)	-	1,272
CSM - General	1,401	3,365	(3,765)	-	1,001
CSM - Exchange project	-	822	-	-	822
CSC - TNK Kindy	-	2,020	(2,020)	-	-
Community of the Sisters of the Church General	-	7,209	(3,812)	-	3,397
Human Rights project	714	-	-	-	714
Other restricted funds	10,000	1,798	(1,288)	-	10,510
Exeter Diocese ACoM Visitors 2017	1,000	528	(1,528)	-	-
Human Rights BHC	46	-	(46)	-	-
Richard Lumley Education Projects grant	10,000	-	(200)	-	9,800
Mothers' Union	-	1,143	(1,149)	-	(6)
Cyclone Donna	-	2,078	(2,052)	-	26
Joseph Banks Society	1,325	-	(1,325)	-	-



**The Melanesian Mission**

**Notes to the Financial Statements for the Year Ended 31 March 2019**

**18 Funds continued**

	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2018 £
<b><u>PRIOR YEAR</u></b>					
Banks and Torres pupil scholarship	-	300	(300)	-	-
Society of St Francis	-	100	(100)	-	-
<b>Total restricted funds</b>	<b>25,890</b>	<b>21,445</b>	<b>(19,141)</b>	<b>-</b>	<b>28,194</b>
<b><u>Unrestricted funds</u></b>					
<b><i>General</i></b>					
Unrestricted income fund	2,392,552	135,356	(110,905)	70,268	2,487,271
<b><i>Designated</i></b>					
Cornell Bequests/Sabbaticals reserve	228,550	-	-	-	228,550
Dudley Heath Trust	18,974	-	-	-	18,974
	247,524	-	-	-	247,524
<b>Total unrestricted funds</b>	<b>2,640,076</b>	<b>135,356</b>	<b>(110,905)</b>	<b>70,268</b>	<b>2,734,795</b>
<b>Total funds</b>	<b>2,702,402</b>	<b>158,341</b>	<b>(130,046)</b>	<b>71,298</b>	<b>2,801,995</b>

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **18 Funds continued**

##### **RESTRICTED FUNDS;**

John Coleridge Patteson University (JCPU) - Funds received for the establishment and support of the John Coleridge Patteson University within the Anglican Church of Melanesia.

Melanesian Brotherhood - Monies received to assist in the funding of the Melanesian Brotherhood.

CSM Lunch Project - Monies received through donations for the purpose of providing lunches for a community of approximately 30 people.

CSM General Funds - Relating to other donations received for other specific projects of the Community of the Sisters of Melanesia.

CSM Exchange project - Monies received to assist in the funding of the UK visits of Sister from the Community of the Sister of Melanesia. During the year donors decided that it would be more sustainable to conduct the training locally, rather than bring the sisters to the UK for this purpose.

CSC TNK Kindy - Monies received to assist in funding the Community of the Sisters of the Church Kindy School at TNK in the Solomon Islands.

CSC Retreat House - The Community of the Sisters of the Church Retreat House at TNK, was partially build due to a lack of funds. After a direct request from ACoM, MMUK launched a UK supporters appeal and allocated the legacy received from S Thomson to fund the remaining building work.

Community of the Sisters of the Church - Monies received to assist in the funding of the Community of the Sisters of the Church in Melanesia.

Other restricted fund - Relating to adhoc donations received for other specific causes. Funds of £10,510 carried forward are to be used to help fund a Sanitation Project at St Stephens School (The Pamua Sanitation Project).

Human Rights Project - Funds raised to assist a local teacher with regards to the education of human rights issues in Melanesia.

Human Rights Project BHC - Funds received from the British High Commission for the purposes of providing resources for the education of human rights issues in Melanesia.

Exeter Diocese ACoM Visitors 2017 - Funds raised for the purpose of funding visitors from Melanesia to the UK during 2017.

Richard Lumley Education Projects Grant - Funds received from the Richard Lumley Charitable Trust for the purpose of providing a grant for education purposes.

Joseph Banks Society - Monies received from the Joseph Banks Society to assist in the funding of the Anglican Church of Melanesia's projects in the Diocese of Banks & Torres.

Climate change - After a direct request from Archbishop of Melanesia in 2017, to raise awareness of climate change and to help the church plan for it's consequences, MMUK launched a UK supporters appeal and allocated funds to assist research into climate change in Melanesia. One project is helping Anglican parishes in Melanesia to record changes in their local environment, and the second is mapping sea level rises and coastal erosion in the Solomon Islands.

ACoM Ambae relocation - The Anglican Diocese of Vanuatu and new Caledonia made a direct to MMUK in 2018 to help them deal with refugees from the island of Ambae following a volcanic eruption and a government enforced evacuation. This also resulted in the Church School St Patricks also being temporary relocated. In 2019 some people returned to the island and the school has a temporary returned. A new permanent site for the school on another island will be announced in 2019.

## **The Melanesian Mission**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **18 Funds continued**

Exeter Diocese links - Exeter Diocese donates £500 per year to fund the diocese link activities with Melanesia, including events and two visits. Supporters of MMUK also donate to this fund.

Melanesian Brotherhood Ambae relocation - The Melanesian Brotherhood made a direct request to MMUK in 2018 to assist with the relocation of their HQ from the island of Ambae following the volcanic eruption. This project is still progressing.

St Particks Ambae relocation - Following ongoing volcanic activity on the island of Ambae, and the government ordered evacuation of the island in 2018, this fund has been established to enable the Anglican Church of Melanesia assist evacuees and relocated church institutions including St Patricks College.

Mothers' Union - Monies received to assist in the funding of the Mothers' Union in Melanesia.

Cyclone Donna Appeal - Donations received by MMUK to support cyclone relief following storms.

Banks and Torres pupil scholarship - Monies received from the Joseph Banks Society to assist in funding church school scholarships in the Diocese of Banks & Torres.

Society of St Francis - Monies received to assist in the funding of the Society of St Francis in Melanesia.

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 18 Funds continued

##### DESIGNATED FUNDS;

Investment Reserve - Unrestricted investments are held to provide income to fund the activities of the charity. Investment income forms the principle source. The Trustees have designated a reserve equal to the valuation of it's investments which cannot be used to fund expenditure without being sold.

The investment reserve and endowment funds include unrealised gains on investment.

	<b>Revaluation reserve £</b>	<b>Total £</b>
At 1 April 2018	941,410	941,410
Unrealised gain on investments	<u>199,476</u>	<u>199,476</u>
At 31 March 2019	<u><u>1,140,886</u></u>	<u><u>1,140,886</u></u>

	<b>Revaluation reserve £</b>	<b>Total £</b>
At 1 April 2017	870,112	870,112
Unrealised gain on investments	<u>71,298</u>	<u>71,298</u>
At 31 March 2018	<u><u>941,410</u></u>	<u><u>941,410</u></u>

##### ENDOWMENT FUNDS:

Patteson-Moss Memorial Fund - Donated by Mrs John Patteson-Moss of Toronto, to form a trust in England in memory of her son. Any income generated from the capital is to be used to purchase books for Melanesian theological students.

Amy Rawson Trust Fund - Bequest received in January 1975, the income for the benefit of the Diocese of Vanuatu (which was later split into two dioceses, Vanuatu and Banks & Torres).

Eleanor Rawson Trust Fund - Bequest received in January 1975, the income for the benefit of the Diocese of Vanuatu (which was later split into two dioceses, Vanuatu and Banks & Torres).

Revd. Cyril Rawson Trust Fund - Bequest received in January 1975, the income for the benefit of the Diocese of Vanuatu (which was later split into two dioceses, Vanuatu and Banks & Torres).

# The Melanesian Mission

## Notes to the Financial Statements for the Year Ended 31 March 2019

### 19 Analysis of net assets between funds

	Unrestricted funds			Endowment funds	Total funds at 31 March 2019
	General £	Designated £	Restricted funds £	Expendable £	£
Fixed asset investments	-	2,878,920	-	43,644	2,922,564
Current assets	62,088	-	8,275	-	70,363
Current liabilities	(2,550)	-	-	-	(2,550)
Total net assets	<u>59,538</u>	<u>2,878,920</u>	<u>8,275</u>	<u>43,644</u>	<u>2,990,377</u>

	Unrestricted funds			Endowment funds	Total funds at 31 March 2018
	General £	Designated £	Restricted funds £	Expendable £	£
Fixed asset investments	2,436,558	247,524	-	39,006	2,723,088
Current assets	53,765	-	28,194	-	81,959
Current liabilities	(3,052)	-	-	-	(3,052)
Total net assets	<u>2,487,271</u>	<u>247,524</u>	<u>28,194</u>	<u>39,006</u>	<u>2,801,995</u>

## The Melanesian Mission

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 20 Analysis of net funds

	At 1 April 2018 £	Cash flow £	Other non-cash changes £	At 31 March 2019 £
Cash at bank and in hand	78,904	(10,742)	-	68,162
Debt due within one year	3	(352)	-	(349)
Current asset investments	2,723,088	-	199,476	2,922,564
Net debt	<u>2,801,995</u>	<u>(11,094)</u>	<u>199,476</u>	<u>2,990,377</u>

	At 1 April 2017 £	Cash flow £	Other non-cash changes £	At 31 March 2018 £
Cash at bank and in hand	49,128	29,776	-	78,904
Debt due within one year	1,484	(1,481)	-	3
Current asset investments	2,651,790	-	71,298	2,723,088
Net debt	<u>2,702,402</u>	<u>28,295</u>	<u>71,298</u>	<u>2,801,995</u>

#### 21 Related party transactions

During the year the charity made the following related party transactions:

##### **Mrs K Drew**

(Mrs K Drew charity secretary and employee is the partner of Mr I Drew, a trustee of the charity. )

Mrs K Drew has received salary and pension contributions in the year, as disclosed in note 9, from her role as Charity Secretary and Executive Officer. At the balance sheet date the amount due to/from Mrs K Drew was £Nil (2018 - £Nil).