

COMPANY REGISTRATION NUMBER: 05101167
CHARITY REGISTRATION NUMBER: 1104551

The Melanesian Mission
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2023

WESTCOTTS

Chartered Accountants
47 Boutport Street
Barnstaple
Devon
EX31 1SQ



The Melanesian Mission
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2023

	Pages
Trustees' annual report (incorporating the director's report)	1 to 8
Independent examiner's report to the trustees	9
Statement of financial activities (including income and expenditure account)	10
Statement of financial position	11
Notes to the financial statements	12 to 25

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name The Melanesian Mission

Charity registration number 1104551

Company registration number 05101167

Principal office and registered office 21 The Burlands
Feniton
Honiton
Devon
EX14 3UN

The trustees Canon J Brooke
Revd M B Cox
Revd C Duce
Ven Dr M R Gilbertson - Vice Chair
Mrs D Jordan
Revd J Pinter (Resigned 1 November 2022)
Revd K Pwaisiho
Rt Revd M J Rylands - Chair
Mr S J Scofield
Revd J J Wise

Company secretary Katie Drew

Independent examiner Catherine Williams FCA DChA
Westcotts (SW) LLP
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Structure, governance and management

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.

Management

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 and employment.

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 Mrs D Jordan 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.

Purposes 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 in 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.

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Purposes and aims *(continued)*

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.

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.

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 Church of England
- to resource and encourage prayer support
- to raise awareness of ACoM in the UK
- to enable personnel exchange between Melanesia and the UK

Public benefit

The Trustees have considered the Charity Commission's guidance on public benefit and the specific guidance on charities for the advancement of religion. Having considered the activities which the Mission undertakes which are detailed in our achievements and performance, and our 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

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Achievements and performance

Trustees continued to meet online for their June and November 2022 and January 2023 meetings. This was both beneficial in terms of cost savings and Trustees availability. At least one online Steering Group meeting was held before each Full Trustees Meeting. The yearly Trustee residential took place at Foxhill in Chester Diocese in March 2023, with the three bishops in Chester Diocese attending for the evening sessions. At the residential there was also an additional brief Trustees meeting.

To coincide with the post Lambeth Conference hospitality programme, the Festival Day was moved to 13th August and held at St Martin in the Fields, London, with over 50 people in attendance for the Eucharist and following talks. It was a memorable and moving occasion to hear from the Archbishop of Melanesia, Most Revd Leonard Dawea, the Bishop of Vanuatu, Rt Revd James Tama and from Revd Sr Veronica CSC and Revd Br Nelson MBH.

The online 2022 Annual General Meeting was postponed from September, due to the death of Queen Elizabeth. The rearranged event on 1st November was attended by over 40 people. At the meeting, the Accounts for 2021/2022, the appointment of an Independent Examiner for 2023/2023 and the Minutes of the last AGM, were received and approved by members. Revd John Pinder stepped down as Trustee, and Revd Brian Macdonald-Milne as Hon Archivist. For the election of Trustees, Ven Dr Mike Gilbertson took the Chair. Members agreed to the following, as recommended by Trustees - the re-election of Rt Revd Mark Rylands as Trustee and Chair for two years and Mr Steve Scofield as Trustee and Hon Treasurer for three years. The remaining Trustee vacancy remained unfilled, as the charity continued to search of a person with Fundraising skills. Details of the 2023 AGM and Festival Day were announced, and the event concluded with a talk by Professor Nick Stanley on The Revd. Dr R H Codrington.

In January 2023, the Archbishop of Canterbury confirmed his Patronage of the charity for another three years.

During the last year, the charity hosted four online supporter events and was involved with other online events organised by UK parishes, the Companions to the Melanesian Brotherhood and Associates to the Community of the Sisters of Melanesia. Archbishop Leonard and Revd Sr Veronica were guests at some of these online events. The charity published two magazines posted to over 700 named contacts and distributed ten email newsletters to 350 supporters. Due to capacity issues a 2023 calendar was not published.

The charity's COVID appeal ran on from 2021 / 2022 into the current financial year. Total donations sent to ACoM were £4,657. In response to these donations ACoM General Secretary Dr Abraham Hauriasi said: "Thank you for the donations. We are incredibly grateful for your continuous support towards the Covid appeal. My preference will be to use whatever funds we now have, and its mostly response from the MMUK, to provide some support to our schools so they can operate till 23 December 2022, the delayed end of the academic year.

"Almost every school, including ACoM run ones, are struggling to stay afloat due to many parents being unable to pay school fees and a government directive for schools to reduce school's fees by up to 30%. In addition, the national government is slow in paying its grants to schools on time. St. Stephens College Pamua has already requested some support from us as they struggle to meet costs of their operations and we have sent some funds to the school."

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Achievements and performance *(continued)*

Thanks to supporters, MMUK also sent donations to the follow projects / groups in ACoM including:

- St Patrick's, Vanuatu £11,328.
- St Stephens Pamua – Girls' Dorm £2,807.
- Melanesian Brotherhood £2,812.
- CSM-Chapel £3,877

Two shipments of donated goods were sent to the Solomon Islands during the financial year. These included 20 sewing machines, which were requested by ACoM Bishops. UK Mothers' Union members were instrumental in collecting these machines, accompanying sewing materials and patterns, and funds towards the shipping costs.

In April some of charity's archive, which had been stored and overseen by Revd Canon Brian Macdonald-Milne, was reviewed. The Executive Officer took files to be sorted and eventually to be deposited at SOAS, with Revd Brian arranging for additional files to be deposited with Cambridge Centre for Christianity Worldwide.

The charity assisted the Melanesian Bishops and their wives with their preparations to attend the Lambeth Conference from 26th July – 7th August in Canterbury, and then their following visits to the Dioceses of Bath and Wells, Chester, Ely, Exeter, and London. The Bishops and wives were able to meet with senior Diocesan staff, supporters, parishes, and Mothers' Union members, the first visit of its kind since before COVID. MMUK Trustees were also able to meet with the Bishops to discuss the challenges and success stories from their dioceses and gain a better insight into how MMUK can work and pray with ACoM. There were many challenges and changes to the programmes due to ongoing COVID issues, but the visit and attendance at the Lambeth Conference was appreciated and deemed a great success by the visitors and those who met them. A programme including retreats was also arranged for Revd Br Nelson MBH (with Br Clark SSF) and Revd Sr Veronica, who were part of the Lambeth Conference Chaplaincy team. As previously mentioned, some of the Melanesian guests were also able to attend the 2023 Festival Day at St Martin in the Fields. Trustees agreed to build up a fund for the next Lambeth Conference.

In March and April 2023, the charity financed and hosted a four week visit to the UK of the Head Brother and Elder Brother of the Melanesian Brotherhood. The Brothers visited the Dioceses of Bath & Wells, Chester, Ely, Exeter, and London, meeting Companions, supporters, parishes, schools, and members of the Nazareth Community.

The charity was invited to contribute resources, including films, to the Gaia installations at Chester and Exeter Cathedrals. In Exeter, 33,470 adults and 13,732 children attended this event. Our Care for Creation Officer was also involved in delivering school workshops on climate change to 250 pupils for ten Devon schools as part of Exeter cathedral's Scientists in Congregations and Show the Love climate change campaign.

Post COVID restrictions, the charity was able to organise a number of physical events including two Pattenon's Way pilgrimages, one with the Bishop of Crediton and another with Melanesian Brothers, give talks at Deanery Synods, parish services and to Mothers' Union members, ordinands, and degree students, reaching over 300 people across the UK. Parishes also began to hold fundraising events for the charity, including coffee mornings and quiz night, boasting charity funds. The charity's exhibition panels and prayer boxes were also sent to events in Chester, Exeter, and London Dioceses.

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Achievements and performance *(continued)*

The charity reviewed ACoM's Environment Observatory projects four test sites and made recommendations. Trustees agreed at the request of ACoM to send our Care for Creation Officer on a regional visit in the next financial year, to further review the project, make recommendations for the expansion of the project and run training sessions for ACoM's Project Officer and Green Apostle volunteers.

Care for Creation school resources for Key Stage 2 to 5 were developed and tested and are ready to be uploaded onto the charity's new website.

The Trustees updated the charity's policies and procedures in line with UK charity regulations. The charity has continued to network with other bodies within the Anglican Communion, and with relief and mission agencies working in Melanesia. It has contributed articles and attended meetings with these groups including ACEN. Trustees agreed to the request from ACoM to send the Executive Officer to Solomons in May 2023 to attend an ORAC meeting with other agencies working in the region.

In recognition of an increased workload, MMUK's care for Creation Officer's contract was extended from 1st February and another year at two days a week. Trustees also reviewed the job description of the Executive Officer and agreed to an increase in hours in the next financial year.

Financial review

The trustees report:

- a deficit of £919 (2022 a deficit of £14,973) on Unrestricted funds.
- a deficit of £3,209 (2022 surplus of £4,219) on restricted funds. The deficit is due to restricted funds received in previous years being spent in this financial year.

Principle funding sources

Voluntary income

During the year, the charity received £57,854 in voluntary donations (2022 - £50,530).

Investment income

The accounts show a increase in investment income this year at £113,239 (2022 - £110,008). The Trustees are pleased that investments continue to provide a consistent level of income for the charity.

Reserves Policy and Going Concern

The Trustees hold restricted reserves of £6,020 and endowment reserves of £44,417.

The following designated reserves are held at the year-end:

- Lambeth the Trustees are building up a designated fund towards the costs of supporting ACoM attendance at the next Lambeth Conference. At 31st March 2023, this fund held £3,083.
- 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 £3,395,556.

The remaining reserves of £72,935 are held in the Unrestricted Income Fund.

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

Financial review *(continued)*

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.

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.

Management of Risk

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 have identified that the main risks to the charity are:

- The current cost of living crisis which may:
 - reduce our investment income and
 - make visits to and from Melanesia difficult in the foreseeable future.
- Loss of Executive Officer

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.

Plans for future periods

- Establish a regular pattern of placements / visits both ways for key ACoM / MMUK staff and Trustees to fulfil defined briefs, objectives, or training needs.
- Trustee Revd Jacky Wise to attend ACoM's General Synod and offer training in Diocese of Ysabel in November 2023.
- In response to visits to the region and requests from ACoM, focus the charity's work to areas of speciality, not offered by other agencies working in the region.
- Encourage more volunteers, supporters, and church workers from the UK to make visits to the region, with partial grants available from MMUK.
- Design and launch the new website with care for creation resources, prayer board and online donations pages.
- Support one major project requested by ACoM each year.
- Hold AGM & Festival Day at Chester Cathedral on 16th September 2023.
- Organise a pilgrimage to raise awareness and funds for climate advocacy in Melanesia.

The Melanesian Mission

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2023

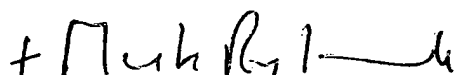
Plans for future periods *(continued)*

- Pickup missed work from the last financial year -
 - Recruit a Trustee for responsibility with Fundraising.
 - Deposit the charity's archive with research and educational establishments.
 - Revisit and review School Twinning Partnerships.
 - Review the charity's communications with supporters and Trustees.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 16th September 2023 and signed on behalf of the board of trustees by:



Rt Revd M J Rylands
Chair of Trustees

The Melanesian Mission

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Melanesian Mission

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of The Melanesian Mission ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company 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 the 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 charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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 financial statements 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.


Catherine Williams FCA DChA
Westcotts (SW) LLP
Independent Examiner
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

19th September 2023

The Melanesian Mission

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023				2022
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	23,853	34,001	–	57,854	50,530
Investment income	6	111,608	–	1,631	113,239	110,008
Total income		<u>135,461</u>	<u>34,001</u>	<u>1,631</u>	<u>171,093</u>	<u>160,538</u>
Expenditure						
Expenditure on charitable activities	7,8	136,380	37,210	–	173,590	179,210
Total expenditure		<u>136,380</u>	<u>37,210</u>	<u>–</u>	<u>173,590</u>	<u>179,210</u>
Net incoming/(outgoing) resources before gains/(losses) on investments						
		<u>(919)</u>	<u>(3,209)</u>	<u>1,631</u>	<u>(2,497)</u>	<u>(18,672)</u>
Net (losses)/gains on investments	11	(205,294)	–	(2,839)	(208,133)	321,673
Net (expenditure)/income and net movement in funds		<u>(206,213)</u>	<u>(3,209)</u>	<u>(1,208)</u>	<u>(210,630)</u>	<u>303,001</u>
Reconciliation of funds						
Total funds brought forward		3,677,787	9,229	45,625	3,732,641	3,429,640
Total funds carried forward		<u>3,471,574</u>	<u>6,020</u>	<u>44,417</u>	<u>3,522,011</u>	<u>3,732,641</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

The Melanesian Mission
Company Limited by Guarantee
Statement of Financial Position
31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Investments	15	3,438,929	3,647,060
Current assets			
Debtors	16	7,815	6,505
Cash at bank and in hand		79,088	83,915
		<u>86,903</u>	<u>90,420</u>
Creditors: amounts falling due within one year	17	<u>3,821</u>	<u>4,839</u>
		83,082	85,581
Net assets		<u>3,522,011</u>	<u>3,732,641</u>
Funds of the charity			
Endowment funds		44,417	45,625
Restricted funds		6,020	9,229
Unrestricted funds		3,471,574	3,677,787
Total charity funds	19	<u>3,522,011</u>	<u>3,732,641</u>

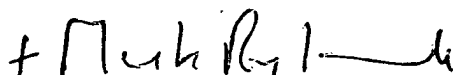
For the year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

These financial statements were approved by the board of trustees and authorised for issue on 16th September 2023 and are signed on behalf of the board by:



Rt Revd M J Rylands
Chair of Trustees

The notes on pages 12 to 25 form part of these financial statements.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 21 The Burlands, Feniton, Honiton, Devon, EX14 3UN.

2. Statement of compliance

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 Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

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.

Judgements and key sources of estimation uncertainty

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.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Fund accounting *(continued)*

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Expendable endowment funds are invested to produce income which is restricted to the purposes declared by the donor.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The Melanesian Mission is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Appeals and donations	22,308	31,710	54,018
Gift Aid	1,545	2,291	3,836
	<u>23,853</u>	<u>34,001</u>	<u>57,854</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Appeals and donations	27,167	19,638	46,805
Gift Aid	2,688	1,037	3,725
	<u>29,855</u>	<u>20,675</u>	<u>50,530</u>

6. Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £
Bank interest receivable	1,050	–	1,050
Other income from fixed asset investments	110,558	1,631	112,189
	<u>111,608</u>	<u>1,631</u>	<u>113,239</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £
Bank interest receivable	53	–	53
Other income from fixed asset investments	108,359	1,596	109,955
	<u>108,412</u>	<u>1,596</u>	<u>110,008</u>

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Charitable activities	75,553	37,203	–	112,756
Support costs	60,827	7	–	60,834
	<u>136,380</u>	<u>37,210</u>	<u>–</u>	<u>173,590</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Charitable activities	98,960	15,554	9,514	124,028
Support costs	54,280	902	–	55,182
	<u>153,240</u>	<u>16,456</u>	<u>9,514</u>	<u>179,210</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2023 £	Total fund 2022 £
Charitable activities	<u>12,237</u>	<u>100,519</u>	<u>60,834</u>	<u>173,590</u>	<u>179,210</u>

9. Analysis of support costs

	Charitable activities £	Total 2023 £	Total 2022 £
Staff costs	46,073	46,073	40,287
Office expenses	6,530	6,530	8,662
Travel and subsistence	2,951	2,951	1,373
Independent Examiners fees	2,450	2,450	2,184
Trustee expenses	463	463	1,939
Trustee training and conferences	1,444	1,444	20
Insurance	923	923	717
	<u>60,834</u>	<u>60,834</u>	<u>55,182</u>

10. Analysis of grants

	2023 £	2022 £
Grants to institutions		
Grants to institutions	<u>100,519</u>	<u>117,805</u>
Total grants	<u>100,519</u>	<u>117,805</u>

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

10. Analysis of grants *(continued)*

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.

11. Net (losses)/gains on investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £
Gains/(losses) on listed investments	<u>(205,294)</u>	<u>(2,839)</u>	<u>(208,133)</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £
Gains/(losses) on listed investments	<u>320,995</u>	<u>678</u>	<u>321,673</u>

12. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,450</u>	<u>2,184</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	42,818	36,962
Social security costs	—	—
Employer contributions to pension plans	<u>3,255</u>	<u>3,013</u>
	<u>46,073</u>	<u>39,975</u>

The average head count of employees during the year was 2 (2022: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Charitable activities	<u>2</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

14. Trustee remuneration and expenses

During the year, no remuneration or other benefits were paid to Trustees.

During the year 4 Trustees were reimbursed travel expenses totalling £463 (2022: 7 Trustees: £1,939)

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Investments

	Listed investments £
Cost or valuation	
At 1 April 2022	3,647,060
Additions	–
Fair value movements	(208,131)
At 31 March 2023	<u>3,438,929</u>
Impairment	
At 1 April 2022 and 31 March 2023	
Carrying amount	
At 31 March 2023	<u>3,438,929</u>
At 31 March 2022	<u>3,647,060</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The market value of the listed investments at 31 March 2023 was £3,438,929 (2022: £3,647,060). The historical cost of the investments was £1,781,678 (2022: £1,781,678).

16. Debtors

	2023 £	2022 £
Other debtors	<u>7,815</u>	<u>6,505</u>

17. Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	3,187	4,113
Social security and other taxes	634	726
	<u>3,821</u>	<u>4,839</u>

18. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,255 (2022: £3,013).

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
General funds	56,937	134,991	(116,993)	(2,000)	–	72,935
Investment reserve	3,600,850	–	–	–	(205,294)	3,395,556
Lambeth	20,000	470	(19,387)	2,000	–	3,083
	<u>3,677,787</u>	<u>135,461</u>	<u>(136,380)</u>	<u>–</u>	<u>(205,294)</u>	<u>3,471,574</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
General funds	71,910	138,267	(153,240)	–	–	56,937
Investment reserve	3,279,855	–	–	–	320,995	3,600,850
Lambeth	20,000	–	–	–	–	20,000
	<u>3,371,765</u>	<u>138,267</u>	<u>(153,240)</u>	<u>–</u>	<u>320,995</u>	<u>3,677,787</u>

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

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

Lambeth - The Trustees have designated £20,000 towards the costs of supporting ACoM attendance at Lambeth.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
Community of the Sisters of the Church General	–	3,500	(3,512)	12	–	–
Covid Emergency Solomons	1,050	3,567	(4,504)	–	–	113
CSC - TNK Kindy	12	–	–	(12)	–	–
CSM - General	268	971	(900)	–	–	339
CSM - Lunch project	1,939	2,825	(2,700)	–	–	2,064
CSM - Chapel	2,782	1,593	(3,877)	–	–	498
Emergency Appeal - Cyclone Harold	50	–	–	–	–	50
Environment Observatories - Solomons	1,595	3,298	(4,305)	–	–	588
Environment Observatories - Vanuatu	305	–	–	–	–	305
Exeter Dicoese links	807	–	–	–	–	807
Human Rights BHC	19	–	–	–	–	19
Melanesian Brotherhood	38	2,812	(2,812)	–	–	38
Mothers' Union	21	–	–	–	–	21
Other restricted funds	30	125	–	–	–	155
Society of St Francis	63	625	(265)	–	–	423
St Stephens Pamua - Girls' Dorm	250	2,732	(2,807)	–	–	175
St Patrick's, Vanuatu	–	11,328	(11,328)	–	–	–
Dux Award	–	625	(200)	–	–	425
	<u>9,229</u>	<u>34,001</u>	<u>(37,210)</u>	<u>–</u>	<u>–</u>	<u>6,020</u>

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds *(continued)*

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Community of the Sisters of the Church General Covid Emergency	–	4,149	(4,149)	–	–	–
Solomons	–	1,203	(153)	–	–	1,050
CSC - TNK Kindy	12	–	–	–	–	12
CSM - General	188	450	(370)	–	–	268
CSM - Lunch project	1,745	2,669	(2,475)	–	–	1,939
CSM - Chapel	1,165	7,617	(6,000)	–	–	2,782
Emergency Appeal - Cyclone Harold	50	–	–	–	–	50
Environment Observations - Solomons	–	1,595	–	–	–	1,595
Environment Observations - Vanuatu	–	305	–	–	–	305
Society of St Francis	157	63	(157)	–	–	63
Exeter Diocese links	1,643	66	(902)	–	–	807
Human Rights BHC	19	–	–	–	–	19
Melanesian Brotherhood	–	288	(250)	–	–	38
Mothers' Union	21	–	–	–	–	21
Other restricted funds	10	2,020	(2,000)	–	–	30
St Stephens Pamua – Girls' Dorm	–	250	–	–	–	250
	<u>5,010</u>	<u>20,675</u>	<u>(16,456)</u>	<u>–</u>	<u>–</u>	<u>9,229</u>

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds *(continued)*

John Coleridge Patterson University (JCPU)- Funds received for the establishment and support of the John Coleridge Patterson 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 Chapel- Funds received for the building of a new chapel for the Community of the Sisters of Melanesia.

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

Community of the Sisters of the Church General- Relating to other donations received for other specific projects of the Community of the Sisters of the Church.

Emergency Appeal - Cyclone Harold- Funds received to support cyclone relief following storms.

Society of St Francis- Relating to other donations received for other specific projects of the Society of St Francis.

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

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

Mothers' Union- Relating to other donations received for other specific projects of the Mothers' Union.

Dux Award- to provide annual prizes for students.

The Melanesian Mission

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds *(continued)*

Endowment funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
Patteson Moss Fund	4,262	104	–	–	(139)	4,227
Amy Rawson	13,787	509	–	–	(900)	13,396
Elenor Rawson	13,787	509	–	–	(900)	13,396
Cyril Rawson	13,789	509	–	–	(900)	13,398
	<u>45,625</u>	<u>1,631</u>	<u>–</u>	<u>–</u>	<u>(2,839)</u>	<u>44,417</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Patteson Moss Fund	4,350	102	(484)	–	294	4,262
Amy Rawson	16,171	498	(3,010)	–	128	13,787
Elenor Rawson	16,171	498	(3,010)	–	128	13,787
Cyril Rawson	16,173	498	(3,010)	–	128	13,789
	<u>52,865</u>	<u>1,596</u>	<u>(9,514)</u>	<u>–</u>	<u>678</u>	<u>45,625</u>

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)

Rev. 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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Investments	3,394,512	–	44,417	3,438,929
Current assets	80,883	6,020	–	86,903
Creditors less than 1 year	(3,821)	–	–	(3,821)
Net assets	<u>3,471,574</u>	<u>6,020</u>	<u>44,417</u>	<u>3,522,011</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
Investments	3,601,435	–	45,625	3,647,060
Current assets	81,191	9,229	–	90,420
Creditors less than 1 year	(4,839)	–	–	(4,839)
Net assets	<u>3,677,787</u>	<u>9,229</u>	<u>45,625</u>	<u>3,732,641</u>

21. Related parties

There were no related party transactions during the year.