

COMPANY REGISTRATION NUMBER: 05101167  
CHARITY REGISTRATION NUMBER: 1104551

**The Melanesian Mission**  
**Company Limited by Guarantee**  
**Unaudited Financial Statements**  
**31 March 2020**

**THOMAS WESTCOTT**  
Chartered Accountants  
47 Boutport Street  
Barnstaple  
Devon  
EX31 1SQ

# **The Melanesian Mission**

**Company Limited by Guarantee**

**Financial Statements**

**Year ended 31 March 2020**

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# **The Melanesian Mission**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2020**

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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 2020.

#### **Reference and administrative details**

<b>Registered charity name</b>	The Melanesian Mission
<b>Charity registration number</b>	1104551
<b>Company registration number</b>	05101167
<b>Principal office and registered office</b>	21 The Burlands Feniton Honiton Devon EX14 3UN

#### **The trustees**

Canon J Brooke	(Co-opted Trustee 21 September 2019)
Mr A M Cartwright	
Revd M B Cox	
Revd C Duce	
Ven Dr M R Gilbertson - Vice Chair	
Mrs D Jordan	(Appointed 21 September 2019)
Revd J Pinder	(Re-elected 21 September 2019)
Miss K Pwaisiho	
Rt Revd M J Rylands - Chair	(Re-elected 21 September 2019)
Mr S J Scofield	(Appointed 21 September 2019)
Revd J J Wise	

**Company secretary** Katie Drew

**Independent examiner** Stephen Cresswell BA FCA DChA  
Thomas Westcott Chartered Accountants  
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 2020**

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#### **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.



# **The Melanesian Mission**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2020**

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#### **Objectives and activities**

##### 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.

##### 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 2020**

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##### **Achievements and performance**

The Trustees met in 2019 in July, briefly after the AGM in September, in November and in January 2020. The Trustees had planned a two-day residential in March to continue to review the charity's strategy, but due to COVID-19 this was cancelled. In its place a conference call was held.

The website has been regularly updated with blogs, and 321 supporters have received at least one email newsletter a month. 462 supporters received the magazine in Autumn 2019. At least 30 other supporters viewed the magazine online. The Spring 2020 magazine was delayed due to COVID-19.

The pandemic has affected many of the charities activities in March 2020 and caused the cancellation of many plans for the next financial year. Plans worked up during this financial year for the Lambeth Conference, due to be held in July 2020, will be reviewed in the Autumn of 2020. Other visits both ways, discussed in this financial year and planned for 2020 have also been delayed. Payments to ACoM and the religious orders were delayed in March 2020 due to the weak pound.

The programme for Ordinands placements with the religious orders has been trailed with encouraging results by students from Trinity and Westcott House. Gap year placements have continued to be arranged with Project Trust. An expansion into Vanuatu was not possible due to ongoing concerns about St Patricks, where it would have been trialed. MMUK was also able to arrange the successful placement of a gap year volunteer from Eton College. The charity continues to pursue these types of placements as a a priority to grow future supporters and interest in the region.

The Chair of the Charity made his second visit to the Solomon Islands in September to attend the instalment of the new Archbishop. He was joined by two trainers continuing to deliver the charity's Christian Distinctiveness training in Vanuatu and the Solomon Islands, and supporters from the Diocese of Chester.

Revd Richard Carter travel was funded by the charity to attend the Brother's Great Conference in October, where he led the retreat for the Brothers.



# **The Melanesian Mission**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2020**

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#### **Achievements and performance *(continued)***

Adam Bobbette continued his work on Church Observatories and made his second visit to the region in September with Marie Schlenker the researcher from Southampton University looking into Coastal Erosion. The first 'Green Apostles' were trained to take weather, environmental and coastal erosion measurements on Fanalei and at Selwyn College. MMUK has part funded a Project Manager to work at ACoM to oversee the trial of this project. If successful, the project will be rolled out across the region. Marie gave a very impressive presentation to Trustees on her research to date in January, and the charity looks forward to receiving further updates over the next 18 months. Marie's plans to visit the region in September 2020 has also been delayed due to COVID-19. These projects have received media coverage in the Church Times and UCB radio.

It was a privilege to host an afternoon tea for the new Governor General Sir David and Lady Mary Vunagi on their visit to London in November with past Selwyn College teachers, and also to organise short visits for Revd Sr Veronica CSC in May and Sr Kristy CSC in July.

The charity has continued to provide ACoM with a monthly grant, some of which ACoM used to pay a contribution towards their attendance at the Lambeth Conference, now postponed until 2022. Through appeals, personal giving, and organisational donations, MMUK sent additional funds to help Selwyn College after two separate flooding incidents in February and March 2020, to support St Patricks relocation back to Ambae and the Melanesian Brothers relocation from Ambae to Beau Plantation, Malo Island, Vanuatu. UK Associates through MMUK have continued to fund novice lunches for the Community of the Sisters of Melanesia and sent funds for the Chapel Appeal.

Canon Brian Macdonald-Milne continues to oversee the charity's archive and answer questions from researchers and the public. The charity is also assisting Brian with collating and the design of his new book 'Seeking Peace in the Pacific.' The charity has also agreed a contribution towards the printing cost of this book, due to its historical value.

The AGM in September in Bristol was attended by 32 supporters and members from across the UK. Guest speakers included supporters who had made the first visits to the region.

#### **Financial review**

The trustees are pleased to report:

- a small surplus of £8,943 (2019 £7,214) on Unrestricted funds.
- a deficit of £306 (2019 surplus £19,919) 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 £40,866 in voluntary donations (2019 - £101,729). The decrease is due to large restricted donations including funding for the Melanesian Brotherhood, CSC Retreat House, Human Rights project, and relocation projects during 2018/2019.

##### Investment income

The accounts are showing an increase in investment income this year at £109,695 (2019 - £107,401) and the Trustees are pleased that investments continue to provide a consistent level of income for the charity.

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# **The Melanesian Mission**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2020**

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#### **Financial review *(continued)***

##### **Reserves Policy and Going Concern**

The Trustees hold restricted reserves of £8,012.

The following designated reserves are held at the yearend:

- 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 £2,823,074.

The remaining reserves of £69,997 are held in the Unrestricted Income Fund.

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:

- Coronavirus 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.

# **The Melanesian Mission**

## **Company Limited by Guarantee**

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

**Year ended 31 March 2020**

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#### **Plans 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 2022.

Developing the schedule for working on projects with ACoM following the work undertaken by Andrew Cartwright.

Arranging and hosting Melanesian Brothers and Sisters visits to the UK.

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

#### **Events after the end of the reporting period**

Particulars of events after the reporting date are detailed in note 21 to the financial statements.

#### **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 21<sup>st</sup> Sept 2020 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 2020**

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I report to the trustees on my examination of the financial statements of The Melanesian Mission ('the charity') for the year ended 31 March 2020.

#### **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').

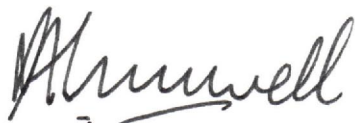
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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.



Stephen Cresswell BA FCA DChA  
Independent Examiner  
Thomas Westcott Chartered Accountants  
47 Boutport Street  
Barnstaple  
Devon  
EX31 1SQ

*14 October 2020*



# The Melanesian Mission

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2020

		2020			2019
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	20,039	20,827	—	40,866
Investment income	6	108,136	—	1,559	109,695
<b>Total income</b>		<u>128,175</u>	<u>20,827</u>	<u>1,559</u>	<u>150,561</u>
<b>Expenditure</b>					
Expenditure on charitable activities	7,8	119,232	21,133	—	140,365
<b>Total expenditure</b>		<u>119,232</u>	<u>21,133</u>	<u>—</u>	<u>140,365</u>
<b>Net (expenditure)/income before investment (losses)/gains</b>		8,943	(306)	1,559	10,196
Net (losses)/gains on investments	11	(54,287)	—	(839)	(55,126)
<b>Net (expenditure)/income</b>		<u>(45,344)</u>	<u>(306)</u>	<u>720</u>	<u>(44,930)</u>
Transfers between funds		(43)	43	—	—
<b>Net movement in funds</b>		<u>(45,387)</u>	<u>(263)</u>	<u>720</u>	<u>188,382</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,938,458	8,275	43,644	2,990,377
<b>Total funds carried forward</b>		<u>2,893,071</u>	<u>8,012</u>	<u>44,364</u>	<u>2,945,447</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 2020**

	Note	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Investments	15		2,867,438		2,922,564
<b>Current assets</b>					
Debtors	16	4,963		2,201	
Cash at bank and in hand		77,822		68,162	
		<u>82,785</u>		<u>70,363</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>4,776</u>		<u>2,550</u>	
			78,009		67,813
<b>Net assets</b>			<u>2,945,447</u>		<u>2,990,377</u>
<b>Funds of the charity</b>					
Endowment funds			44,364		43,644
Restricted funds			8,012		8,275
Unrestricted funds			2,893,071		2,938,458
<b>Total charity funds</b>	19		<u>2,945,447</u>		<u>2,990,377</u>

For the year ending 31 March 2020 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.

The statement of financial position  
continues on the following page.  
The notes on pages 12 to 25 form part of these financial statements.

# **The Melanesian Mission**

**Company Limited by Guarantee**

**Statement of Financial Position** *(continued)*

**31 March 2020**

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These financial statements were approved by the board of trustees and authorised for issue on ~~21<sup>st</sup> Sept 2020~~ 21<sup>st</sup> Sept 2020, and are signed on behalf of the board by:

+ Mark Rylands

Rt Revd M J Rylands  
Chair of Trustees

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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 2020**

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#### **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 2020**

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#### **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 2020**

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#### **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 2020**

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#### **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 2020

## 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Appeals and donations	18,765	19,718	38,483
Gift Aid	1,274	1,109	2,383
<b>Legacies</b>			
Legacies	—	—	—
	<u>20,039</u>	<u>20,827</u>	<u>40,866</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
<b>Donations</b>			
Appeals and donations	12,497	69,685	82,182
Gift Aid	1,163	1,043	2,206
<b>Legacies</b>			
Legacies	7,537	9,804	17,341
	<u>21,197</u>	<u>80,532</u>	<u>101,729</u>

## 6. Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Bank interest receivable	361	—	361
Other income from fixed asset investments	107,775	1,559	109,334
	<u>108,136</u>	<u>1,559</u>	<u>109,695</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Bank interest receivable	295	—	295
Other income from fixed asset investments	105,495	1,611	107,106
	<u>105,790</u>	<u>1,611</u>	<u>107,401</u>

# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

#### 7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	65,980	20,925	86,905
Support costs	53,252	208	53,460
	<u>119,232</u>	<u>21,133</u>	<u>140,365</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Charitable activities	63,803	100,451	164,254
Support costs	55,970	—	55,970
	<u>119,773</u>	<u>100,451</u>	<u>220,224</u>

#### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Charitable activities	<u>11,628</u>	<u>75,277</u>	<u>53,460</u>	<u>140,365</u>	<u>220,224</u>

#### 9. Analysis of support costs

	Charitable activities £	Total 2020 £	Total 2019 £
Staff costs	36,694	36,694	38,868
Other employment costs	309	309	—
Office expenses	5,039	5,039	6,008
Travel and subsistence	4,091	4,091	3,565
Independent Examiners fees	2,948	2,948	3,283
Trustee expenses	3,418	3,418	3,374
Trustee training and conferences	225	225	—
Insurance	736	736	872
	<u>53,460</u>	<u>53,460</u>	<u>55,970</u>

# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

#### 10. Analysis of grants

	2020 £	2019 £
<b>Grants to institutions</b>		
Grants to institutions	71,168	148,128
<b>Grants to individuals</b>		
Grants to individuals	4,109	657
Total grants	<u>75,277</u>	<u>148,785</u>

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 2020 £
Gains/(losses) on listed investments	<u>(54,287)</u>	<u>(839)</u>	<u>(55,126)</u>

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Gains/(losses) on listed investments	<u>196,449</u>	<u>3,027</u>	<u>199,476</u>

#### 12. Independent examination fees

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,948</u>	<u>3,283</u>

#### 13. Staff costs

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

	2020 £	2019 £
Wages and salaries	33,512	35,291
Social security costs	442	685
Employer contributions to pension plans	2,740	2,892
	<u>36,694</u>	<u>38,868</u>



# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2020

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#### 13. Staff costs *(continued)*

The average head count of employees during the year was 1 (2019: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Charitable activities	<u>1</u>	<u>1</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

#### 14. Trustee remuneration and expenses

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

During the year 10 Trustees were reimbursed travel expenses totalling £3,165 (2019: 11 Trustees: £4,518)

#### 15. Investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2019	2,922,564
Additions	—
Fair value movements	(55,126)
<b>At 31 March 2020</b>	<u>2,867,438</u>
<b>Impairment</b>	
<b>At 1 April 2019 and 31 March 2020</b>	
<b>Carrying amount</b>	
<b>At 31 March 2020</b>	<u>2,867,438</u>
At 31 March 2019	<u>2,922,564</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 2020 was £2,867,438 (2019: £2,922,564). The historical cost of the investments was £1,781,678 (2019: £1,781,678).

#### 16. Debtors

	2020 £	2019 £
Other debtors	<u>4,963</u>	<u>2,201</u>

# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements (continued)

#### Year ended 31 March 2020

#### 17. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	3,931	2,550
Social security and other taxes	845	—
	<u>4,776</u>	<u>2,550</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 £2,740 (2019: £2,892).

#### 19. Analysis of charitable funds

##### Unrestricted funds

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
General funds	59,538	128,175	(119,232)	1,516	—	69,997
Investment reserve	2,878,920	—	—	(1,559)	(54,287)	2,823,074
	<u>2,938,458</u>	<u>128,175</u>	<u>(119,232)</u>	<u>(43)</u>	<u>(54,287)</u>	<u>2,893,071</u>

	At 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2019 £
General funds	2,487,271	126,987	(119,773)	(2,631,396)	196,449	59,538
Cornell						
Bequests/Sabbaticals reserve	228,550	—	—	(228,550)	—	—
Dudley Heath Trust	18,974	—	—	(18,974)	—	—
Investment reserve	—	—	—	2,878,920	—	2,878,920
	<u>2,734,795</u>	<u>126,987</u>	<u>(119,773)</u>	<u>—</u>	<u>196,449</u>	<u>2,938,458</u>



# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2020

#### 19. Analysis of charitable funds *(continued)*

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.

#### Restricted funds

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
JCPU	633	—	—	—	—	633
Melanesian Brotherhood	37	38	(38)	—	—	37
CSM – Lunch Project	1,107	1,975	(1,800)	—	—	1,282
CSM – General	—	637	—	—	—	637
CSM – Chapel	—	3,922	—	—	—	3,922
CSC - TNK Kindy	—	332	(50)	—	—	282
Community of the Sisters of the Church General	1	4,452	(4,453)	—	—	—
Human Rights project	285	247	(227)	—	—	305
Other restricted funds	27	2,470	(2,540)	43	—	—
Richard Lumley Education Projects grant	4,689	—	(4,689)	—	—	—
Mothers' Union	2	735	(716)	—	—	21
Joseph Banks Society	557	—	(557)	—	—	—
Exeter Diocese links	810	500	(417)	—	—	893
Melanesian Brotherhood Ambae relocation	92	1,000	(1,092)	—	—	—
St Patricks Ambae relocation	35	3,514	(3,549)	—	—	—
Christian Distinctiveness Project - Vanuatu Resources	—	1,005	(1,005)	—	—	—
	<u>8,275</u>	<u>20,827</u>	<u>(21,133)</u>	<u>43</u>	<u>—</u>	<u>8,012</u>

# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

#### 19. Analysis of charitable funds *(continued)*

	At 1 Apr 2018	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2019
	£	£	£	£	£	£
JCPU	633	—	—	—	—	633
Melanesian Brotherhood	25	20,137	(20,125)	—	—	37
CSM	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
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 relocation	—	5,067	(5,032)	—	—	35
Christian Distinctiveness Project - Vanuatu						
Resources	—	—	—	—	—	—
	<u>28,194</u>	<u>80,532</u>	<u>(100,451)</u>	<u>—</u>	<u>—</u>	<u>8,275</u>

# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2020

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##### 19. Analysis of charitable funds *(continued)*

CSM Exchange project - Monies received to assist in the funding of the UK visits of Sister from the Community of the Sisters 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 Retreat house - The Community of the Sisters of the Church Retreat House at TNK, was partially built 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.

Climate change - After a direct request from the Archbishop of Melanesia in 2017, to raise awareness of climate change and to help the church plan for its 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 request 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 temporary returned. A new permanent site for the school on another island will be announced in 2019.

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.

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 Patricks 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.

# The Melanesian Mission

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2020

#### 19. Analysis of charitable funds *(continued)*

##### Endowment funds

	At 1 Apr 2019	Income	Expenditure	Transfers	Gains and losses 31 Mar 2020	At 31 Mar 2020
	£	£	£	£	£	£
Patteson Moss Fund	3,685	74	—	—	(92)	3,667
Amy Rawson	13,319	495	—	—	(249)	13,565
Eleanor Rawson	13,319	495	—	—	(249)	13,565
Cyril Rawson	13,321	495	—	—	(249)	13,567
	<u>43,644</u>	<u>1,559</u>	<u>—</u>	<u>—</u>	<u>(839)</u>	<u>44,364</u>

	At 1 Apr 2018	Income	Expenditure	Transfers	Gains and losses 31 Mar 2019	At 31 Mar 2019
	£	£	£	£	£	£
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>

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 2020

#### 20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Investments	2,823,074	–	44,364	2,867,438
Current assets	74,773	8,012	–	82,785
Creditors less than 1 year	(4,776)	–	–	(4,776)
<b>Net assets</b>	<b>2,893,071</b>	<b>8,012</b>	<b>44,364</b>	<b>2,945,447</b>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
Investments	2,878,920	–	43,644	2,922,564
Current assets	62,088	8,275	–	70,363
Creditors less than 1 year	(2,550)	–	–	(2,550)
<b>Net assets</b>	<b>2,938,458</b>	<b>8,275</b>	<b>43,644</b>	<b>2,990,377</b>

#### 21. Post balance sheet events

It should be noted that, at the date of preparation of the financial statements, the instability factor relating to the health emergency due to the spread of Coronavirus, which in the first weeks of 2020 initially affected China and subsequently other countries, should not be underestimated. There have been no adjusting events identified whilst preparing the accounts

The charity has reviewed the scenario and evaluated the management actions to mitigate the impact to their operations. The charity has adopted initiatives to safeguard the health of its people and actions aimed at maintaining operational activity. The repercussions on any adjustments to the financial statements are currently not determinable in light of the volatility of the scenario and the continuous evolution of the market, these will be reflected in the 2021 results.

#### 22. Related parties

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 until 21 September 2019)

Mrs K Drew, has received salary and pension contributions in the year, as disclosed in note 13, from her role as charity secretary and executive officer. At the balance sheet date the amount due to her for expenses was £431 (2019 £Nil)

##### **Mr S Rylands**

(Mr S Rylands is the son of Rt Revd. M Rylands a trustee of the charity)

Mr S Rylands received a short term placement grant of £250 for his visit to Melanesia.