

Charity registration number 1168037 (England and Wales)

Charity registration number SC047080 (Scotland)

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



Caladine

Chartered Certified Accountants

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ian Jones (Chair) Greig Ferguson Jeremy Brooks Stephen Waud Ian MacMichael Mike Hitchings Peter Campbell Colin Adams John Russell William James Michael Kendall (Vice-Chair) John Shaw	(Appointed 1 December 2023) (Appointed 1 December 2023) (Appointed 1 December 2023) (Appointed 1 December 2022) (Appointed 1 December 2022) (Appointed 17 January 2024)
Directors	John Stevens Adrian Reynolds Andy Hunter (acting) Andy Hunter Trevor Archer Daniel Grimwade Gareth Lewis Mark Howson Paul Mallard Andy Paterson Elinor Magowan & Rebecca Sloan Jonathan Bond Johnny Prime Phil Topham	National Director Head of National Ministry Head of National Ministry Scotland & North of England Director Director of London Director of Yorkshire Director of South Wales Director of Suffolk Director of West Midlands Mission Director Director for Women's Ministry Director for Smaller Churches Director for Pastoral Support Executive Director
Charity number (England and Wales)	1168037	
Charity number (Scotland)	SC047080	
Principal address	41 The Point Market Harborough Leicestershire LE16 7QU	
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	CAF Bank Ltd 25 Kings Hill West Malling Kent ME19 4JQ	

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Edward Connor Solicitors
10 The Point
Market Harborough
LE16 7QU

Safeguarding advisors

Christian Safeguarding Services
6 Marshalsea Road
London
SE1 1HL

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

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FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of FIEC are to advance the evangelical Christian faith as expressed in the Doctrinal Basis of the Fellowship. These objects are furthered by:

- "Promoting the unity and welfare of congregations of Christian believers which are undenominational in constitution or which have come to occupy a position of detachment from the denominational bodies with which they had been associated ... church(es) finding their unity on the basis of the common adherence to the ... doctrinal basis..."
- "Fostering and encouraging recognition of the essential oneness of the Church of Christ and at the same time recognising the liberty of each individual congregation to conduct its work and worship in accordance with its own interpretation of the teaching of Holy Scripture."
- "Promoting united testimony to, and defending the beliefs set out in, the Doctrinal Basis."

The CIO charity objects are the same as the Legacy charity, with two clarifications. The 'congregations of Christian believers' are expressed in terms of 'churches of Christian believers'. In addition, churches find their unity on the basis of the common adherence to the doctrinal basis 'and the Ethos statements'.

Public benefit

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

Achievements and performance

Significant activities and achievements against objectives

FIEC's Trustees approved a Strategic Plan in June 2021, and it is that plan which is reviewed and revised to ensure the charity is meeting its strategic objectives.

Our work is shaped by our desire – encapsulated in the Strategic Plan – to help churches. We have evaluated what a healthy independent church looks like, and have sought to support independent churches in this task.

At the heart of this plan is the split of our ministries into two areas of work: national ministries – by which we mean content and resources to churches on a national level – overseen by Adrian Reynolds as Head of National Ministries. Then local ministries – by which we mean the relational work between churches and leaders, and also the Pastors' Network – overseen in this period by Andy Hunter who did the role in an acting capacity between Easter 2022 and the end of the period (August 2023). A new Head of Local Ministries, Graham Beynon was employed during the period and began work on 1 September 2023.

National Director **John Stevens** focuses on national engagement on behalf of FIEC and its churches.

The staff team that offers administrative support to the ministries of FIEC and our member churches is overseen by Executive Director Phil Topham, who is also the conduit between the Senior Leadership Team of FIEC and the Trustees. During this period, FIEC appointed Hannah Hutchinson as Chief Operating Officer. She serves as deputy to the Executive Director and helps to manage the day-to-day running of the office team. This has enabled the Executive Director to spend more time engaging with churches to encourage membership of the charity.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The work of FIEC can be summarised as follows:

- Providing good resources for churches and (especially) their leaders
- Ensuring pastors and their families are well-supported in their work and ministry
- Accrediting pastors for ministry in independent churches
- Raising up the next generation of pastors and gospel workers
- Encouraging church planting and church revitalisation
- Promoting Women's Ministry in FIEC churches
- Ensuring that FIEC meets contemporary theological challenges facing churches and pastors
- Recruiting churches to join FIEC

In 2022/23 the priorities included:

- Delivering our first national conference since before the Covid-19 pandemic
- A celebration of our Centenary year
- Developing our resources – in particular our podcast – to serve churches and their leaders
- To deliver our conference for those considering ministry or training for ministry
- Delivering more than 25 Local Conferences for church leaders
- Delivering Thrive and The Ministry Wives Retreat for women in ministry
- Giving away more than £1million to support churches with mission work in their communities
- Recruiting regional directors to serve churches in different areas of the country
- Continuing to see new churches join the FIEC

The period was the first full year that had not been directly impacted by the Covid-19 pandemic since 2019, and it meant that our ministries were able to function in the way we would expect. This meant delivering our National Leaders' Conference for the first time since 2022, and also moving ahead with other ministry priorities that had been on hold.

We celebrated our Centenary year with a special service at Westminster Chapel in London, as well as being able to give away more than £1million from our Mission Fund to serve churches with projects core to their work and ministry. We also produced a prayer guide to enable member churches to pray for these different projects taking place around the country.

Here are some of the achievements during the period:

1. Delivering our first National Leaders' Conference since 2019

We gathered for the first time since 2019, with almost 1000 church leaders represented in one place. We also had a new venue for our Conference – The Winter Gardens in Blackpool. The November 2022 Conference took the theme "Keeping the Lights On" and focused on the everyday ministry FIEC churches are involved in – which also coincided well with our 100th anniversary which was marked at the event.

2. Delivering 27 Local Conferences for leaders

The conferences during the period took the theme of our everyday ministry from the main Leaders' Conference and considered "partnership". A key way FIEC helps its churches is by encouraging them to connect with one another. This meant that the Local Conferences encouraged churches in different geographical areas to consider this partnership. Acting Head of Local Ministries Andy Hunter took responsibility for these conferences, aided by other members of the ministry team.

3. Celebrating our Centenary

FIEC was founded in 1922, so during the period we celebrated our Centenary. We did this in three main ways:

- a) Praying for 100 mission projects across FIEC with our "Pray for 100" resource designed and printed.
- b) Gathering for a lunch and a celebration service at Westminster Chapel in April 2023
- c) Giving away more than £1m from our Mission Fund to support some of the projects in "Pray for 100"

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4. Seeing new Churches join FIEC

23 Churches were accepted into membership of FIEC in the period. They have joined us from a range of backgrounds. There was also the recognition of three new church plants.

5. Delivering Conferences for Women in Ministry

Thrive and The Ministry Wives Retreat took place in May 2023. The former is aimed at women serving in pastoral ministry positions in churches. The latter is designed to support those married to men in ministry in FIEC churches. They equip women in ministry with Bible teaching, seminars and relational support.

6. Appointing Local Ministry Directors

Our Strategic Plan includes the vision to raise up Ministry Directors for different areas of the UK to serve our affiliated churches on the ground. During the period we appointed Local Directors for Yorkshire, Suffolk, The West Midlands and South Wales. These were a mix of full-time and part-time appointments. The Local Directors will serve FIEC by galvanising ministry and fostering good connections between churches in different localities.

Significant factors

Other developments and significant milestones during the period included:

- 2 churches closed, 8 resigned membership
- Church donations received for FIEC's General Fund of £864,000
- £1.04m given out from our Mission Fund supporting 71 church projects
- 538 members of the Pastors' Network including 457 serving Pastors, 64 Itinerant Pastors, 9 Prospective Pastors and 8 Pastors-in-training
- 13 Pastors added to the Network this year
- FIEC Website visited by 41,800 users
- 59,000 plays of the FIEC Podcast In:Dependence with 15,000 plays on YouTube

Fundraising practices

Regulations require us to report each year on certain aspects of any fundraising by FIEC.

- FIEC does not use a professional fundraiser / commercial participator.
- The Trust Board approved a Statement of Fundraising Principles in January 2016 and a Fundraising Strategy in May 2016. It has not undertaken to be bound by any external voluntary scheme or standard, principally as it is not seeking donations from the general public. A review of compliance with the Trust Board Principles and Strategy is carried out annually by the FIEC Treasurer who reports to the Trust Board.
- There were no reported breaches of the above and no complaints were received during the period relating to fundraising.
- FIEC writes to acknowledge receipt of donations, sends supporters an annual thank you letter and produces a glossy magazine to review the year for personal supporters.

Financial review

Total income in all funds was £2,178k (£1,267k in 2022), made up of donations and grants from trusts. Most significant are the donations from churches as this is FIEC's main source of fundraising. Affiliated church donations to unrestricted funds were £871K (£862K in 2022). Suggested donations are in line with the size of a church's membership and in the period were increased by 7% as we struck a balance between the cost of living crisis and two years of 0% rises.

One of the reasons there has been an increase in income is owing to the first national leaders' gathering since 2019. There is income for this national event which was not in these figures in 2021/22 owing to five regional gatherings held in November 2021 in place of one national event.

Income to the Training Fund stood at £104k (2022: £43k).

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Income to the Mission Fund was £672k (2022: £14k). During the period we were able to make significant grants from this Fund owing to monies built up in prior years. These monies were given away to FIEC churches as outlined above in line with our Centenary celebrations. We continue to use the Mission Fund to provide funding to church plants recognised by FIEC to help pay for their governing documents to be set up to enable them to register with the Charity Commission.

Donations from individuals for the General Fund were £52k (£172k in 2022). We are grateful to all who contribute in this way. We also received legacies in the period totalling £162k.

Total expenditure was £2,582k (£1,330k in 2022). The increase from the previous year was owing to the "return to normality" for many of our ministries, and therefore expenses increased. There was also a National Conference for the first time since 2019 which meant that expenditure increased alongside income generated to cover this event.

Reserves policy

FIEC aims to maintain free reserves (Unrestricted Funds less unrestricted fixed assets, debtors and stock) at a level sufficient to cover three months' general expenditure, in order to give FIEC time to respond to unexpected developments. At the end of the period Available Unrestricted Funds were around six months' general expenditure. A deficit budget was planned for 2023/24 which will reduce the level of the reserves further, as FIEC wants to invest in ministries, not hoard funds.

Major risks

The Trust Board examines the major risks facing the charity on at least an annual basis, with ongoing monitoring provided by the Senior Leadership Team. Where relevant, the Trust Board ensures there are action plans in place to mitigate the greatest risks to reduce their likelihood and potential impact.

Policies are in place for:

- Conflicts of Interest & Loyalty
- Hospitality
- Accepting or Refusing Donations
- General Data Protection Rules
- Health and Safety at Work (incorporating Covid-Secure working)
- Safeguarding (incorporating complaints)
- Working from Home
- Wellbeing

Structure, governance and management

FIEC was constituted in November 1922 as an unincorporated organisation and became a Charitable Incorporated Organisation (CIO) with the same name and with similar charitable purposes in 2017. The CIO was registered with the Charity Commission on 5th July 2016 with the name under reference 1168037.

By Resolution of the Trust Board on 26th September 2017 the name of the charity number 263354 was changed from The Fellowship of Independent Evangelical Churches to The FIEC (Legacy) Charity. This is retained as a 'shell' charity, with an amended Constitution, solely for the purpose of dealing with the transfer of any potential future legacies left to the 'old' charity, for the benefit of the CIO charity.

In Scotland, FIEC was registered with the Office of the Scottish Charity Regulator (OSCR) under reference SC040111. On 10th January 2017, OSCR registered the FIEC CIO under a new reference SC047080 and contemporaneously deleted the 'old' charity. This was done in consultation with OSCR and following their advice.

Until 31 August 2017, FIEC was an unincorporated association with a Constitution as its governing document. Both under the unincorporated organisation and the CIO Constitution (as corporate successor to the FIEC from 1 September 2017), a general meeting of FIEC is held each November. This meeting has full responsibility for the direction of FIEC. Each affiliated church is entitled to appoint delegates to the general meeting, where major policy questions are decided and thereafter remitted to the Trust Board for executive action.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees of the charity are the twelve members of the Trust Board. Potential Trust Board members are nominated by affiliated churches with an election at the general meeting each November of church delegates. Elected members serve for a period of three years and are eligible for re-election. In the event of a vacancy arising the Trust Board may co-opt a replacement member to serve until the next general meeting. This option was exercised during the period

The Trust Board has considered the general guidance issued by the Charity Commission on public benefit and in particular, its supplementary guidance on the advancement of religion for the public benefit.

Affiliated churches are required to register with the Charity Commission where their income exceeds £100,000 per annum and / or where constituted as a Charitable Incorporated Organisation. Otherwise, churches are not currently able to make a new registration with the Charity Commission due to the Charities (Exception from Registration) Regulations 1996 which are currently set to continue to apply until 31st March 2031 through The Charities (Exception from Registration)(Amendment) Regulations 2014.

On accepting new churches into membership of FIEC, the Trust Board policy is for churches to have governing documents that are capable of being registered with the Charity Commission. If these are not currently in place, they are expected to work to rectify this within two years (24 months) of joining as a member church.

Members are elected at FIEC's general meeting each November and start their period of service from 1st December following. Trust Board Members who served as trustees during the period and up to the date of approval of this Report were:

Ian Jones (Chair)

Greig Ferguson (Appointed 1 December 2023)

Jeremy Brooks (Appointed 1 December 2023)

Stephen Waud (Appointed 1 December 2023)

Ian MacMichael (Appointed 1 December 2022)

Mike Hitchings (Appointed 1 December 2022)

Peter Campbell

Colin Adams

John Russell

William James

Michael Kendall (Vice-Chair)

Julian Hardyman (Resigned 7 February 2023)

Timothy Diaper (Resigned 31 August 2023)

Mark Lawrence (Resigned 31 August 2023)

Gareth Lewis (Resigned 5 October 2022)

Paul Mallard (Resigned 5 October 2022)

John Shaw (Appointed 17 January 2024)

Recruitment and appointment of trustees

At the general meeting in November 2022, William James, Mark Lawrence and John Russell were elected for a further three-year term.

New Trust Board members are informed of the Charity Commission guidance concerning the responsibilities of trustees and given an introductory presentation on the role of trustees. The Trust Board keeps under review the most appropriate means of ensuring regular, ongoing training for Trust Board members, including making training a part of their termly gatherings.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Organisational structure

The Trust Board is responsible for the governance and policy for FIEC. The implementation of the policy and the day to day management is delegated to the National Director, who is appointed by the Trust Board and approved by the general meeting. John Stevens has been in post as National Director since 2010. In addition to the FIEC National Director there are directors appointed by him with specific responsibilities. During this period the following Directors served:

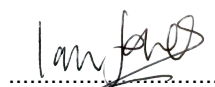
Heads of National Ministry - Adrian Reynolds & Andy Hunter (acting)
Scotland & North of England Director - Andy Hunter
Director for London - Trevor Archer
Director for Yorkshire - Daniel Grimwade
Director for South Wales - Gareth Lewis
Director for Suffolk - Mark Howson
Director for West Midlands - Paul Mallard
Mission Director - Andy Paterson
Director for Women's Ministry - Elinor Magowan & Rachel Sloan
Director for Smaller Churches - Jonathan Bond
Director for Pastoral Support - Johnny Prime
Executive Director - Phil Topham

The Heads of National Ministry (Adrian Reynolds & Andy Hunter - acting) form the Senior Leadership Team along with the National Director (John Stevens) and a senior member of the staff team (Executive Director Phil Topham). The Senior Leadership Team is assisted in carrying out its responsibilities by other staff and a number of voluntary advisory teams which provide advice and expertise. The National Recognition Team is established by the Trust Board with the assistance of the National Director to advise the Trust Board on churches to be admitted as members of FIEC and men to be admitted to the FIEC Pastors' Network.

The Senior Leadership Team meets weekly to discuss and implement policy and practical matters across the organisation. The other ministry staff meet in smaller groups to deliver ministry – the regional directors under the leadership of the Head of Local Ministries and the other ministers under the leadership of the Head of National Ministries.

The Trust Board are members of The Fellowship Property Trust (which is a separate charity and company, and which prepares its own accounts) and as such, they appoint trustees to the Board of The Fellowship Property Trust.

The trustees' report was approved by the Board of Trustees.



.....
Ian Jones (Chair)

Chair

Date: 20th May 2024

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

Opinion

We have audited the financial statements of Fellowship of Independent Evangelical Churches (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

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

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Caladine

Caladine Limited

21 May 2024

**Chartered Certified Accountants
Statutory Auditor**

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Caladine Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	989,063	932,468	1,921,531	1,089,424	116,883	1,206,307
Charitable activities	4	234,407	-	234,407	55,827	-	55,827
Investments	5	20,740	105	20,845	2,750	165	2,915
Other income	6	915	-	915	1,654	-	1,654
Total income		<u>1,245,125</u>	<u>932,573</u>	<u>2,177,698</u>	<u>1,149,655</u>	<u>117,048</u>	<u>1,266,703</u>
Expenditure on:							
Charitable activities	7	1,320,079	1,262,596	2,582,675	964,249	366,135	1,330,384
Net expenditure		<u>(74,954)</u>	<u>(330,023)</u>	<u>(404,977)</u>	<u>185,406</u>	<u>(249,087)</u>	<u>(63,681)</u>
Transfers between funds	20	-	-	-	3,484	(3,484)	-
Net movement in funds		<u>(74,954)</u>	<u>(330,023)</u>	<u>(404,977)</u>	<u>188,890</u>	<u>(252,571)</u>	<u>(63,681)</u>
Reconciliation of funds:							
Fund balances at 1 September 2022		<u>1,539,517</u>	<u>1,045,004</u>	<u>2,584,521</u>	<u>1,350,627</u>	<u>1,297,575</u>	<u>2,648,202</u>
Fund balances at 31 August 2023		<u><u>1,464,563</u></u>	<u><u>714,981</u></u>	<u><u>2,179,544</u></u>	<u><u>1,539,517</u></u>	<u><u>1,045,004</u></u>	<u><u>2,584,521</u></u>

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

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Property, plant and equipment	13		882,275		891,503
Programme related investments	14		-		31,000
			<u>882,275</u>		<u>922,503</u>
Current assets					
Inventories	15	6,442		8,261	
Trade and other receivables	16	65,963		72,959	
Cash at bank and in hand		1,452,032		1,761,232	
		<u>1,524,437</u>		<u>1,842,452</u>	
Current liabilities	17	227,168		180,434	
		<u>227,168</u>		<u>180,434</u>	
Net current assets			<u>1,297,269</u>		<u>1,662,018</u>
Total assets less current liabilities			<u>2,179,544</u>		<u>2,584,521</u>
The funds of the charity					
Restricted income funds	20		714,981		1,045,004
Unrestricted funds	21		1,464,563		1,539,517
			<u>2,179,544</u>		<u>2,584,521</u>

The financial statements were approved by the trustees on 20 May 2024.



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Ian Jones (Chair)
Chair

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(321,297)		76,384
Investing activities					
Purchase of property, plant and equipment		(8,748)		(11,934)	
Proceeds from disposal of property, plant and equipment		-		1,502	
Investment income received		20,845		2,915	
Net cash generated from/(used in) investing activities			12,097		(7,517)
Net (decrease)/increase in cash and cash equivalents			(309,200)		68,867
Cash and cash equivalents at beginning of year			1,761,232		1,692,365
Cash and cash equivalents at end of year			<u>1,452,032</u>		<u>1,761,232</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Fellowship of Independent Evangelical Churches is a CIO with cross border registration in England and Wales, and Scotland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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

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

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

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	1% straight line
Fixtures and fittings	20% straight line

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

1.7 Impairment of non-current assets

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

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

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

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	937,428	43,631	981,059	1,064,616	116,883	1,181,499
Legacies receivable	33,071	128,709	161,780	24,808	-	24,808
Grants	18,564	760,128	778,692	-	-	-
	<u>989,063</u>	<u>932,468</u>	<u>1,921,531</u>	<u>1,089,424</u>	<u>116,883</u>	<u>1,206,307</u>
Donations and gifts						
Churches	856,058	15,411	871,469	807,842	53,864	861,706
Individuals	52,263	23,444	75,707	171,949	40,325	212,274
Preacher Honoraria	10,323	-	10,323	12,367	-	12,367
Gift Aid	3,930	4,776	8,706	2,949	4,859	7,808
Other	14,854	-	14,854	69,509	17,835	87,344
	<u>937,428</u>	<u>43,631</u>	<u>981,059</u>	<u>1,064,616</u>	<u>116,883</u>	<u>1,181,499</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Courses and conferences		
Course and conference fees	36,924	24,488
Leaders Conference	190,358	24,520
Publications and literature		
Primer	1,105	1,894
Rental income		
Rent of 41 The Point	6,020	4,925
	<u>234,407</u>	<u>55,827</u>

5 Income from investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Interest receivable	<u>20,740</u>	<u>105</u>	<u>20,845</u>	<u>2,750</u>	<u>165</u>	<u>2,915</u>

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	<u>915</u>	<u>1,654</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure on charitable activities

	Church Training and support information		Outreach	Other evangelical organisation support	Development	Total
	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£
Direct costs						
Staff costs	457,165	194,811	20,234	25,537	-	697,747
Depreciation and impairment	25,000	-	-	-	-	25,000
Establishment costs	30,498	12,996	1,350	1,703	-	46,547
Staff travel	35,033	14,929	1,551	1,957	-	53,470
Care and recognition of churches	2,404	-	-	-	-	2,404
Preaching and church visits	950	-	-	-	-	950
Leaders Conference	189,408	-	-	-	-	189,408
Theological advice	5,516	-	-	-	-	5,516
Women's ministry	3,451	-	-	-	-	3,451
London team	5,031	-	-	-	-	5,031
Pastors' network	11,177	-	-	-	-	11,177
Together magazine	-	17,574	-	-	-	17,574
Primer	-	1,870	-	-	-	1,870
Media and publicity	-	12,981	-	-	-	12,981
Hub Conference	-	17,579	-	-	-	17,579
Other conferences	-	18,539	-	-	-	18,539
Mission information and support	-	-	696	-	-	696
Representation of other bodies	-	-	-	62	-	62
Support of Affinity	-	-	-	16,938	-	16,938
Development	-	-	-	-	15,513	15,513
Mission projects and teams	-	-	408	-	-	408
Youth and childrens work	1,747	-	-	-	-	1,747
	<u>767,380</u>	<u>291,279</u>	<u>24,239</u>	<u>46,197</u>	<u>15,513</u>	<u>1,144,608</u>
Grant funding of activities (see note 8)	29,250	161,400	1,029,540	-	-	1,220,190
Share of support and governance costs (see note 9)						
Support	131,183	55,137	5,726	7,229	-	199,275
Governance	11,071	5,917	995	619	-	18,602
	<u>938,884</u>	<u>513,733</u>	<u>1,060,500</u>	<u>54,045</u>	<u>15,513</u>	<u>2,582,675</u>
Analysis by fund						
Unrestricted funds	882,841	352,333	29,351	54,045	1,509	1,320,079
Restricted funds	56,043	161,400	1,031,149	-	14,004	1,262,596
	<u>938,884</u>	<u>513,733</u>	<u>1,060,500</u>	<u>54,045</u>	<u>15,513</u>	<u>2,582,675</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Expenditure on charitable activities (Continued)

Previous year:	Church Training and support information		Outreach	Other evangelical organisation support	Development	Total
	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£
Direct costs						
Staff costs	403,087	175,848	35,260	23,398	-	637,593
Establishment costs	16,653	7,265	1,457	967	-	26,342
Staff travel	26,092	11,383	2,282	1,515	-	41,272
Care and recognition of churches	572	-	-	-	-	572
Preaching and church visits	1,392	-	-	-	-	1,392
Leaders Conference	35,395	-	-	-	-	35,395
Theological advice	1,554	-	-	-	-	1,554
Women's ministry	2,332	-	-	-	-	2,332
London team	605	-	-	-	-	605
Pastors' network	9,501	-	-	-	-	9,501
Together magazine	-	21,688	-	-	-	21,688
Primer	-	2,527	-	-	-	2,527
Media and publicity	-	17,042	-	-	-	17,042
Hub Conference	-	13,779	-	-	-	13,779
Other conferences	-	13,227	-	-	-	13,227
Mission information and support	-	-	11,110	-	-	11,110
Representation of other bodies	-	-	-	80	-	80
Support of Affinity	-	-	-	15,058	-	15,058
Development	-	-	-	-	12,444	12,444
	<u>497,183</u>	<u>262,759</u>	<u>50,109</u>	<u>41,018</u>	<u>12,444</u>	<u>863,513</u>
Grant funding of activities (see note 8)	-	340,280	-	-	-	340,280
Share of support and governance costs (see note 9)						
Support	73,424	31,249	6,772	4,158	-	115,603
Governance	6,946	3,030	608	404	-	10,988
	<u>577,553</u>	<u>637,318</u>	<u>57,489</u>	<u>45,580</u>	<u>12,444</u>	<u>1,330,384</u>
Analysis by fund						
Unrestricted funds	575,760	297,037	45,872	45,580	-	964,249
Restricted funds	1,793	340,281	11,617	-	12,444	366,135
	<u>577,553</u>	<u>637,318</u>	<u>57,489</u>	<u>45,580</u>	<u>12,444</u>	<u>1,330,384</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

8 Grants payable

	Church Training and support information		Outreach	Total	Training and information
	2023	2023	2023	2023	2022
	£	£	£	£	£
Grants to institutions:					
Grants to FIEC churches	29,000	161,400	1,029,540	1,219,940	340,280
Grants to individuals	250	-	-	250	-
	<u>29,250</u>	<u>161,400</u>	<u>1,029,540</u>	<u>1,220,190</u>	<u>340,280</u>

9 Support costs allocated to activities

	2023	2022
	£	£
Depreciation	17,976	20,419
Consumables	22,531	19,351
Information technology	133,429	64,168
Other costs	25,844	11,665
Governance costs	18,097	10,988
	<u>217,877</u>	<u>126,591</u>

Analysed between:

Church support	142,254	80,370
Training and information	61,054	34,279
Outreach	6,721	7,380
Other evangelical organisation support	7,848	4,562
	<u>217,877</u>	<u>126,591</u>

Governance costs comprise:

	2023	2022
	£	£
Audit fees	7,560	3,463
Accountancy	3,000	1,620
Trust board member expenses	2,160	2,419
Trust board meeting expenses	3,932	3,486
Trust board other expenses	1,445	-
	<u>18,097</u>	<u>10,988</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

12 of them were reimbursed (or had their expenses met by the charity) a total of £3,932 meeting expenses (2022 - 10 were reimbursed £3,486).

14 of them were reimbursed (or had their expenses met by the charity) a total of £2,160 other member expenses (2022 - 13 were reimbursed £2,419).

11 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	20	19
	<u>20</u>	<u>19</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	578,508	524,849
Social security costs	54,162	54,617
Other pension costs	65,077	58,127
	<u>697,747</u>	<u>637,593</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	Number	Number
£60,001 to £70,000	1	1
	<u>1</u>	<u>1</u>

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	318,270	231,678
	<u>318,270</u>	<u>231,678</u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

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

13 Property, plant and equipment

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 September 2022	903,904	66,956	970,860
Additions	-	8,748	8,748
	<u>903,904</u>	<u>75,704</u>	<u>979,608</u>
At 31 August 2023	903,904	75,704	979,608
	<u>903,904</u>	<u>75,704</u>	<u>979,608</u>
Depreciation and impairment			
At 1 September 2022	29,776	49,581	79,357
Depreciation charged in the year	7,444	10,532	17,976
	<u>37,220</u>	<u>60,113</u>	<u>97,333</u>
At 31 August 2023	37,220	60,113	97,333
	<u>37,220</u>	<u>60,113</u>	<u>97,333</u>
Carrying amount			
At 31 August 2023	866,684	15,591	882,275
	<u>866,684</u>	<u>15,591</u>	<u>882,275</u>
At 31 August 2022	874,128	17,375	891,503
	<u>874,128</u>	<u>17,375</u>	<u>891,503</u>

14 Programme related investments

	£
At 1 September 2022	31,000
Impairments	(25,000)
Recovered amount	(6,000)
	<u>-</u>
At 31 August 2023	<u>-</u>

15 Inventories

	2023	2022
	£	£
Finished goods and goods for resale	6,442	8,261
	<u>6,442</u>	<u>8,261</u>

16 Trade and other receivables

	2023	2022
	£	£
Amounts falling due within one year:		
Trade receivables	8,282	-
Other receivables	-	1,290
Prepayments and accrued income	57,681	71,669
	<u>65,963</u>	<u>72,959</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

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

17 Current liabilities

	Notes	2023 £	2022 £
Other taxation and social security		25,419	11,698
Deferred income	18	153,800	163,542
Other payables		31,500	-
Accruals		16,449	5,194
		<u>227,168</u>	<u>180,434</u>

18 Deferred income

	2023 £	2022 £
Other deferred income	<u>153,800</u>	<u>163,542</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>153,800</u>	<u>163,542</u>
Movements in the year:		
Deferred income at 1 September 2022	163,542	11,580
Released from previous periods	(163,542)	(11,580)
Resources deferred in the year	<u>153,800</u>	<u>163,542</u>
Deferred income at 31 August 2023	<u>153,800</u>	<u>163,542</u>

Deferred income is comprised of monies received in advanced for the FIEC Leadership Conference held in November 2023.

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £65,077 (2022 - £58,127).

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
Benevolent fund	2,056	-	(250)	-	1,806
Mission fund	500,973	671,977	(1,030,235)	-	142,715
Dalling memorial fund	24,701	-	-	-	24,701
Philip Henman trust fund	121,205	-	-	-	121,205
Scottish legacy fund	23,373	-	-	-	23,373
Church hardship fund	42,500	-	(29,000)	(13,500)	-
Development fund	9,136	6,272	(14,003)	(1,405)	-
FIEC loan fund	99,630	105	(25,000)	-	74,735
Training fund	86,385	104,219	(161,400)	-	29,204
Connect for growth	6,233	-	(408)	-	5,825
Office property fund	128,812	-	(2,300)	-	126,512
London Directors fund	-	150,000	-	-	150,000
Bursary fund	-	-	-	14,905	14,905
	<u>1,045,004</u>	<u>932,573</u>	<u>(1,262,596)</u>	<u>-</u>	<u>714,981</u>
Previous year:	At 1 September 2021	Incoming resources	Resources expended	Transfers	At 31 August 2022
	£	£	£	£	£
Benevolent fund	2,056	-	-	-	2,056
Mission fund	498,544	13,540	(11,111)	-	500,973
Dalling memorial fund	24,701	-	-	-	24,701
Philip Henman trust fund	121,205	-	-	-	121,205
Scottish legacy fund	23,373	-	-	-	23,373
Church hardship fund	-	42,500	-	-	42,500
Development fund	7,064	18,000	(12,444)	(3,484)	9,136
FIEC loan fund	99,465	165	-	-	99,630
Training fund	383,822	42,843	(340,280)	-	86,385
Connect for growth	6,233	-	-	-	6,233
Office property fund	131,112	-	(2,300)	-	128,812
	<u>1,297,575</u>	<u>117,048</u>	<u>(366,135)</u>	<u>(3,484)</u>	<u>1,045,004</u>

Benevolent fund - used to make gifts to ministers, partners, and affiliated church members, who are considered to be in need of financial assistance.

Mission fund - to provide support for church planting initiatives and other outreach initiatives within the UK.

Dalling memorial fund - to provide support to accredited ministers and their families in time of illness.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Restricted funds (Continued)

Philip Henman trust fund - supporting the work and outreach of the Fellowship.

Scottish legacy fund - to provide support for the work of the Fellowship in Scotland.

Church Hardship Fund – to provide support for churches which are struggling financially. The balance on the Church Hardship fund was transferred to the new Bursary fund in June 2023 when all the allocated grants had been sent out.

Development fund - meeting costs for specific projects made known by FIEC to develop the fundraising and administrative support functions of FIEC.

FIEC loan fund - this fund was previously used for making loans available to church plants and building projects to advance gospel work. The fund has now been converted (with Charity Commission approval) into a grant fund within the Mission fund so there will be no further loan applications accepted.

Training fund - to provide financial support to men and women from within the FIEC family of churches to assist in their formal training for gospel ministries. The Fund also provides help to FIEC Churches in establishing ministry posts as well as evangelism and church planting initiatives involving training appointments.

Connect for growth - to provide support for our relationship with the Mississippi Baptist Convention in the United States which sees church members from both sides of the Atlantic visit each other's churches to provide support with ministry and mission.

Office property fund - established with money given specifically for the purchase of the Fellowship's office and through transfers from other funds which were restricted as to their use for property purchase.

London Directors fund - Funds from a closed church to be used within London and the surrounding area which have been ringfenced by the Trustees to fund the London Director's salary for up to a period of three years

Bursary fund - to provide help for churches leaders to attend FIEC conferences.

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
Local Directors fund	-	-	-	119,618	119,618
Capital fund	39,994	-	-	-	39,994
General funds	1,499,523	1,245,125	(1,320,079)	(119,618)	1,304,951
	<u>1,539,517</u>	<u>1,245,125</u>	<u>(1,320,079)</u>	<u>-</u>	<u>1,464,563</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

21 Unrestricted funds (Continued)

Previous year:	At 1 September 2021	Incoming resources	Resources expended	Transfers	At 31 August 2022
	£	£	£	£	£
Capital fund	39,994	-	-	-	39,994
General funds	1,310,633	1,149,655	(964,249)	3,484	1,499,523
	<u>1,350,627</u>	<u>1,149,655</u>	<u>(964,249)</u>	<u>3,484</u>	<u>1,539,517</u>

Local Directors fund - Funds ringfenced by the Trustees to fund the Local Directors salary costs and expenses, less associated income, for three years.

Capital fund - Funds ringfenced by the Trustees to fund replacement of Capital equipment.

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 August 2023 are represented by:			
Property, plant and equipment	755,763	126,512	882,275
Current assets/(liabilities)	708,800	588,469	1,297,269
	<u>1,464,563</u>	<u>714,981</u>	<u>2,179,544</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 August 2022 are represented by:			
Property, plant and equipment	762,691	128,812	891,503
Programme related assets	-	31,000	31,000
Current assets/(liabilities)	776,826	885,192	1,662,018
	<u>1,539,517</u>	<u>1,045,004</u>	<u>2,584,521</u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	2,008	-
Between two and five years	7,470	-
	<u>9,478</u>	<u>-</u>
	<u><u>9,478</u></u>	<u><u>-</u></u>

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

24 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The trustees /directors of The Fellowship Property Trust are appointed by members of the charity. During the year ended 31 August 2023 FIEC was recharged various expenses totaling £nil (2022: £1,300). In addition, the FIEC charged rent to the Trust of £4,000 (2022 - £4,000) and various expenses (including staff salaries) of £24,179 (2022: £31,409).

The Fellowship Property Trust held properties in Trust for FIEC member churches. During the year two of these properties were sold. The proceeds of the sale were given to FIEC in the form of a grant totaling £757,053 (2022: nil)

Members of Edward Connor Solicitors (ECS) are Trustees of FIEC from time to time. During the year ended 31 August 2023 the the charity recharged various expenses (including staff salaries) of £15,593 (2022: £12,278). In addition, FIEC received legal advice from ECS and incurred other various costs of £11,828 (2022: £11,021)

25 Cash generated from operations	2023	2022
	£	£
Deficit for the year	(404,977)	(63,681)
Adjustments for:		
Investment income recognised in statement of financial activities	(20,845)	(2,915)
Depreciation and impairment of fixed assets	42,976	20,419
Movements in working capital:		
(Increase)/decrease in programme related assets	6,000	6,000
Decrease in inventories	1,819	2,302
Decrease/(increase) in trade and other receivables	6,996	(36,554)
Increase/(decrease) in trade and other payables	56,476	(1,149)
(Decrease)/increase in deferred income	(9,742)	151,962
Cash (absorbed by)/generated from operations	(321,297)	76,384

26 Analysis of changes in net funds

The charity had no material debt during the year.

FELLOWSHIP OF INDEPENDENT EVANGELICAL CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

27 Non-audit services provided by auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.