

Charity registration number 1105394

Company registration number 05183641 (England and Wales)

**ARUN COMMUNITY CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# ARUN COMMUNITY CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

---

Trustees	Mr L B Hills	
	Mr A Gill	
	Ms R L Jupp	
	Mr B D Collingwood	(Appointed 24 May 2022)
Charity number	1105394	
Company number	05183641	
Registered office	Wickbourne Centre Clun Road Littlehampton West Sussex England BN17 7DZ	
Independent examiner	Oliver Read FCCA ACA James Todd & Co Limited 1 & 2 The Barn Oldwick West Stoke Road Lavant Chichester West Sussex England PO18 9AA	

# ARUN COMMUNITY CHURCH

## CONTENTS

---

	Page
Trustees' report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 19

# ARUN COMMUNITY CHURCH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2022

---

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 governing document, the Companies Act 2006 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 purpose of the Charity as set out in the objects contained in the company's Articles of Association are:

- to advance the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule hereto in Rustington and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit and other such purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the Charity;
- to provide and maintain facilities for the benefit of the community of Rustington without distinction of race, sex, political, religious or other opinion and with the object of improving the conditions of life for the said inhabitants as the Trustees may from time to time in their discretion determine;
- to advance education in general including but not by way of limitation the provision of life skills' courses for those in Rustington and the surrounding area and in such other parts of the United Kingdom and the world as the Trustees may from time to time think fit.

We seek to outwork these aims locally within the immediate geographic area, but also across the UK and internationally with various contacts that the Charity has. In achieving these objects, the Charity has adopted the following summary Vision Statement:

*To see lives transformed through Jesus Christ, impacting our communities and the world.*

The mission statement outlines the methodology the Charity uses;

*bringing life to everyone, everywhere, everyday.*

These following 5 values guide the Charity in day-to-day conduct, decision-making, and hiring:

- **God First:** we take our cue from the life of Jesus outlined in the Bible, and our decisions and actions are informed by His example. We ask employees that do not have a Christian faith to work in a way consistent with this (e.g. showing compassion, serving others, being non-judgmental)
- **Passionate:** we are motivated by excellence and a desire to make a difference
- **Brave:** we are not afraid to take risks or to fail, but we try
- **Generous:** we freely give our resources to enable others
- **Together:** we support and value each other, celebrating teamwork

#### Ensuring our work delivers our aims

We continuously assess our activities and impact, reviewing the aims and objectives each year. This following report looks at what we achieved and the outcomes of our work in the previous 12 months. The report highlights successes and challenges of each key activity and the benefits they have brought to those groups of people we are set up to help.

The report also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

# ARUN COMMUNITY CHURCH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### The focus of our work, and public benefit

In pursuance of our principal object of advancing the Christian Faith, the Charity runs a wide range of activities, engaging with many different people in the local, national and international communities. Activities within the Church generally fall into four main areas:

1. Christian Teaching
2. Community Initiatives
3. Children's & Youth Work
4. International Development

The Trustees strongly believe that the work of the Charity is for the public benefit. This includes the meeting together for the worship of God and Jesus Christ, preaching and Bible teaching, meeting in small groups for all ages to explore the Christian faith, and working in and with our community on social action projects for the benefit of all.

These convictions lead people to an increased love and concern for the welfare of others, both in the local community and beyond. This is demonstrated by our wide range of activities and clubs, team of over 300 volunteers, and welfare programmes such as youth services and debt help.

#### Achievements and performance

##### Review of the past 12 months

The year April 2021 to March 2022 continued to present challenges related to the Covid -19 pandemic, particularly in regard to restrictions on public gatherings in the early part of the period.

The church undertook and completed a rebrand; launching a new logo, website and printed media in September 2021 when we returned to large in-person gatherings. This was well received and has helped people to find and identify the church more easily as we have grown during this period.

The following are reviews on the four main areas of our activity:

#### Christian teaching:

- **Church meetings** – a main focus for the Church is its weekly gathering on Sunday mornings. This meeting is a main forum for teaching and worship across the Church with people of all ages attending. The global Covid-19 pandemic brought huge change and uncertainty and like most organisations, the church had to adapt its operations significantly while in lockdown. This included switching to a model of church where the Sunday services were recorded and broadcast online, and using social media to ensure people were connected and supported. The church was only able to return smaller to in-person gatherings in July 2021, before returning to larger services in September. Not being able to meet in-person has been a challenge, but the church has seen some positive benefits to using online platforms, with people joining in from around the world. As a result, when we returned to in-person meetings, we have seen over 100 new people and many families attending the church.
- **Small groups** – all members and regular attenders of the Church are encouraged to participate in mid-week small group meetings called Lifepods. They are a key part of the strategy of the Church in that they enable new and existing members and attendees of the Church to be integrated into the life of the Church in a smaller setting where individual needs can be catered for. We have launched a number of new small groups in early 2022 to cater for the increased attendance on Sunday mornings.
- **Alpha courses** – the Church regularly run Alpha courses as an introduction to the Christian faith. We ran this course online during 2020 and early 2021, switching to a hybrid model in September 2021. The January 2022 course had a significant number of sign-ups and was very positive. A number of the local community have become Christians and been baptised after attending the course and are now members and regular attenders of Church.

# ARUN COMMUNITY CHURCH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### Community initiatives:

- **Crisis support** - The church also continued to support our local community through connecting with other churches and local agencies to coordinate shopping and medicine for the vulnerable, and by providing direct support to families in need. Over Christmas 2021, we were able to again give away supermarket vouchers through schools, local authority, and other connections. Part of this ongoing effort is to continue working closely with West Sussex County Council in making the Wickbourne Centre a place of support, advice, and care to our surrounding community. The Wickbourne Centre slowly reopened services including the café and the council's Early Help offer, while the community midwife service continued to operate safely from the building. In this way, the church was able to continue to offer support and advice from the centre
- **Events** - The Church had far fewer opportunities to host events this year, with activities like our summer kids' playscheme, and Christmas service being unable to go ahead.
- **CAP debt centre** – The church supports and runs a free local initiative on behalf of Christians Against Poverty, a national debt charity. Clients are referred to the service and supported to become debt free. After the appointment of a new manager in January 2021, the service has grown, taking on 3 clients a month, and seeing around 5 people go debt free in that period!

#### Children's and youth work:

- **Arun Kids** – We appointed a new Kids and Family Worker in September 2021 just as we were able to start doing in-person activities again. We relaunched our parent/toddler stay and play which has become very popular, and returned to regular children's ministry groups on Sundays. We were also able to host a successful family Christmas event complete with Santa's Grotto which we intend to repeat next year.
- **Arun Youth** – The church runs faith-based youth groups for 11-18's which have continued to develop over this time. Many of the young people play an active part in the life of the larger Church, are encouraged to reach out to their friends and get involved elsewhere. There were 6 youth baptisms in this period while Arun Youth Summer, a local youth camp returned in August 2021.
- **Arun Youth Projects** - In addition to faith-based work, the Church employs a number of staff to run community youth clubs and other projects for young people aged 11-18 across the area. This is known as Arun Youth Projects and is supported and funded by numerous district, town and parish councils. The Arun Youth Projects team saw 183 young people over 235 hours of youth clubs, and provided an increased detached youth work service that connected with young people 613 times over 99 hours.

#### International development:

- **Links International** - The Church partners with another charitable organisation, Links International, which is working into a number of countries investing into Primary Health Care, Micro-enterprise development, Training, Education and Church Partnerships. The Church continued to support key projects in Uganda, India, Lebanon and Colombia through this partnership.

The trustees also started a review of our HR support, seeking a more complete service that included Health and Safety advice. This new service started in April 2021 and promises to provide a variety of new options for the employees, leaders and trustees. In addition, the trustees started a period of review in January 2021 that includes advice and training on governance issues.

There have been some staff changes in this period including the new role of Content and Communications Lead. Many other staff have also worked flexibly and covered new areas of responsibility.

# ARUN COMMUNITY CHURCH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### Financial review

Under challenging circumstances, the church has continued to develop its services and successfully retained a similar income to previous years. However, there was also increased spending during the period with costs of most activities, services and goods going up due to wider economic factors. As a result, the church made a loss at the end of the financial year, and has used some of its reserves.

#### Principal funding sources

The vast majority of the church income is through individual donations from the the church congregation. This accounts for nearly 63% of our total income and the work of the church could not be sustained without the generosity of the members. Around 28% of the income is from provision of services including agreements to deliver youth work for local town, parish and district councils. The remaining 9% is from a variety of sources such as small grants, rental income and sales.

A number of the events run by the Church attract some income from ticket sales, with the intention they be self-funding rather than profit-making. However, the costs of other activities are paid by the Church, as are salaries of staff to provide staffing and administrative support for those activities.

The Board has established that the Church will not keep specific reserves of funds for any purpose other than for day-to-day operational costs included in the budget. The intention is that the Church will keep up to three months operating costs in a current and reserve bank account, but that the amount in these accounts will fluctuate in time according to the giving and donations, and other sources of income for the Church. Increasing amounts of money in the bank accounts would result in increased expenditure and giving by the Church to further its aims.

#### Investment policy

The Memorandum & Articles of Association authorises the trustees to make and hold investments using the general funds of the charity, but no such investments are presently held.

#### Plans for the future

For 2022/23 the Church aims to maintain its existing activities, developing them according to the needs of the charity. We intend to use the resources according to the day-to-day needs of the congregation, the staffing available and the wider community. Funds given will continue to be spent broadly in line with the current pattern of expenditure. It is hoped some of the larger events the church previously ran, will be able to return.

R. Jupp continues to develop the Leadership team and the organisational structure of the church which may include taking on new staff and changing specific roles to better enable the church to function.

The trustees recognise the need to recruit new members, and plan to continue reviewing the support systems and governance of the organisation that was started this year. This will include specific training for the trustees.

It is also expected that the charity will review the use of their two buildings and make suggestions for development.

#### Structure, governance and management

##### Governing document

The Company is constituted by the Memorandum & Articles of Association, last updated February 2021. The Company was incorporated on 19th July 2004 and commenced activities on 1st November 2004.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A J Harsant (Resigned 24 May 2022)

Mr L B Hills

Mr A Gill

Ms R L Jupp

Mr B D Collingwood (Appointed 24 May 2022)

# ARUN COMMUNITY CHURCH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### **Recruitment, appointment, and induction of new trustees**

The directors of the company are also charity trustees for the purposes of charity law. Appointment of the trustees is governed by the Articles of Association of the Company and trustees are elected to serve for a period of three years after which they must be re-elected.

The trustees are authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee. Trustees will be appointed from the membership of the Arun Community Church.

#### **Trustee induction and training**

New trustees are inducted and trained for their role with a programme arranged as and when new directors are appointed. Training is overseen by the Executive Leader and includes input from all existing trustees and external training days for trustees of charities where necessary.

#### **Risk management**

The Charity has a risk management process which comprises a review of the risks that the Charity faces as they arise. Each risk is assessed, and the Charity takes appropriate actions as necessary. The mitigating factors and actions are also assessed. Where risks are identified that warrant further action, where possible, appropriate changes are identified and either incorporated into procedure, or costs identified for future budgeting. For significant risks that are less tangible, mitigation is sought through insurance policies or by training, for example for risks associated with debt advice.

The process has identified a number of minor risks, many of which are covered by insurances. The significant risks are focussed around the Church gathering, with large numbers of people, particularly young children, and the risk of injury and loss to them.

#### **Organisational structure**

Arun Community Church has a board of trustees (of no less than 3 people with no maximum) who are responsible for the legal and regulatory aspects of the Charity. There are currently 5 trustees (listed on page 3) made up of a variety of backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rest with the leadership team of Arun Community Church, and their department Managers within the charity. The leadership team oversee the advancement of the Christian faith through the activities and actions of the Church. These are listed on page 3. Three of the leaders are currently employed by the Church: R. Jupp, J. Jolly and M. Vickery-Brown. The remaining leaders are in a voluntary capacity.

Most managers report to the Executive Leader who serves as an executive on the board and has responsibility for day-to-day operations, and who reports directly to the Senior Leader. The Senior Leader is responsible for ensuring the charity delivers the services specified. The Charity outsources Human Resources and Health & Safety support to an external company who can better guide on employment and compliance issues.

The Church Leaders meet on a weekly basis, and senior managers also meet regularly. In this way decisions are taken as to the activities, programmes and spiritual content of the Church. The full Board meets at least 4 times a year to take decisions relating to finances, pay and organisation matters of the Church.

The Church also has a wider leadership team consisting of all the leaders of the various small groups and activities that happen across the Church. This wider group meets approximately three times a year and provides a forum for communication to these key individuals and for receiving feedback on how those activities and the wider church are running.



# ARUN COMMUNITY CHURCH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### Related parties

The church is connected to other entities in the following ways:

#### **Arun Community Church: Wickbourne Centre**

Charity Number 1107647

Company Number 5183674

The Church owns the Wickbourne Centre building as part of its assets. Arun Community Church: Wickbourne Centre is the charitable company set up to manage the operation of the activities occurring out of the Centre and as such there is a close relationship between the two organisations. Many of the activities of the Company are organised via the Arun Community Church: Wickbourne Centre, and there is a certain amount of commonality between the Arun Community Church and the Arun Community Church: Wickbourne Centre boards. Appropriate charges for staff, hire of venues and refreshments are cross charged between the two organisations.

#### **Refresh Trading Limited**

Company Number 5591456

Refresh Trading Ltd is joint-owned by the Charity and Arun Community Church: Wickbourne Centre. It was set up in 2005 to run the coffee shop situated within the Wickbourne Centre, and it runs as a social enterprise for the two charities. Again, activities organised by the Company will use services provided by Refresh Trading Ltd and will be charged accordingly. The Board of Refresh Trading Ltd is drawn from the trustee membership of the two charities, plus other individuals with specific expertise relevant to the company.

#### **Arun Creative Limited**

Company Number 11890575

Arun Creative Ltd was set up in 2019 as a trading subsidiary for the church to record and publish musical performances and other creative arts endeavours. The Board of Arun Creative Ltd is drawn from membership of the Arun Church Board, plus other individuals with specific expertise relevant to the company.

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



Mr L B Hills

**Trustee**

Date: 29 / 01 / 2023

# ARUN COMMUNITY CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF ARUN COMMUNITY CHURCH

---

I report to the trustees on my examination of the financial statements of Arun Community Church (the charity) for the year ended 31 March 2022.

#### Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

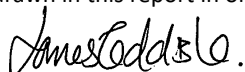
#### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the 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 financial statements to be reached.



**Oliver Read FCCA ACA**

**James Todd & Co Limited**

1 & 2 The Barn Oldwick  
West Stoke Road  
Lavant  
Chichester  
West Sussex  
PO18 9AA  
England

Dated: 30 / 01 / 2023 .....

# ARUN COMMUNITY CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	312,020	145,309	457,329	281,690	81,679	363,369
Charitable activities	4	63,729	-	63,729	95,417	-	95,417
Investments	5	29,465	-	29,465	18,893	-	18,893
<b>Total income</b>		<b>405,214</b>	<b>145,309</b>	<b>550,523</b>	<b>396,000</b>	<b>81,679</b>	<b>477,679</b>
<b>Expenditure on:</b>							
Charitable activities	6	471,799	139,635	611,434	419,510	23,740	443,250
Other	10	-	-	-	2,653	-	2,653
<b>Total expenditure</b>		<b>471,799</b>	<b>139,635</b>	<b>611,434</b>	<b>422,163</b>	<b>23,740</b>	<b>445,903</b>
Net gains/(losses) on investments	11	-	-	-	(364,885)	-	(364,885)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(66,585)</b>	<b>5,674</b>	<b>(60,911)</b>	<b>(391,048)</b>	<b>57,939</b>	<b>(333,109)</b>
Gross transfers between funds		3,599	(3,599)	-	58,971	(58,971)	-
<b>Net movement in funds</b>		<b>(62,986)</b>	<b>2,075</b>	<b>(60,911)</b>	<b>(332,077)</b>	<b>(1,032)</b>	<b>(333,109)</b>
Fund balances at 1 April 2021		1,338,405	68,485	1,406,890	1,670,482	69,517	1,739,999
<b>Fund balances at 31 March 2022</b>		<b>1,275,419</b>	<b>70,560</b>	<b>1,345,979</b>	<b>1,338,405</b>	<b>68,485</b>	<b>1,406,890</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# ARUN COMMUNITY CHURCH

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,271,950		1,261,207
Investments	13		1		1
			<u>1,271,951</u>		<u>1,261,208</u>
<b>Current assets</b>					
Debtors	14	48,435		28,840	
Cash at bank and in hand		87,027		131,590	
		<u>135,462</u>		<u>160,430</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(61,434)</u>		<u>(14,748)</u>	
Net current assets			74,028		145,682
<b>Total assets less current liabilities</b>			<u>1,345,979</u>		<u>1,406,890</u>
<b>Income funds</b>					
Restricted funds			70,560		68,485
Unrestricted funds			1,275,419		1,338,405
			<u>1,345,979</u>		<u>1,406,890</u>

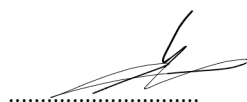
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 29/01/2023.



Mr L B Hills  
Trustee

Company registration number 05183641

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

##### Charity information

Arun Community Church is a private company limited by guarantee incorporated in England and Wales. The registered office is Wickbourne Centre, Clun Road, Littlehampton, West Sussex, BN17 7DZ, England.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, 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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 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.

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	Not depreciated
Fixtures and fittings	25% reducing balance

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

##### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.8 Impairment of fixed 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).

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### 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.

##### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

##### 1.11 Taxation

The charity is exempt from direct taxation on its charitable activities.

##### 1.12 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.

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	305,141	39,578	344,719	315,157	30,101	345,258
Grants received	6,879	105,731	112,610	(33,467)	51,578	18,111
	<u>312,020</u>	<u>145,309</u>	<u>457,329</u>	<u>281,690</u>	<u>81,679</u>	<u>363,369</u>

#### 4 Charitable activities

	Community church 2022 £	Community church 2021 £
Sales and recharges	6,451	-
Services provided	55,534	95,417
Other income	1,744	-
	<u>63,729</u>	<u>95,417</u>



# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	25,217	18,250
Equipment hire	4,000	-
Interest receivable	248	643
	<u>29,465</u>	<u>18,893</u>

### 6 Charitable activities

	Community church	Community church
	2022	2021
	£	£
Staff costs	378,388	271,592
Depreciation and impairment	8,837	4,490
Projects	103,702	85,384
	<u>490,927</u>	<u>361,466</u>
Share of support costs (see note 7)	96,933	70,944
Share of governance costs (see note 7)	23,574	10,840
	<u>611,434</u>	<u>443,250</u>
<b>Analysis by fund</b>		
Unrestricted funds	471,799	419,510
Restricted funds	139,635	23,740
	<u>611,434</u>	<u>443,250</u>

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Property expenses	58,788	-	58,788	55,430	-	55,430
Administration	7,271	-	7,271	6,457	-	6,457
Advertising and promotion	14,337	-	14,337	4,168	-	4,168
Equipment maintenance	6,037	-	6,037	4,889	-	4,889
Loans written off	10,500	-	10,500	-	-	-
Audit fees	-	3,780	3,780	-	3,060	3,060
Legal and professional	-	19,794	19,794	-	7,780	7,780
	<u>96,933</u>	<u>23,574</u>	<u>120,507</u>	<u>70,944</u>	<u>10,840</u>	<u>81,784</u>
Analysed between						
Charitable activities	<u>96,933</u>	<u>23,574</u>	<u>120,507</u>	<u>70,944</u>	<u>10,840</u>	<u>81,784</u>

### 8 Trustees

The trustee Ms R L Jupp received a salary of £38,588 during the year. This is in alignment with the Charity's constitution and with the consent of The Charity Commission.

Aside from the above, none of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>25</u>	<u>22</u>
Employment costs	2022 £	2021 £
Staff costs	<u>378,388</u>	<u>271,592</u>

There were no employees whose annual remuneration was more than £60,000.

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Other

	Total £ 2022	Unrestricted funds 2021
Net loss on disposal of tangible fixed assets	-	2,653

#### 11 Net gains/(losses) on investments

	Total £ 2022	Unrestricted funds 2021
Revaluation of investments	-	(364,885)

#### 12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	1,250,000	77,529	1,327,529
Additions	-	19,580	19,580
Disposals	-	(9,171)	(9,171)
At 31 March 2022	1,250,000	87,938	1,337,938
<b>Depreciation and impairment</b>			
At 1 April 2021	-	66,322	66,322
Depreciation charged in the year	-	6,164	6,164
Eliminated in respect of disposals	-	(6,498)	(6,498)
At 31 March 2022	-	65,988	65,988
<b>Carrying amount</b>			
At 31 March 2022	1,250,000	21,950	1,271,950
At 31 March 2021	1,250,000	11,207	1,261,207

Land and buildings with a carrying amount of £1,250,000 were revalued in the year ended 31 March 2021 at the charity's request. Due to the nature of the activities conducted at these premises, and the specification of the buildings, the valuers had difficulty in finding comparable buildings in order to establish a fair revaluation upon open market values. As a result, the value placed on one of these premises is based on the re-development value of the land only, which led to a reduction in value of £364,885 from the original cost of £1,614,885.

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 12 Tangible fixed assets

(Continued)

At 31 March 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,614,885 (2021: £1,614,885).

#### 13 Fixed asset investments

##### Other investments

##### Cost or valuation

At 1 April 2021 & 31 March 2022

1

##### Carrying amount

At 31 March 2022

1

At 31 March 2021

1

		2022	2021
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries		1	1

#### 14 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	10,068	75
Other debtors	10,020	20,000
Prepayments and accrued income	28,347	8,765
	48,435	28,840

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £	2021 £
Other taxation and social security	5,461	-
Trade creditors	21,381	9,390
Other creditors	5,458	(5,395)
Accruals and deferred income	29,134	10,753
	<u>61,434</u>	<u>14,748</u>

#### 16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,271,950	-	1,271,950	1,261,207	-	1,261,207
Investments	1	-	1	1	-	1
Current assets/(liabilities)	2,588	71,440	74,028	77,197	68,485	145,682
	<u>1,274,539</u>	<u>71,440</u>	<u>1,345,979</u>	<u>1,338,405</u>	<u>68,485</u>	<u>1,406,890</u>

#### 17 Related party transactions

##### Transactions with related parties

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

# ARUN COMMUNITY CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 17 Related party transactions

(Continued)

Arun Community Church: Wickbourne Centre is a charitable company under common control. During the year, the charity charged rent of £66,160 (2021: £60,806) and recharged expenses totalling £17,782 (2021: £10,431). The balance outstanding at the year end to the charity was £2,800 (2021: £143).

Refresh Trading Limited is a company under common control. During the year, the charity recharged expenses totalling £437 (2021: £296). The balance outstanding at the year end to the charity was £33 (2021: £28).

Arun Creative Limited is a wholly owned trading subsidiary of the charity. During the year, the charity recharged expenses totalling £2,262 (2021: £16,116). The charity also received repayments totalling £7,000 (2021: £Nil), made gifts of £2,500 (2021: £17,833) and wrote off £10,500 (2021: £Nil) concerning loans made to Arun Creative Limited. The total balance outstanding at the year end to the charity was £108 (2021: £20,130).