

Report of the Trustees and
Financial Statements for the Year Ended 31st March 2023
for
Grace Church Chichester

Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

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for the Year Ended 31st March 2023**

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**Report of the Trustees
for the Year Ended 31st March 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of 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).

**Report of the Trustees
for the Year Ended 31st March 2023**

OBJECTIVES AND ACTIVITIES

Objectives and activities

The objectives of the charity, as laid out in the governing document, are:

- (a) To advance the Christian faith in accordance with the Statement of Beliefs, in such ways and in such parts of Chichester, the United Kingdom and the World as the trustees see fit.
- (b) To relieve sickness and financial hardship and to promote and preserve good health by the provision of funds, goods or services of any kind including through the provision of counselling and support in such parts of Chichester, the United Kingdom and the World as the trustees see fit.

The members of the charity believe that a personal knowledge of and relationship with Jesus Christ, the Son of God, is a life transforming experience. The Bible teaches that all Christians should gather to form a local church (the church being the people, not the venue that they meet in). This Christian community is therefore made up of many individuals - a gathering of ordinary people, young and old, male and female, rich and poor, all nationalities, backgrounds, status etc who come together because their lives have been changed by Jesus Christ (Revelation 7 v 9 describes the church as "a great multitude that no one could count, from every nation, tribe, people and language").

The Bible says that the Church, this community of people, when properly taught and cared for, by loving and serving Jesus Christ will also be committed to love and care for each other and to make a difference to the area in which they live and to further afield.

Grace Church, its Trustees, Elders, and members are committed to building a church family that closely reflects New Testament principles. Grace Church is not alone in this, there are many churches all around the world that share this belief and desire to see people all over the world come into a personal experience of knowing Jesus Christ as their Lord, Saviour, and friend. In particular, Grace Church works closely with other churches that are part of the Commission group of Churches to help fulfil this vision worldwide.

Grace Church believes that the spread of the Christian faith brings with it great public benefit. The Christian faith includes a vision for peace and social harmony, and that faith gives meaning and purpose to people's lives and contributes to their well-being. As the charity undertakes its activities and fulfils its objectives, we expect to see many people becoming Christians, starting, and developing their own relationship with Jesus Christ; and this will have the effect of transforming individual lives, families and whole societies for good. The Christian Church, when operating correctly will transmit morals, ethics and values to this and future generations and create societal bonds and cohesion that will overcome all barriers.

People are most likely to become disciples of Jesus and grow in their Christian faith if Christians live a Christ-like life amongst them, share the good news of Jesus, demonstrate God's love, and prayerfully expect the Holy Spirit's power to transform individuals, communities and whole nations. This is best done through the Church and its activities. The beliefs and practices of the Christian Church are therefore capable of advancing religion for the purposes of charity law and promoting the morals and ethics of the Christian faith is deemed in law to be capable of impacting upon the public in a beneficial way.

The last year has seen Grace Church return to a level of normality following the global COVID-19 pandemic. Indeed, although some members did not return after the various nationwide lockdowns, many new people have joined all three geographic sites of the church in Chichester, Bognor and Havant. Attendance numbers are now back up to pre-pandemic levels. Grace Church has fulfilled the above objectives by:

- 1. Holding regular church meetings in person. These meetings have been to worship God and to train, teach and care for the church members; to equip them as effective Christians. In addition, the Chichester site is audio-streamed live online each week, and a weekly prayer meeting takes place via zoom.
- 2. Preaching the gospel, and planning and implementing an on-going strategy of evangelism in our principal locations as well as their surrounding areas.
- 3. Providing pastoral support and care (and practical support and provision where appropriate) for those who participate.
- 4. Facilitating and equipping teams of volunteers to run church activities, to care for one-another and to share the gospel with others.

**Report of the Trustees
for the Year Ended 31st March 2023**

5. Providing training and encouragement to all individuals to live a Christ-like lifestyle of prayer and commitment to God.
6. Continuing to run or support a range of 'GraceWorks' projects that directly provide social benefit and care to the community.

To achieve this, amongst other things the principal activities of the church have included:

1. Weekly meetings in Chichester, Bognor Regis and Havant. Our Midhurst site has remained closed and members of the church from the south downs towns and villages now attend services in Chichester. However, we have continued to run fortnightly midweek gatherings for people living in Midhurst.
2. Mid-week "life groups" - These are small groups of about 10-15 people that normally meet in homes during the week, are led by volunteers and enable all church members to support, encourage and build each other up in the Christian faith. Grace Church now operates 18 life groups serving over 300 people.
3. Meetings for specific interest groups - Amongst others, these include a students and 20's ministry, a group for adults with additional needs, both men's and women's ministries, and two parent and toddlers' group.
4. Youth Groups - This normally includes Sunday morning Bible and discipleship classes, and a varied programme of Friday evening events including a youth week away, known as Newday, where our youth gather in the first week of August with thousands of other youth from churches across the UK.
5. Alpha Course - The Alpha Course is an internationally recognised course that enables people who do not yet attend a church and have no Christian faith to engage with the church and begin a journey towards understanding and accepting the Christian faith. During this year the Church has run an Alpha Course at the Grace Centre and in local homes in Bognor and Havant.
6. Outreach events - In 2022/23 the church held three successful Christmas carol services and invited people from the local communities through various forms of advertising including singing carols in the streets and shopping centre.
7. Discipleship courses - Through the year the church has run a number of discipleship courses and events open to church members as well as the public at large. These have ranged from basic Christian discipleship groups to more advanced training events dealing with pastoral support and Christian growth, including courses aimed at specific needs. These courses were run online and would include:
 - Pre-marriage counselling and guidance for people getting married.
 - Beta Course (A follow on course from Alpha which helps people further develop their faith).
 - Deeper in the Word (A course to help people have a greater understanding of the Bible).
8. Young Adults (our Students and 20s group) - Chichester and Bognor Regis both have campuses of Chichester University with many students attending from homes across the UK and further afield. The church has provided a specific Young Adults group to support these young people, to help them settle in a new place, to make friends, to help equip them for life, and to help them grow in and share their Christian faith.
9. Tuesday Group - The Church operates a group for adults with additional needs called "Tuesday Group" and serves people who are both part of the church and those who attend from a care-home in Singleton.
10. Children's Groups - The church has an exciting programme of activities for the children who normally attend on a Sunday in all 3 of our Sunday meeting sites. This is divided into two groups - Grace Kids (Preschoolers) for pre-school children, and Grace Kids, for primary school children. Our primary aged children continue to enjoy our new approach to Sunday morning gatherings with using in-house produced multi-media content including story-telling, worship videos and prayer points.
11. Toddler Group - The Church's toddler ministry, "Little Bears" has seen substantial growth in our Bognor and Chichester sites. These popular groups for young children and their parents / carers now attract 90+ people weekly for our 90-minute Thursday morning sessions.
12. Prayer meetings - Prayer is a vital element of the Christian life and the church holds regular prayer meetings throughout the year. In addition to regular in-person prayer meetings, we have now established a weekly Monday morning prayer Zoom at 6:30am, this attracts up to 30 people to pray together each week.
13. Training and Equipping Leaders - Grace Church has encouraged and supported new leaders within the Church through the Commission Leadership Foundations and Advanced Graduate Training Courses. These courses are run by the Commission Apostolic Trust in conjunction with the Union School of Theology.

**Report of the Trustees
for the Year Ended 31st March 2023**

14. Continuing the previous year's commitment to rebuilding community following the pandemic, we ran another weekend away for the August Bank-Holiday weekend with a mixture of social and spiritual activities for the whole church family. This was held at a campsite in the New Forest with the options for staying on site, in local accommodation or for day visitors. This was open to everyone who had connection with the church and financial support was offered to those who otherwise would be unable to attend. Once again it was a huge success and a highlight of the year and has really helped the church to establish a thriving sense of community.
15. We have also held other activities throughout the year to meet the needs of the church. The church increasingly has people from other nations and ethnicity joining. Recognising this, we have held events to raise awareness of issues of diversity to ensure that the church remains inclusive and honouring of all its members. This has also proven to be very successful.
16. Many people have moved into the area or connected with the church. We have held several "New Member" mornings to introduce people to the workings of the church.
17. A new member of the church has started a popular Zumba class Monday evenings.
18. Meeting Point - As the cost of living crisis hit in the winter of 22/23 we made enquiries with age concern and other local charities to see in what ways the church could help. As a result we established a weekly warm space at the Grace Centre. Sadly, despite much publicity and personal involvement of one of the local charities, take up was low. However, we did establish connections with some Ukrainian refugees.

The above list of activities is just a snapshot of the church's activities. The full list of the church's events and engagements would be too long to list in full and would almost certainly miss out some activities. This is particularly the case because almost all that the church does is resourced, managed and led by large teams of volunteers.

Most members of Grace Church are actively involved in serving in some way or other and many people are involved with several teams. It would not be an overstatement to say that the number of people involved as a volunteer in some way each week would run into the hundreds if they were counted. As well as the church's organised teams of volunteers many members of Grace Church are also involved in helping and supporting other members on a pastoral level and everyone is encouraged to live a Christ-like lifestyle that engages positively with those around them and actively does good to those they meet.

STRATEGIC REPORT

Achievement and performance

Review of the year

2022 has seen the church return to normality following the tentative return from the pandemic in 2021. New people continued to join the church and get well established in the community and have made a significant impact by bringing their own unique gifts into the life of the church.

Grace Church continues to operate as a multi-site church and the Trustees and Elders are pleased to report that all sites are strong and well-established, but the church remains flexible in the way that the ministry is fulfilled to enable further capacity and capability for growth.

Improvements to the Grace Centre has continued. Although there have been no major projects this year, volunteers have enhanced and brightened both the foyer and office area with their artistic skills.

The Church continues to be ably served by its Eldership team. This team consists of Joe Leach (Lead Elder), Tony Dark, Thomas Bishop, Steve Blaber, Jonny Holder and Simpson Charlton.

As Grace Church is a multi-site church, the church's team of site-specific leaders continue to operate well. This team of thirteen members regularly meets with the church senior leadership and provides a permanent leadership presence at the three sites to lead all activities relating to that site.

Grace Church also continues to take an active role in its local communities. The Church's "GraceWorks" programme encompasses many of its activities in the community. Such activities include:

- Foodbank - The Trussell Trust is a national Christian charity that works through partnership with groups of local churches to provide Foodbanks, emergency food supplies for anyone in crisis. Grace Church supports Foodbank in several ways including providing volunteering and food collection. In addition, this last year members of the church prepared and delivered 120 gift and food parcels to foodbanks and to a Chichester centre for those in temporary accommodation at Christmas.
- Pregnancy Options Centre in Chichester - Grace Church is pleased to support the work of the Pregnancy Options Centre. The aim of this charity is to see loving kindness at work in our community. The Options team offer understanding, compassion and practical care for those in pregnancy crisis situations.
- Support for international missions continued through our partnerships with Compassion in the Philippines, BreadTrust in Ukraine, and Catalyst to provide aid support into Turkey and northern Syria following the devastating earthquake that struck in February. We also continued to support Josh Garraway, who works with a Christian Charity in Ankara, Turkey.

The church has continued to be part of the Commission family of churches. Grace Church has supported Commission financially and practically by providing leadership input to support Commission's Churches around the South and Southwest of England.

The Trustees are very grateful to the number of volunteers that serve so faithfully each week. Without the hundreds of people who give up their time and energy the church would not be able to fulfil its aims and objectives.

**Report of the Trustees
for the Year Ended 31st March 2023**

STRATEGIC REPORT

Financial review

Financial position

The Trustees and Elders set a budget (Income and Expenditure) at the start of the year and this was monitored closely through the year with the Trustees and Elders receiving monthly written reports, as well as verbal reports during Trustee and Elders meetings.

2022/23 expenditure was originally budgeted at £497,539 and the Trustees and Elders agreed to try and achieve enough income to match this annual expenditure budget. This budget was forecasted in February 2021 whilst the church was still operating under some covid-19 restrictions. Budgets were monitored monthly and variations to the budget were presented to Trustees throughout the year for approval. These referred to changes to expected donation trends and reduced/ increased in anticipated costs (venue rental, materials costs, energy prices etc).

Excluding contributions to the restricted Buildings Fund, Grace Church finished this year with a total income of £541,269 from gifts received in regular offerings, special offerings and to support the buildings fund. As well as other incomes of £22,863 (mainly to support the cost of chargeable events and activities such as the Great Grace Campout weekend away and NewDay Youth event). At year end the end of the year church total expenditure was £502,607, resulting in an income surplus of £61,525.

We continue to generate the majority of our income through regular donations from church members and visitors. No legacies were received during the year.

Trustees and Elders continue to review all incomes and expenses closely, forecasting month by month, paying close attention to any potential risks and impacts.

Grace Church finished this year with a general fund balance of £948,564. The Building Fund stands at £38,596. These remaining building funds will be designated towards the development and continued renovation of the Grace Centre and or other owned assets associated with our building.

The Trustees and Elders are therefore pleased to report that the financial performance of the church is steady this year and are confident that the church operates good financial controls. This can be evidenced in the attached accounts.

Future plans

The church is now firmly back on its feet following the pandemic. Weekly attendance has grown substantially to an average of 350 attending at the year end. This is considerable growth comparing to 275 at the same time the previous year. With the impact of the war in Ukraine and the world financial situation, inflation rises and the cost of living crisis, the church has fared remarkably well but is prepared for ongoing uncertainty. Whilst being aware of the possible impact on church finances, we continue to respond to both church members and those in our communities, where additional financial and pastoral support to overcome hardship may be required.

The trustees and management are continuing to assess risks to the church and charity income, which whilst not immediately impacted by this crisis, is likely to see change as a result of any economic downturn and the inevitable implications on the employment of members of the church.

However, the Church continues to operate a similar range of activities for the coming year, ensuring our religious and educational aims are fulfilled.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was created by Memorandum and Articles of Association, incorporated on 17 January 2007.

Recruitment and appointment of new trustees

Vacancies are filled from within the church membership (or if suitable experience and/or skill is not available, from other Christian churches with whom the church is in good relationship). The Church Elders and Trustees will nominate, discuss, and approve any candidates for the role of Trustee. The individual is then required to complete an application from citing relevant experience and skills and interviewed by at least one member of the Eldership and Trustee team. After review and feedback to the rest of the Eldership and Trustees, if everyone agrees the individual will be appointed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making structure

The day-to-day work of the charity is managed by the Eldership team and all decision-making authority is delegated to this team. The Eldership team meets with the Trustees at least quarterly and will report on progress, issues, finances, and any other relevant items. The Trustees are available to the Eldership for discussion by telephone, email, or face to face between Trustee meetings if needed.

Induction and training of new trustees

All new Trustees are given appropriate briefing and induction training by the Lead Elder and/or Chair of Trustees. They will be made aware of relevant Charity Commission publications that they can access via the Charity Commission's website.

They are also invited to attend relevant training events hosted by the Commission family of churches to which Grace Church belongs.

Wider network / relations

Grace Church has membership and/or relationships with several wider organisations. These organisations include:

- Grace Church is part of the Commission family of Churches, which is part of Newfrontiers.
- Grace Church is a member of the Evangelical Alliance.
- Grace Church plays a part in local networks of churches including Churches together in Chichester and Churches together in Bognor Regis and Churches Together in Havant.
- Grace Church continues its partnership with Compassion UK to financially support the work of the Lambs of God Child Survival Unit in the Philippines. In addition to this, individual members of the church sponsor approximately 170 children through Compassion UK.

Risk management

All activities of the church are covered by risk assessments and actions are taken to minimise all operating risks to an acceptable level. Risk Assessments are monitored and reviewed regularly by the church's Operations Manager on behalf of, and with support from, the Trustees.

The largest individual risk to the church has been identified as the death or incapacity of a member of the church's leadership team. If such a thing were to occur, the Trustees and other members of the leadership team would meet with the senior regional leaders from the Commission network of churches to discuss and agree what actions need to be taken to enable the church to continue to function and meet its goals and objectives.

Public benefit

The Charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the Charity has achieved this are provided within this report. The trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the Charity should undertake.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06056250 (England and Wales)

Registered Charity number

1118739

Registered office

The Grace Centre
29 Terminus Road
Chichester
West Sussex
PO19 8TX

**Report of the Trustees
for the Year Ended 31st March 2023**

Trustees

S L Blaber Chair (appointed 21.9.22)
T Goodge
J L Groves
Mrs K Bishop
A Clark (resigned 21.9.22)
D E Nicholls
J Leach Lead Elder/Trustee

Company Secretary

S D Taylor

Independent Examiner

P E H Wright FCA DChA
Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Bankers

HSBC Bank Plc
4 Robertson Street
Hastings
East Sussex
TN34 1HW

Senior staff members to whom daily management of the Charity is delegated

Joseph Leach	Lead Elder
Johnny Holder	Elder
Anthony Dark	Edler
Simon Taylor	Operations Manager

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 4/10/23 and signed on the board's behalf by:

.....
J Leach - Trustee

Independent examiner's report to the trustees of Grace Church Chichester ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, 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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



P E H Wright FCA DChA

Sheen Stickland
Chartered Accountants
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 4/12/23.....

Grace Church Chichester

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2023**

		Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	537,953	11,157	549,110	495,889
Charitable activities	4				
Church Activities		3,164	9,855	13,019	10,757
Investment income	3	<u>152</u>	<u>1,851</u>	<u>2,003</u>	<u>415</u>
Total		<u>541,269</u>	<u>22,863</u>	<u>564,132</u>	<u>507,061</u>
EXPENDITURE ON					
Charitable activities	5				
Church Activities		<u>487,584</u>	<u>15,023</u>	<u>502,607</u>	<u>487,698</u>
NET INCOME		53,685	7,840	61,525	19,363
Transfers between funds	17	<u>(26,413)</u>	<u>26,413</u>	<u>-</u>	<u>-</u>
Net movement in funds		27,272	34,253	61,525	19,363
RECONCILIATION OF FUNDS					
Total funds brought forward		925,374	4,918	930,292	910,929
TOTAL FUNDS CARRIED FORWARD		<u>952,646</u>	<u>39,171</u>	<u>991,817</u>	<u>930,292</u>

The notes form part of these financial statements

Balance Sheet
31st March 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	11	1,595,102	-	1,595,102	1,606,396
CURRENT ASSETS					
Debtors	12	103,786	(145)	103,641	87,870
Cash at bank and in hand		<u>63,279</u>	<u>63,983</u>	<u>127,262</u>	<u>106,526</u>
		167,065	63,838	230,903	194,396
CREDITORS					
Amounts falling due within one year	13	(41,698)	(24,667)	(66,365)	(68,993)
NET CURRENT ASSETS					
		<u>125,367</u>	<u>39,171</u>	<u>164,538</u>	<u>125,403</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,720,469	39,171	1,759,640	1,731,799
CREDITORS					
Amounts falling due after more than one year	14	(767,823)	-	(767,823)	(801,507)
NET ASSETS					
		<u>952,646</u>	<u>39,171</u>	<u>991,817</u>	<u>930,292</u>
FUNDS					
	17				
Unrestricted funds				952,646	925,374
Restricted funds				<u>39,171</u>	<u>4,918</u>
TOTAL FUNDS					
				<u>991,817</u>	<u>930,292</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on04.11.23..... and were signed on its behalf by:

The notes form part of these financial statements



J Leach - Trustee



S L Blaber - Trustee

Grace Church Chichester

**Cash Flow Statement
for the Year Ended 31st March 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	75,413	65,088
Interest paid		<u>(30,849)</u>	<u>(27,910)</u>
Net cash provided by operating activities		<u>44,564</u>	<u>37,178</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(69,589)
Sale of tangible fixed assets		-	272
Interest received		<u>227</u>	<u>3</u>
Net cash provided by/(used in) investing activities		<u>227</u>	<u>(69,314)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(24,055)</u>	<u>(21,364)</u>
Net cash used in financing activities		<u>(24,055)</u>	<u>(21,364)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		20,736	(53,500)
Cash and cash equivalents at the beginning of the reporting period		<u>106,526</u>	<u>160,026</u>
Cash and cash equivalents at the end of the reporting period		<u><u>127,262</u></u>	<u><u>106,526</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31st March 2023**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	61,525	19,363
Adjustments for:		
Depreciation charges	11,294	12,040
Loss on disposal of fixed assets	-	278
Interest received	(227)	(3)
Interest paid	30,849	27,910
(Increase)/decrease in debtors	(15,771)	8,157
Decrease in creditors	<u>(12,257)</u>	<u>(2,657)</u>
Net cash provided by operations	<u><u>75,413</u></u>	<u><u>65,088</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	<u>106,526</u>	<u>20,736</u>	<u>127,262</u>
	<u>106,526</u>	<u>20,736</u>	<u>127,262</u>
Debt			
Debts falling due within 1 year	(22,622)	(9,629)	(32,251)
Debts falling due after 1 year	<u>(801,507)</u>	<u>33,684</u>	<u>(767,823)</u>
	<u>(824,129)</u>	<u>24,055</u>	<u>(800,074)</u>
Total	<u><u>(717,603)</u></u>	<u><u>44,791</u></u>	<u><u>(672,812)</u></u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to the trustees on governance or constitutional matters.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Computer equipment	- 33% on reducing balance

Tangible fixed assets for use by the Charity are capitalised if they have a useful life of more than one year and cost at least £2,000. They are valued at cost or, if gifted, at the value to the Charity on receipt.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

1. ACCOUNTING POLICIES - continued

Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Gift aided giving	392,064	330,960
Gifts, tithes & offerings	58,304	81,960
Gift aid	<u>98,742</u>	<u>82,969</u>
	<u>549,110</u>	<u>495,889</u>

3. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	1,776	412
Deposit account interest	<u>227</u>	<u>3</u>
	<u>2,003</u>	<u>415</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Church activities	Church Activities	<u>13,019</u>	<u>10,757</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£	£
Church Activities	<u>393,282</u>	<u>68,307</u>	<u>41,018</u>	<u>502,607</u>

6. GRANTS PAYABLE

	2023	2022
	£	£
Church Activities	<u>68,307</u>	<u>44,421</u>

Grants made to institutions and individuals for the furtherance of the Charity's objects were:

Institutions	£
Compassion	8,500
Commission - General	20,017
Earthquake Phillipus	1,500
Pregnancy Options Centre, Chichester	1,861
John 3:16 (Adrian Holloway)	550
Earthquake Catalyst	7,477
Breadtrust appeal	4,940

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2023**

6. GRANTS PAYABLE - continued

Home for good	1,000
Heart for Homeless, Chichester	2,000
BRYCC	1,250
Other (Prisons Fellowship, Christians Against Poverty, Urban Saints)	1,240
Food bank Chichester/Havant/Bognor Regis	4,212
Sanctuary - Syrian Family	1,192
	<u>55,739</u>

Individuals	<u>12,568</u>
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7. SUPPORT COSTS

	Finance	Governance	Totals
	£	costs	£
Church Activities	<u>32,143</u>	<u>8,875</u>	<u>41,018</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Independent examination fees	4,680	3,780
Depreciation - owned assets	11,294	12,041
Deficit on disposal of fixed assets	<u>-</u>	<u>278</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

During the financial year trustee Joe Leach the Pastor received £50,120 (£44,741 in 2022) in salary related payments, while pension contributions were made totalling £3,508 (£3,132 in 2022).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

No other payments were made to trustees or any persons connected with them during this financial period.

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2023**

10. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	218,551	233,388
Social security costs	18,442	18,677
Other pension costs	<u>14,989</u>	<u>16,086</u>
	<u>251,982</u>	<u>268,151</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Charitable activities	<u>7</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1st April 2022 and 31st March 2023	<u>1,601,945</u>	<u>10,103</u>	<u>36,677</u>	<u>1,648,725</u>
DEPRECIATION				
At 1st April 2022	13,198	5,206	23,925	42,329
Charge for year	<u>7,295</u>	<u>1,849</u>	<u>2,150</u>	<u>11,294</u>
At 31st March 2023	<u>20,493</u>	<u>7,055</u>	<u>26,075</u>	<u>53,623</u>
NET BOOK VALUE				
At 31st March 2023	<u>1,581,452</u>	<u>3,048</u>	<u>10,602</u>	<u>1,595,102</u>
At 31st March 2022	<u>1,588,747</u>	<u>4,897</u>	<u>12,752</u>	<u>1,606,396</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	<u>103,641</u>	<u>87,870</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2023**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 15)	32,251	22,622
Social security and other taxes	5,934	6,219
Other creditors	24,760	36,732
Accruals and deferred income	<u>3,420</u>	<u>3,420</u>
	<u>66,365</u>	<u>68,993</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 15)	<u>767,823</u>	<u>801,507</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>32,251</u>	<u>22,622</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>33,508</u>	<u>23,879</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>108,065</u>	<u>79,177</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments:		
Bank loans more 5 yrs non-inst	<u>626,250</u>	<u>698,451</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	1,488	1,488
Between one and five years	<u>744</u>	<u>2,232</u>
	<u>2,232</u>	<u>3,720</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

17. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	925,214	(62,355)	85,705	948,564
Gift Day Designated Fund	-	114,530	(114,530)	-
Youth	<u>160</u>	<u>1,510</u>	<u>2,412</u>	<u>4,082</u>
	925,374	53,685	(26,413)	952,646
Restricted funds				
Building Fund	-	6,096	32,500	38,596
Josh G	-	75	-	75
Syrian Family	1,192	(1,192)	-	-
Hardship	-	500	-	500
Events	3,676	2,411	(6,087)	-
Members Gifts	<u>50</u>	<u>(50)</u>	<u>-</u>	<u>-</u>
	<u>4,918</u>	<u>7,840</u>	<u>26,413</u>	<u>39,171</u>
TOTAL FUNDS	<u>930,292</u>	<u>61,525</u>	<u>-</u>	<u>991,817</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	424,779	(487,134)	(62,355)
Gift Day Designated Fund	114,530	-	114,530
Youth	<u>1,960</u>	<u>(450)</u>	<u>1,510</u>
	541,269	(487,584)	53,685
Restricted funds			
Building Fund	6,596	(500)	6,096
Josh G	300	(225)	75
Syrian Family	-	(1,192)	(1,192)
Hardship	500	-	500
Events	10,232	(7,821)	2,411
Members Gifts	<u>5,235</u>	<u>(5,285)</u>	<u>(50)</u>
	<u>22,863</u>	<u>(15,023)</u>	<u>7,840</u>
TOTAL FUNDS	<u>564,132</u>	<u>(502,607)</u>	<u>61,525</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	595,507	(57,511)	387,218	925,214
Gift Day Designated Fund	250,067	70,266	(320,333)	-
Youth	160	-	-	160
	845,734	12,755	66,885	925,374
Restricted funds				
Building Fund	42,941	3,742	(46,683)	-
Josh G	-	(600)	600	-
Syrian Family	1,192	-	-	1,192
Hardship	20,802	-	(20,802)	-
Events	260	3,416	-	3,676
Members Gifts	-	50	-	50
	65,195	6,608	(66,885)	4,918
TOTAL FUNDS	<u>910,929</u>	<u>19,363</u>	<u>-</u>	<u>930,292</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	413,551	(471,062)	(57,511)
Gift Day Designated Fund	70,816	(550)	70,266
	484,367	(471,612)	12,755
Restricted funds			
Building Fund	7,761	(4,019)	3,742
Josh G	300	(900)	(600)
Events	9,583	(6,167)	3,416
Members Gifts	5,050	(5,000)	50
	22,694	(16,086)	6,608
TOTAL FUNDS	<u>507,061</u>	<u>(487,698)</u>	<u>19,363</u>

Notes to the Financial Statements - continued
for the Year Ended 31st March 2023

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	595,507	(119,866)	468,718	948,564
Gift Day Designated Fund	250,067	184,796	(434,333)	-
Youth	<u>160</u>	<u>1,511</u>	<u>-</u>	<u>4,082</u>
	845,734	66,440	40,472	952,646
Restricted funds				
Building Fund	42,941	9,838	(14,183)	38,596
Josh G	-	(525)	600	75
Syrian Family	1,192	(1,192)	-	-
Hardship	20,802	500	(20,802)	500
Events	<u>260</u>	<u>5,827</u>	<u>(6,087)</u>	<u>6,087</u>
	<u>65,195</u>	<u>14,448</u>	<u>(40,472)</u>	<u>39,171</u>
TOTAL FUNDS	<u>910,929</u>	<u>80,888</u>	<u>-</u>	<u>991,817</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	838,330	(958,196)	(119,866)
Gift Day Designated Fund	185,346	(550)	184,796
Youth	<u>1,960</u>	<u>(450)</u>	<u>1,510</u>
	1,025,636	(959,196)	66,440
Restricted funds			
Building Fund	14,357	(4,519)	9,838
Josh G	600	(1,125)	(525)
Syrian Family	-	(1,192)	(1,192)
Hardship	500	-	500
Events	19,815	(13,988)	5,827
Members Gifts	<u>10,285</u>	<u>(10,285)</u>	<u>-</u>
	<u>45,557</u>	<u>(31,109)</u>	<u>14,448</u>
TOTAL FUNDS	<u>1,071,193</u>	<u>(990,305)</u>	<u>80,888</u>

17. MOVEMENT IN FUNDS - continued

Restricted funds

Building fund	: giving for the building and venue needs of Grace Church
Members Gifts	: giving anonymously gifts between member of Grace Church
Josh G	: collection and sending of funds to support Josh Garraway in Turkey
Syrian Family	: fund set up to enable the church to purchase required goods to help settle a refugee family in Chichester.
Hardship	: giving to support others through the Covid-19 crisis.
Events	: money from charging members for attending events; to be used as the need arises.

Transfers between funds

Where restricted funds expenditure exceeds income, a transfer of funds is made from the general fund to make up for the shortfall.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2023.

**Detailed Statement of Financial Activities
for the Year Ended 31st March 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aided giving	392,064	330,960
Gifts, tithes & offerings	58,304	81,960
Gift aid	<u>98,742</u>	<u>82,969</u>
	549,110	495,889
Investment income		
Rents received	1,776	412
Deposit account interest	<u>227</u>	<u>3</u>
	2,003	415
Charitable activities		
Church activities	<u>13,019</u>	<u>10,757</u>
Total incoming resources	564,132	507,061
EXPENDITURE		
Charitable activities		
Wages	218,551	233,388
Social security	18,442	18,677
Pensions	14,989	16,086
Light and heat	7,864	7,095
Telephone	1,799	2,847
Advertising	3,012	1,354
Sundries	4,172	4,383
Activities & events	13,762	11,948
Conferences & training	14,528	12,377
Equipment costs	7,456	13,685
Leadership team	5,686	3,182
Printing, postage & stationary	3,799	3,993
Rent, rates & service charges	33,886	24,227
Repairs & maintenance	5,934	20,442
Running costs	2,414	1,323
Sundry payroll costs	784	739
The youth & children	18,597	15,474
Travel & subsistence	4,489	2,999
Worship team	631	169
Ministries	1,193	247
Freehold property	7,295	7,295
Plant and machinery	1,849	1,849
Computer equipment	2,150	2,896
Loss on sale of tangible fixed assets	-	278
Carried forward	393,282	406,953

This page does not form part of the statutory financial statements

**Detailed Statement of Financial Activities
for the Year Ended 31st March 2023**

	2023 £	2022 £
Charitable activities		
Brought forward	393,282	406,953
Grants to institutions	55,739	34,040
Grants to individuals	<u>12,568</u>	<u>10,381</u>
	461,589	451,374
Support costs		
Finance		
Bank charges	1,294	1,085
Bank loan charges and interest	<u>30,849</u>	<u>27,910</u>
	32,143	28,995
Governance costs		
Independent examination fees	4,680	3,780
Insurance	4,147	3,501
Professional fees	<u>48</u>	<u>48</u>
	<u>8,875</u>	<u>7,329</u>
Total resources expended	<u>502,607</u>	<u>487,698</u>
Net income	<u>61,525</u>	<u>19,363</u>

