
BRAVE CHURCH

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

BRAVE CHURCH

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BRAVE CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Craig Clark (appointed 9 January 2022)
Jeff Brunton (appointed 27 June 2023)
Rebecca Fryer (appointed 30 March 2022)
Samuel Duerden (resigned)
Benjamin Whitaker (resigned)
Pamela Wharton (resigned)
Timothy Haywood (resigned)
Jordan Whittaker (resigned)

Charity registered number

1123994

Registered office

Watson Street, Oswaldtwistle, Lancashire, BB5 3HH

Accountants

CW Accountants Limited, The Boulevard Centre, 45 Railway Road, Blackburn, Lancashire, BB1 1EZ

Bankers

Virgin Finance Account, 40 Church Street, Blackburn, BB1 5AW

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

The Co-Operative Bank PLC, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

BRAVE CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the financial statements of the Charity for the year 1 January 2022 to 31 December 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

Objectives and Activities

a. POLICIES AND OBJECTIVES

The objectives of the charity as per the trust deed were extended during this year:

On Sunday 8th May 2022, at an Extraordinary General Meeting, a resolution was passed to formally consent to the change of charitable objectives to the following:

(a) **To advance the Christian faith** in accordance with the statement of beliefs appearing in the schedule hereto in Oswaldtwistle Lancashire and in such other parts of the united kingdom or the world as the trustees may from time to time think fit and to fulfil such other purposes which are exclusively charitable according to the law of England and Wales and are connected with the charitable work of the trust.

(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 the united kingdom or the world as the trustees from time to time may think fit.

(c) **To advance the education of children, young people and adults** by the provision of a dedicated Christian ethos pre-school, training and development that pertains to lifelong learning, and information media to support individual capabilities, competence's, skills and understanding in Oswaldtwistle Lancashire and in such other parts of the united kingdom or the world as the trustees may from time to time think fit

d) **To relieve those in need by reason of youth, age, ill-health or disability, financial hardship or other disadvantage** through the provision of specialist advice, a drop-in centre and groups in Oswaldtwistle Lancashire and in such other parts of the united kingdom or the world as the trustees may from time to time think fit

b. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

The trustees have regard to the Charity Commission's guidance on public benefit and all issues relating to running a charity. The activities outlined above are the main activities undertaken to further the purpose for public benefit.

Achievements and performance

a. REVIEW OF ACTIVITIES

Church activities

The Church has been led by Senior Ministers, Craig & Deborah Clark during this year after a handover from the previous leadership team. Development of a new and diverse team has been a key aspect of activity in order to adapt post Covid to the increasing needs of our church and community. The church attendance records show that the congregation has grown by over 50% from January 2022 to December 2022. Addition to this has been the continuation of our online services and increased social media presence. Within face-to-face services there

BRAVE CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

has been the development of a new ministry team which has supported 1 to 1 prayer and support.

The ministry has been undertaken by a team who developed regular and relevant preaching series. Additional ministry through grief and loss support, funerals and crisis support were undertaken throughout the year for both church families and the community.

Significant emphasis has been on raising the appetite for corporate prayer with a new midweek programme called Connexions. This has engaged a wide variety of people and is set to develop into additional smaller discipleship groups in 2023, with monthly corporate prayer and worship nights.

2022 saw the re-launch of the schools' programme and the development of a new internship programme. Brave Church partnered with Youth for Christ to offer this opportunity to three young people - who have been working full time to develop schools and youth programmes on behalf of the church. Additionally, alongside the Internship Manager, a Voluntary Youth lead was appointed in January 2022. During the year we have seen growth in numbers and depth of our church youth group. This has included detached youth work weekly in the locality. The relationship with Compassion International has continued throughout the year, with the church sponsoring over 93 children in Rwanda.

The consistent generosity of the congregation's financial giving has increased this year. A key milestone in this has been the vision offering in May - which enabled the church to pay off the outstanding mortgage payment in June.

Networking in partnership with local churches has continued with other local churches, national partners and local businesses. One example of this is the welcome of HR & YOU - a local HR company who became a patron of the Brave Church charity. This has enabled due diligence to be maintained in terms of staff recruitment, induction and management.

Community

Care for our community expanded throughout 2022 with the establishment of the Emotional Health Hub and extending the reach to crisis support through being part of the Household Support Fund activities. The cost-of-living crisis impacted many people and the community work has been led by volunteers to help and support those most vulnerable. We spent £63,338 in new funding to help support those impacted socially, mentally, and emotionally. The work was recognised by the church being awarded the Rank Foundation - Golden Award - for services to the community in August.

The coffee shop was reopened to the public in April and significant investment made into equipment, promotion and changes to the offer. Social groups were reinstated, and additional ones launched to include women's, crafts and social groups. The venue was also able to be a warm space during the winter months to aid those suffering with fuel poverty.

All year we have partnered with Hyndburn Holiday Activities and Food programme (HAF), where we saw 50+ young people from our community, many from disadvantaged backgrounds, take part in Easter, Summer and Christmas team activities and enjoy food together. Additionally, family food parcels were given out at each event. Brave Church hosted a free Youth Concert/Campaign - partnering with local schools, LCC Police & Crime Commissioner and The Message Trust - to bring the "No Knives" campaign to East Lancashire. Additional events involved a nativity service, Santa's grotto and free food and refreshments for every family member and a Saturday event for over 50 children. All the children's families also received a Christmas food hamper. This is a partnership that will continue into the future.

The development of Community services has enabled the emotional health hub (Counselling, Grief and Loss Support, Mentoring, Prayer, Befriending and Crisis Prevention). Initially, partnering with Gateway Counselling in Ribbles Valley - and then establishing in-house counselling.

The redevelopment of Brave Conferencing was able to be done post Covid. This was undertaken mainly by

BRAVE CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

volunteers and hosted conferences and room hire for organisations such as the Ribble Valley WI, NWEEG, Rethink Mental Illness and Alcoholics Anonymous etc. The surplus made from this went into the community support offered at Christmas.

Building

A new trustee was gained (R Fryer) to oversee aspects of the building including Health & Safety. This has enabled progress on ensuring compliance and safety is adhered to. Insurances have been professionally looked at with a new re-evaluation of the building undertaken. The procurement of utilities has been overhauled by C Clark in order to gain the best value in the uncertain times of the cost-of-living crisis. Savings and economies have been made which enabled the church to function adequately. Various works including emergency lighting, fire compliance checks, upgrading doors and locking systems have been completed. A new boiler was purchased to give better efficiency.

Pre-School (Education)

The Pre-School manager re-evaluated her role during 2022 and made the decision to return to primary teaching. A succession plan was already in place and the long-standing deputy Helen Horrocks took over the reins seamlessly. There has been a significant increase in children gaining placements in Pre-School from the previous year and it has been going from strength to strength with additional staff being employed within the setting. The LCC annual conversation and evaluation of practice led to an affirmation of the good work that the team have delivered consistently during the year. Changes in the Nominated Officer from P Warton to B Whitaker were also seamless with both trustees doing a splendid handover at the end of the summer term.

Other

As a Charity, we recognise that we would not be able to carry out the work we do without the support, investment, and commitment of our faithful volunteers, who work tirelessly in their support. The volunteers have grown from approx. 40 in 2021 to 90 in 2022, covering many aspects of each area. Several volunteer and vision nights undertaken during the year helped support new volunteers to get on board with the vision of Brave Church along with new ways of facilitating and empowering volunteers to be part of different areas of service.

In December, our Senior Ministers, Deborah and Craig, visited Buckingham Palace for the presentation of a MBE award to Deborah for her services to the community. The addition of this expertise over this year can be seen through the vast increase in community support and the incoming investment from local and national funders.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. RESERVES POLICY

Financial protocols were reviewed in June and a new finance package used (QuickBooks) and the church banking system moved to The Co-operative Bank due to the ethical and ease of this system. Accountants, CW Accountants were commissioned to take over financial management of accounts initially and lately the bookkeeping and day to day financial management.

The payment of the church's mortgage debt was achieved in June, and this has been a great position for the

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

church to enter 2023.

As at 31 December 2022, the Charity held total funds of £424,395 of which £49,639 are free unrestricted funds. A fixed asset and strategic reserve has been designated amounting to £374,231. It is intended that sufficient reserves are retained to enable the Charity to undertake its financial commitments for a minimum of three months which would equate to approximately £48,526. The level of available, liquid unrestricted funds carried forward at 31 December 2022 meets the required level of reserve.

Structure, governance and management

a. CONSTITUTION

The Charity is registered and was set up by a Trust deed on May 2008 .

The Charity is constituted under a Trust deed dated May 2008 .

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

New trustees are appointed with adherence to the Charity Commission guidelines CC30. It is essential that they are a person committed to the teachings of the Bible and have personal knowledge of God through Jesus Christ. They should be in agreement with the objectives and core values of Brave Church. Trustees are nominated to join the team by the Trustees and approved and appointed by the existing Trustees

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees ensures that the charity and its representative's function within the legal and regulatory framework of the sector and in line with the organisation's governing document, continually striving for best practice in governance. They also uphold the fiduciary duty invested in the position, undertaking such duties in a way continually striving for best practice in governance that adds to public confidence and trust in the charity. Throughout the course of the year, the Trustees met a total of 6 times.

A new structure was established so that trustees could oversee the legal governance with a diverse and generational core team overseeing the spiritual direction of the church. This brought clarity to the decision-making process of governance, management and structure.

During the year, Senior Minister Craig Clark had spiritual and day-to-day oversight of the charity. Craig was Chair of Trustees as per the Constitution and was answerable to them for legal governance. A new core team was appointed who have the spiritual oversight of the church, led by Craig Clark. This will further be developed in 2023. Deborah Clark had oversight of the Community development and Emotional Health Hub during the year.

Alongside the Pre-School staff and the Senior Ministers, the church employed in June a Coffee House Coordinator and 3 contractors to work in the social media/videography, admin/finance and creative team areas. The rest of the charity's work was conducted by a committed group of volunteers.

The trustees implemented the introduction of a paid staff wellbeing programme in June for each staff member. This included health related treatment discounts, training, counselling and access to mental health, legal and physical health support. This has been received positively by the staff team. A mentor scheme is being looked at for 2023.

d. RISK MANAGEMENT

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Trustee approval is required for all significant items of expenditure. Receipts or invoices are required in support of payments, and these are allocated against the appropriate cost centres in our accounting system to ensure that an audit trail is provided for all expenditure.

It is a requirement that all Trustees, Staff, and persons working with children and/or vulnerable adults are cleared by the police under Disclosure and Barring Service Scheme. All DBS applications are made through thirty-one eight. Child protection policies are relevant and effective and safeguarding training has been carried out with all our staff and volunteers. Appropriate insurance cover is in place and is regularly reviewed to ensure that the charity's risks are managed properly. We are adequately covered for Building, Public and Employers' Liability Insurance. We also hold a separate Insurance Policy specifically tailored for Nurseries/Pre-Schools.

Plans for future periods

a. FUTURE DEVELOPMENTS

As Trustees, we consider that we are continuing to achieve our mandate as a charity in the advance of the Christian faith and provision of funds and service to help those in need and look forward to extending our work and partnerships in 2023. Plans are well underway for our development into the year. We have completed a full review of our financial liabilities and are confident in our ability to service these.

Plans are afoot to transition the Charity into a Charitable Incorporated Organisation (CIO) by the end of 2023 and to widen the Trustees and a Board of Reference to ensure there are specialist portfolio holders who will help us fulfil our charitable objectives. In addition, we have committed to developing our expenditure policies to allow for budgeting, forecasting and operational spending.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Brave Church for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 02/10/2023 and signed on their behalf by:



Craig Clark

BRAVE CHURCH

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BRAVE CHURCH (the 'Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 December 2022.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and 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 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 accounts 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 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 Association of Chartered Certified Accountants, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the 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.

Signed:



Dated: 02/10/2023

Courtney Wright BA FCCA

The Boulevard Centre, 45 Railway Road, Blackburn, BB1 1EZ

BRAVE CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations and legacies	2	184,772	117,344	302,116	298,936
Other trading activities		131,473	-	131,473	104,128
Investments	3	69	-	69	11
TOTAL INCOME		316,314	117,344	433,658	403,075
EXPENDITURE ON:					
Charitable activities		197,160	116,819	313,979	400,020
TOTAL EXPENDITURE		197,160	116,819	313,979	400,020
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		119,154	525	119,679	3,055
NET MOVEMENT IN FUNDS		119,154	525	119,679	3,055
RECONCILIATION OF FUNDS:					
Total funds brought forward		304,716	-	304,716	301,661
TOTAL FUNDS CARRIED FORWARD		423,870	525	424,395	304,716

The notes on pages 12 to 22 form part of these financial statements.

**BRAVE CHURCH
REGISTERED NUMBER:**

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	8		411,988		426,747
CURRENT ASSETS					
Debtors	9	4,233		6,933	
Cash at bank and in hand		90,490		73,463	
			94,723	80,396	
CREDITORS: amounts falling due within one year	10	(60,316)		(50,517)	
NET CURRENT ASSETS			34,407		29,879
TOTAL ASSETS LESS CURRENT LIABILITIES			446,395		456,626
CREDITORS: amounts falling due after more than one year	11		(22,000)		(151,910)
NET ASSETS			424,395		304,716
CHARITY FUNDS					
Restricted funds	12		525		-
Unrestricted funds	12		423,870		304,716
TOTAL FUNDS			424,395		304,716

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

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees 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 financial statements were approved and authorised for issue by the Trustees on 02/10/2023 and signed on their behalf, by:

The notes on pages 12 to 22 form part of these financial statements.



Craig Clark

BRAVE CHURCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	14	<u>17,027</u>	<u>84,900</u>
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		<u>-</u>	<u>(72,588)</u>
Net cash used in investing activities		<u>-</u>	<u>(72,588)</u>
Change in cash and cash equivalents in the year		17,027	12,312
Cash and cash equivalents brought forward		<u>73,463</u>	<u>61,151</u>
Cash and cash equivalents carried forward	15	<u><u>90,490</u></u>	<u><u>73,463</u></u>

The notes on pages 12 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Brave Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The members of the charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)**1.4 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 allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

1.5 Turnover

Turnover comprises revenue recognised by the Charity in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Not depreciated
Fixtures and fittings	-	15% on cost
Computer equipment	-	15% on cost

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	176,008	66,001	242,009	176,948
Grants	8,764	51,343	60,107	121,988
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	184,772	117,344	302,116	298,936
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	202,139	96,797	298,936	
	<hr/>	<hr/>	<hr/>	

BRAVE CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. INVESTMENT INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank Interest	69	-	69	11
	<u>69</u>	<u>-</u>	<u>69</u>	<u>11</u>
<i>Total 2021</i>	<u>11</u>	<u>-</u>	<u>11</u>	

4. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets: - owned by the charity	14,759	13,544
	<u>14,759</u>	<u>13,544</u>

5. AUDITORS' REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 450 (2021 - £ 500). - -

BRAVE CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. DIRECT COSTS

	2022	2021
	£	£
Salaries	174,664	172,587
Coffee house expenditure	26,192	894
Depreciation	14,759	13,544
General office expenses	23,746	26,816
Utilities	26,621	16,096
Mortgage Interest	327	23,590
Legal and Professional fees	1,035	612
Travel costs	780	3,065
Repairs and maintenance	10,099	33,964
Licenses/ IT / Subscriptions	11,013	12,762
Staff resources	820	575
Project costs	20,073	91,810
Insurance	3,850	3,705
	313,979	400,020

7. STAFF COSTS

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	174,664	172,587

The average number of persons employed by the Charity during the year was as follows:

2022	2021
No.	No.
11	10

No employee received remuneration amounting to more than £60,000 in either year.

BRAVE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2022 and 31 December 2022	350,000	94,815	60,003	504,818
Depreciation				
At 1 January 2022	-	50,674	27,397	78,071
Charge for the year	-	6,621	8,138	14,759
At 31 December 2022	-	57,295	35,535	92,830
Net book value				
At 31 December 2022	350,000	37,520	24,468	411,988
At 31 December 2021	350,000	44,141	32,606	426,747

9. DEBTORS

	2022 £	2021 £
Trade debtors	4,233	600
Other debtors	-	6,333
	<u>4,233</u>	<u>6,933</u>

10. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Mortgage interest	-	23,590
Other loans	4,500	4,500
Trade creditors	-	11,435
Other taxation and social security (see below)	3,078	3,087
Other creditors	1,686	1,588
Accruals and deferred income	51,052	6,317
	<u>60,316</u>	<u>50,517</u>

Other taxation and social security

	2022 £	2021 £
PAYE/NI control	3,078	3,087

BRAVE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. CREDITORS: Amounts falling due after more than one year

	2022 £	2021 £
Mortgage	-	126,410
Other loans	22,000	25,500
	<u>22,000</u>	<u>151,910</u>

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Designated funds					
Strategical Development	-	-	-	24,231	24,231
Fixed Asset - Freehold Property Reserve	-	-	-	350,000	350,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>374,231</u>	<u>374,231</u>
General funds					
Reserves	304,716	316,314	(197,160)	(374,231)	49,639
Total Unrestricted funds	<u>304,716</u>	<u>316,314</u>	<u>(197,160)</u>	<u>-</u>	<u>423,870</u>

BRAVE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. STATEMENT OF FUNDS (continued)

Restricted funds

Awards for All	-	9,998	(9,998)	-	-
Household Support Fund	-	7,250	(7,250)	-	-
John Laing Foundation	-	1,000	(475)	-	525
Lancaster Community Foundation	-	4,095	(4,095)	-	-
Rank Foundation	-	7,500	(7,500)	-	-
Rank Foundation Golden Award	-	20,000	(20,000)	-	-
Community Rail Lancaster	-	1,500	(1,500)	-	-
Vision Offering - Mortgage	-	66,001	(66,001)	-	-
	-	117,344	(116,819)	-	525

Awards for All - To support community groups and groups with disabilities/ mental health/ connection post COVID.

Household Support Fund - To assist with the cost of living crisis for families.

John Laing Foundation - To bring isolated community groups together through art - to prevent social isolation.

Lancaster Community Foundation - To support with pastoral care and counselling.

Rank Foundation - To increase the enterprise arm of the Church to establish the emotional health and wellbeing hub.

Rank Foundation Golden Award - To set up community groups to relieve social isolation and establish coffee shop facilities.

Community Rail Lancaster - To provide rail opportunities to facilitate older people to access community groups at Brave Church.

Vision Offering - Mortgage - Donations raised by the general public to specifically pay off the mortgage that the building held.

Total of funds	304,716	433,658	(313,979)	-	424,395
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STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
Unrestricted funds					
Unrestricted funds	301,661	403,075	(400,020)	-	304,716
Restricted funds					

BRAVE CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2022 £
Designated funds	-	-	-	374,231	374,231
General funds	304,716	316,314	(197,160)	(374,231)	49,639
	<u>304,716</u>	<u>316,314</u>	<u>(197,160)</u>	<u>-</u>	<u>423,870</u>
Restricted funds	-	117,344	(116,819)	-	525
	<u>304,716</u>	<u>433,658</u>	<u>(313,979)</u>	<u>-</u>	<u>424,395</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Designated funds	301,661	403,075	(400,020)	304,716
	<u>301,661</u>	<u>403,075</u>	<u>(400,020)</u>	<u>304,716</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	411,988	-	411,988
Current assets	94,198	525	94,723
Creditors due within one year	(60,316)	-	(60,316)
Creditors due in more than one year	(22,000)	-	(22,000)
	<u>423,870</u>	<u>525</u>	<u>424,395</u>

BRAVE CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	426,747	-	426,747
Current assets	80,396	-	80,396
Creditors due within one year	(50,517)	-	(50,517)
Creditors due in more than one year	(151,910)	-	(151,910)
	<u>304,716</u>	<u>-</u>	<u>304,716</u>

14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	119,679	3,055
Adjustment for:		
Depreciation charges	14,759	13,544
Decrease in debtors	2,700	15,566
(Decrease)/increase in creditors	(120,111)	52,735
Net cash provided by operating activities	<u>17,027</u>	<u>84,900</u>

15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	90,490	73,463
Total	<u>90,490</u>	<u>73,463</u>

16. RELATED PARTY TRANSACTIONS

Trustees have made regular donations to the Church during the year.

Remuneration has been paid to a trustee throughout the financial year - This is for the minister of the Charity/ Church.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.