

REGISTERED COMPANY NUMBER: 06993403 (England and Wales)
REGISTERED CHARITY NUMBER: 1133425

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
WAY CHURCH
(A COMPANY LIMITED BY GUARANTEE)

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

WAY CHURCH

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for the Year Ended 31 December 2023

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WAY CHURCH (REGISTERED NUMBER: 06993403)

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 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 31 December 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the charitable company in the year under review was that of allowing the space created within the church to be occupied and enjoyed for the purpose of preaching and teaching the Gospel, in addition to being used for the benefit of the borough.

The aim for 2024 is to continue in this vein and to extend the charitable activities of the church.

Vision Statement

The reason Way exists is for all people to find their way to God. Our vision, based on Isaiah 40 v3-5, is to be a place where:

- All people - no matter who they are, anyone and everyone is welcome in our church community
- Can find their way - can engage whatever point they are at on their journey to faith
- To God - we want all to become followers of Jesus, in deep relationship with Him, because He is the answer

We have set out some specific areas of focus for the next 5-10 years, as follows:

- Establish Way Foundation - a vehicle to give financial support to other causes
- To provide the resources people need to help them to follow Jesus, be changed by Jesus and do what Jesus would do
- To develop a free Christian Counselling service
- To develop a physical space at The Edge for the creation of a Creative Studio
- To create new church communities

WAY CHURCH (REGISTERED NUMBER: 06993403)

REPORT OF THE TRUSTEES for the Year Ended 31 December 2023

STRATEGIC REPORT

Achievement and performance

Overview of activities in 2023 and plans for 2024

We have continued to see growth across all our activities in 2023. Church attendance grew by approx. 12% on average across the year, which was reflected in increased giving through church offerings and donations. The introduction in late 2022 of a new Church system has improved our ability to manage important aspects of our community, including people registering, safeguarding controls, communication and finance management. We had 27 community groups by the end of 2023 covering a range of interests and activities and we have seen growth in our children and students' activities. Towards the end of 2023 we appointed a new member of the Lead Team, Jake Isaac, who will develop the creative and worship expressions of Way. This was a significant step to help us towards the 5 in 10 Vision that was set out as part of our reframe at the end of 2022.

The Community Grocery membership has continued to grow, with over 3,200 members by the end of 2023, an increase of around 33% compared to the end of 2022. As well as regular smaller groups happening throughout the year, we also hosted a summer fun day and a Christmas Pantomime for Grocery members to enjoy, at no cost to themselves. We have also seen many grocery members engaged in other groups and gatherings.

The Corporate hire of our rooms had a steady year, following significant post-COVID growth in 2022. Graham Hogg, one of our Trustees, was appointed as Sales Manager in November 2023, with a focus on growing the business further. Postcode Coffee House had an increase of around 27% in sales, which further increased the number of opportunities for us to engage with a range of people from our community.

The heart of all we do is to reach out to people and show them the love of God. We have continued to do this through our various church gatherings, hospitality in both the corporate hires and Postcode Coffee House, Community Grocery and by continuing to invest in future leaders through our engagement with church leaders in the Czech Republic.

During 2023 we also established Way Foundation as a mechanism for giving to other causes, both locally based and further afield. Through this we have established strong links with The Deanery High School, funded a free Christmas panto for around 1,000 local primary school children, as well as providing funding for the installation of solar panels at a children's home in Kenya.

The staff and Directors have continued to work hard over the year to create welcoming environments, increase our income in the various income streams, and steward well the income that is received. We commit to this to ensure that Way Church remains at the forefront of a loving, growing, serving community that is fit for purpose now and for many future years to come. We have made some initial steps toward our 5 in 10 vision which includes a Community Video/Music studio, a Community Wellbeing Counselling Centre and other features to engage with the community in general. As we move into 2024 our focus is to strengthen our team, optimise our current activity and prepare for future growth.

Financial review

Financial position

The Trustees and management set a budget (income and expenditure) at the start of each year and this is monitored closely throughout the year with the Trustees receiving monthly written reports as well as verbal reports during Trustee meetings.

Total income for the 12 months ended 31st December 2023 was £1,295,617 (2022: £1,147,830), with expenditure of £1,205,587 (2022: £1,108,621). There are no restricted reserves and therefore £91,030 (2022: £39,209) was added to the reserves of the Church.

Total repayments of £60,209 (2022: £74,142) were made during the year against the bank loans, leaving outstanding balances of £1,370,737 (2022: £1,430,949).

The charity has net current liabilities of £10,213 (2022: net current assets of £18,210), which is less than anticipated as the charity aims to keep this at a minimum of £150,000 to cover approximately 3 months employee costs and to act as operating capital.

Principal funding sources

The principal funding source is donations given by members of the congregation of the church.

WAY CHURCH (REGISTERED NUMBER: 06993403)

**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2023**

STRATEGIC REPORT

Financial review

Reserves policy

The Charity Reserves represent the unrestricted funds arising from past and current operating results.

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The trustees have assessed the major risks to which the charity is exposed: in particular those related to the operations and the finances of the Trust. The trustees are satisfied that the systems are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06993403 (England and Wales)

Registered Charity number

1133425

Registered office

The Edge
Riveredge
Wigan
Greater Manchester
WN3 5AB

Trustees

Mr S Rodick
Mrs A L Burton
Mr D I Moore
Mr G Hogg
Mr B R Tarbuck
Ms C Atherton (appointed 23/1/2023)

Auditors

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Way Church for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

WAY CHURCH (REGISTERED NUMBER: 06993403)

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27 September 2024, 12:26 BST signed on the board's behalf by:

Ben Tarbuck

Mr B R Tarbuck - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WAY CHURCH

Opinion

We have audited the financial statements of Way Church (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WAY CHURCH

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WAY CHURCH

Our responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, The Companies Act 2006, UK Tax, employment, pension and health & safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and Charities Act.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements.

Our procedures to respond to risks identified included the following:

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- reviewing the financial statement disclosures and performing tests on supporting documentation to assess compliance with the provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims; their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspections of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WAY CHURCH**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fairhurst

Jane Dennis BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

27 September 2024 | 12:29 BST

Date:

WAY CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2023

| | | 2023 Unrestricted fund £ | 2022 Total funds £ |
|--|-------|-----------------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | Notes | | |
| Charitable activities | 5 | | |
| Church activities | | 723,213 | 567,268 |
| Other fundraising activities | | 572,216 | 574,499 |
| Investment income | 4 | 1,188 | 63 |
| Other income | 6 | <u>-</u> | <u>6,000</u> |
| Total | | <u>1,296,617</u> | <u>1,147,830</u> |
| EXPENDITURE ON | | | |
| Charitable activities | 7 | | |
| Church activities | | 695,702 | 615,423 |
| Other fundraising activities | | <u>509,885</u> | <u>493,198</u> |
| Total | | <u>1,205,587</u> | <u>1,108,621</u> |
| NET INCOME | | 91,030 | 39,209 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | <u>3,583,050</u> | <u>3,543,841</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>3,674,080</u></u> | <u><u>3,583,050</u></u> |

The notes form part of these financial statements

WAY CHURCH (REGISTERED NUMBER: 06993403)

STATEMENT OF FINANCIAL POSITION
31 December 2023

| | | 2023 Total funds £ | 2022 Total funds £ |
|--|-------|-----------------------------|-----------------------------|
| FIXED ASSETS | Notes | | |
| Tangible assets | 13 | 5,250,958 | 5,267,165 |
| CURRENT ASSETS | | | |
| Stocks | 14 | 7,874 | 7,952 |
| Debtors | 15 | 92,280 | 58,140 |
| Cash at bank and in hand | | <u>73,498</u> | <u>113,420</u> |
| | | 173,652 | 179,512 |
| CREDITORS | | | |
| Amounts falling due within one year | 16 | (183,865) | (161,302) |
| | | <u>(10,213)</u> | <u>18,210</u> |
| NET CURRENT ASSETS | | | |
| | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,240,745 | 5,285,375 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 17 | (1,339,515) | (1,411,725) |
| ACCRUALS AND DEFERRED INCOME | 21 | (227,150) | (290,600) |
| | | <u>3,674,080</u> | <u>3,583,050</u> |
| NET ASSETS | | | |
| | | | |
| FUNDS | 22 | | |
| Unrestricted funds | | <u>3,674,080</u> | <u>3,583,050</u> |
| TOTAL FUNDS | | <u>3,674,080</u> | <u>3,583,050</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2024 12:26 BST and were signed on its behalf by:

Ben Tarbuck
.....
Mr B R Tarbuck - Trustee

WAY CHURCH

STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2023

| | Notes | 2023 £ | 2022 £ |
|---|-------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 145,513 | 87,321 |
| Interest paid | | (106,132) | (63,095) |
| Interest element of hire purchase payments paid | | <u>(106)</u> | <u>(4,091)</u> |
| Net cash provided by operating activities | | <u>39,275</u> | <u>20,135</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (20,168) | (37,794) |
| Sale of tangible fixed assets | | 300 | - |
| Interest received | | <u>1,188</u> | <u>63</u> |
| Net cash used in investing activities | | <u>(18,680)</u> | <u>(37,731)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (60,210) | (74,142) |
| Capital repayments on HP in year | | <u>(307)</u> | <u>(747)</u> |
| Net cash used in financing activities | | <u>(60,517)</u> | <u>(74,889)</u> |
| | | <u> </u> | <u> </u> |
| Change in cash and cash equivalents in the reporting period | | (39,922) | (92,485) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>113,420</u> | <u>205,905</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>73,498</u></u> | <u><u>113,420</u></u> |

The notes form part of these financial statements

WAY CHURCH

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 31 December 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) | 91,030 | 39,209 |
| Adjustments for: | | |
| Depreciation charges | 36,247 | 39,693 |
| (Profit)/loss on disposal of fixed assets | (172) | 518 |
| Interest received | (1,188) | (63) |
| Interest paid | 106,132 | 63,095 |
| Interest element of hire purchase and finance lease rental payments | 106 | 4,091 |
| Decrease in stocks | 78 | 314 |
| Increase in debtors | (34,140) | (31,628) |
| Decrease in creditors | <u>(52,580)</u> | <u>(27,908)</u> |
| Net cash provided by operations | <u>145,513</u> | <u>87,321</u> |

2. ANALYSIS OF CHANGES IN NET DEBT

| | At 1/1/23 £ | Cash flow £ | At 31/12/23 £ |
|---------------------------------|--------------------|-----------------|--------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>113,420</u> | <u>(39,922)</u> | <u>73,498</u> |
| | <u>113,420</u> | <u>(39,922)</u> | <u>73,498</u> |
| Debt | | | |
| Finance leases | (307) | 307 | - |
| Debts falling due within 1 year | (70,000) | - | (70,000) |
| Debts falling due after 1 year | <u>(1,360,949)</u> | <u>60,210</u> | <u>(1,300,739)</u> |
| | <u>(1,431,256)</u> | <u>60,517</u> | <u>(1,370,739)</u> |
| Total | <u>(1,317,836)</u> | <u>20,595</u> | <u>(1,297,241)</u> |

The notes form part of these financial statements

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2023

1. STATUTORY INFORMATION

Way Church is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Report of the Trustees.

2. 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.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Trustees consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised when receivable. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates. Any amounts of Gift Aid not received by the year-end are accounted for in income and accrued income within debtors.

Income received in advance for any future event is deferred until the criteria for income recognition is met.

Coffee shop income is recognised on point of sale.

Where income has related expenditure (as with fundraising or coffee shop income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Expenditure and irrecoverable vat

Expenditure is recognised once there is a legal or constructive obligation to make a payment 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 accounted for on an accruals basis.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

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

Support costs

Support costs include those relating to the finance function.

Tangible fixed assets

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

| | |
|------------------------------------|----------------|
| Freehold & long leasehold property | - not provided |
|------------------------------------|----------------|

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

| | |
|------------------|---------------------------|
| Motor vehicles | - 33% on cost |
| Office equipment | - 20% on reducing balance |

No depreciation has been provided on freehold property on the grounds that the depreciation charge and accumulated depreciation are not material. This is due to the high residual value of the land and building. The company performs an annual maintenance review and has a policy and practice of regular maintenance and repair, such that the asset is kept at its previously assessed standard of performance, and it is unlikely to suffer from economic or technological obsolescence.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is considered to pass the tests set out in Sch. 6, para1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the company is potentially exempt from taxation in respect of income received to the extent that such income is applied exclusively to charitable purposes.

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.

Unless stated otherwise in the notes to the financial statements, income and expenditure is unrestricted.

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.

Financial instruments

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

The following assets and liabilities are classified as financial instruments; bank accounts, trade debtors, trade creditors, bank borrowings and accruals.

Financial instruments that are payable or receivable within one year are measured initially and subsequently at the undiscounted amount of the cash or other consideration that is expected to be paid or received.

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis.

No critical accounting estimates or judgements have been made by the trustees during the preparation of these accounts.

4. INVESTMENT INCOME

| | 2023 | 2022 |
|--------------------------|--------------|-----------|
| | £ | £ |
| Deposit account interest | <u>1,188</u> | <u>63</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | | | 2023 | 2022 |
|-------------------------|-------------------|------------------------------|------------------|------------------|
| | Church activities | Other fundraising activities | Total activities | Total activities |
| | £ | £ | £ | £ |
| Offerings and donations | 595,574 | - | 595,574 | 488,658 |
| Gift Aid | 105,613 | - | 105,613 | 62,847 |
| Fundraising events | 9,013 | - | 9,013 | 5,171 |
| Coffee shop income | - | 259,539 | 259,539 | 204,208 |
| Grants | 1,000 | - | 1,000 | - |
| Miscellaneous income | 12,013 | - | 12,013 | 10,592 |
| Commercial letting | - | 46,422 | 46,422 | 47,177 |
| Concerts | - | 17,176 | 17,176 | 44,900 |
| Conferencing | - | 108,090 | 108,090 | 116,100 |
| Arena (new build hire) | - | 140,989 | 140,989 | 162,114 |
| | <u>723,213</u> | <u>572,216</u> | <u>1,295,429</u> | <u>1,141,767</u> |

6. OTHER INCOME

Other income relates to a Government COVID assistance grant that was provided during the prior year.

7. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Support costs (see note 8) | Totals |
|------------------------------|------------------|----------------------------|------------------|
| | £ | £ | £ |
| Church activities | 690,095 | 5,607 | 695,702 |
| Other fundraising activities | <u>509,885</u> | <u>-</u> | <u>509,885</u> |
| | <u>1,199,980</u> | <u>5,607</u> | <u>1,205,587</u> |

WAY CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023****8. SUPPORT COSTS**

| | 2023 | 2022 |
|---|-------|--------|
| | £ | £ |
| Auditors remuneration | 4,617 | 4,856 |
| Fees paid to 3rd party in relation to accountancy support | 990 | 20,582 |

9. NET INCOME/(EXPENDITURE)

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

| | 2023 | 2022 |
|---|--------------|------------|
| | £ | £ |
| Auditors' remuneration | 4,617 | 4,856 |
| Depreciation - owned assets | 36,247 | 39,693 |
| Surplus/(deficit) on disposal of fixed assets | <u>(172)</u> | <u>518</u> |

10. TRUSTEES' REMUNERATION AND BENEFITS

No remuneration or benefits are paid to the trustees in respect of their duties as trustees.

Further details of these transactions are reported under Related Party Transactions.

Trustees' expenses

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

11. STAFF COSTS

| | 2023 | 2022 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 554,494 | 496,979 |
| Social security costs | 33,857 | 24,565 |
| Other pension costs | <u>8,014</u> | <u>5,933</u> |
| | <u>596,365</u> | <u>527,477</u> |

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

| | 2023 | 2022 |
|----------------|-----------|-----------|
| | <u>55</u> | <u>37</u> |
| Paid employees | | |

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

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ |
|------------------------------------|---------------------------|
| INCOME AND ENDOWMENTS FROM | |
| Charitable activities | |
| Church activities | 567,268 |
| Other fundraising activities | 574,499 |
| Investment income | 63 |
| Other income | <u>6,000</u> |
| Total | <u>1,147,830</u> |
| EXPENDITURE ON | |
| Charitable activities | |
| Church activities | 615,423 |
| Other fundraising activities | <u>493,198</u> |
| Total | <u>1,108,621</u> |
| NET INCOME | 39,209 |
| RECONCILIATION OF FUNDS | |
| Total funds brought forward | <u>3,543,841</u> |
| TOTAL FUNDS CARRIED FORWARD | <u><u>3,583,050</u></u> |

13. TANGIBLE FIXED ASSETS

| | Freehold & long leasehold property £ | Motor vehicles £ | Office equipment £ | Totals £ |
|------------------------|--|------------------------|--------------------------|------------------|
| COST | | | | |
| At 1 January 2023 | 5,082,157 | 11,266 | 387,323 | 5,480,746 |
| Additions | - | - | 20,168 | 20,168 |
| Disposals | <u>-</u> | <u>-</u> | <u>(300)</u> | <u>(300)</u> |
| At 31 December 2023 | <u>5,082,157</u> | <u>11,266</u> | <u>407,191</u> | <u>5,500,614</u> |
| DEPRECIATION | | | | |
| At 1 January 2023 | - | 1,599 | 211,982 | 213,581 |
| Charge for year | - | 1,933 | 34,314 | 36,247 |
| Eliminated on disposal | <u>-</u> | <u>-</u> | <u>(172)</u> | <u>(172)</u> |
| At 31 December 2023 | <u>-</u> | <u>3,532</u> | <u>246,124</u> | <u>249,656</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2023 | <u>5,082,157</u> | <u>7,734</u> | <u>161,067</u> | <u>5,250,958</u> |
| At 31 December 2022 | <u>5,082,157</u> | <u>9,667</u> | <u>175,341</u> | <u>5,267,165</u> |

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023**14. STOCKS**

| | 2023 | 2022 |
|--------|--------------|--------------|
| | £ | £ |
| Stocks | <u>7,874</u> | <u>7,952</u> |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 68,882 | 43,090 |
| Other debtors | 4,701 | 2,560 |
| Prepayments and accrued income | <u>18,697</u> | <u>12,490</u> |
| | <u>92,280</u> | <u>58,140</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts (see note 18) | 70,000 | 70,000 |
| Hire purchase (see note 19) | - | 307 |
| Trade creditors | 36,690 | 20,614 |
| Social security and other taxes | 19,980 | 15,255 |
| VAT | 14,796 | 21,000 |
| Other creditors | 14,768 | 15,559 |
| Accruals and deferred income | <u>27,631</u> | <u>18,567</u> |
| | <u>183,865</u> | <u>161,302</u> |

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

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Bank loans (see note 18) | 1,300,739 | 1,360,949 |
| Other creditors | <u>38,776</u> | <u>50,776</u> |
| | <u>1,339,515</u> | <u>1,411,725</u> |

18. LOANS

An analysis of the maturity of loans is given below:

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank loans | <u>70,000</u> | <u>70,000</u> |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | <u>70,000</u> | <u>70,000</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>184,167</u> | <u>194,167</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments: | | |
| Bank loans more 5 yr by instal | 1,046,572 | 1,096,782 |

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2023

19. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

| | 2023 £ | 2022 £ |
|----------------------------|-----------|------------|
| Net obligations repayable: | | |
| Within one year | <u>-</u> | <u>307</u> |

20. SECURED DEBTS

The following secured debts are included within creditors:

| | 2023 £ | 2022 £ |
|------------|------------------|------------------|
| Bank loans | <u>1,370,739</u> | <u>1,430,949</u> |

Lloyds Bank PLC holds a fixed and floating charge (dated 17th March 2016) over all the property or undertakings of the company.

The charge was extended on 25th March 2016 to cover the land that had been transferred to the company by Wigan Borough Council.

21. ACCRUALS AND DEFERRED INCOME

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Accruals and deferred income | <u>227,150</u> | <u>290,600</u> |

22. MOVEMENT IN FUNDS

| | At 1/1/23 £ | Net movement in funds £ | At 31/12/23 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 3,583,050 | 91,030 | 3,674,080 |
| | <u>3,583,050</u> | <u>91,030</u> | <u>3,674,080</u> |
| TOTAL FUNDS | <u>3,583,050</u> | <u>91,030</u> | <u>3,674,080</u> |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,296,617 | (1,205,587) | 91,030 |
| | <u>1,296,617</u> | <u>(1,205,587)</u> | <u>91,030</u> |
| TOTAL FUNDS | <u>1,296,617</u> | <u>(1,205,587)</u> | <u>91,030</u> |

WAY CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1/1/22 £ | Net movement in funds £ | At 31/12/22 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 3,543,841 | 39,209 | 3,583,050 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>3,543,841</u> | <u>39,209</u> | <u>3,583,050</u> |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,147,830 | (1,108,621) | 39,209 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS | <u>1,147,830</u> | <u>(1,108,621)</u> | <u>39,209</u> |

23. RELATED PARTY DISCLOSURES

Salary shown as trustees remuneration includes an amount paid to Annette Burton in respect of services as Corporate Manager.

Salary shown as trustees remuneration includes an amount paid to Ben Tarbuck in respect of services as Senior Leader of the Church.

Salary shown as trustees remuneration includes an amount paid to Graham Hogg in respect of services as Corporate Sales Manager.

24. ULTIMATE CONTROLLING PARTY

The company is limited by guarantee and therefore is controlled by the board of trustees.