

BROADWATER PAROCHIAL CHURCH COUNCIL
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

BROADWATER PAROCHIAL CHURCH COUNCIL

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. 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).

1. CHARITY ADMINISTRATIVE INFORMATION

The benefice of Broadwater is situated in the Northern part of the town of Worthing, and pre-dates the town. Broadwater Parish is part of the Diocese of Chichester within the Church of England and has a population in excess of 20,000. Broadwater Parish comprises three church sites - St Mary's Church; St Stephen's Café Church; and Queen Street Church - and also a separate Parish Office.

The registered office and address for correspondence is:

Parish Office, Broadwater Parish Centre
117 Broadwater Road, Worthing
BN14 8HT Tel. 01903 823916
Email: office@broadwaterparish.org
Website: www.broadwaterparish.org.uk

PCC BANKERS

HSBC Bank PLC
1 Warwick Street
Worthing
BN11 3DE

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

LEGAL ADVISORS

Miller Parris Solicitors
3 Cricketers Parade
Broadwater Street West
Worthing
BN14 8JB

INDEPENDENT EXAMINER

Acuity Professional
Unit 2.02 High Weald House, Glovers End
Bexhill
TN39 5ES

Broadwater PCC Registered Charity No. 1133987.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT OF THE CHARITY

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Parochial Church Council (PCC) is registered with the Charity Commission as required by the Charities Act 2011. Its governing document is the Parochial Church Councils (Powers) Measure 1956.

During the year, the following served as members of the PCC: -

CLERGY

Team Rector	The Revd Gaz Daly
Team Vicar	The Revd Gary Neal

Assistant Pastor	Mr Andrew Poole
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PARISH WARDENS	Mr Tony Ford Miss Katie Gould
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DEPUTY-WARDENS

St Mary's	Mrs Victoria Ludlow Mrs Debbie Attwood
St Stephen's	Mrs Mary Stewart Mr David House
Queen Street	Mr George Woollard Mrs Tina Scott

DEANERY SYNOD

Mrs Liz Farrow Mr John Whitehead Mrs Patricia Stevens

PCC REPRESENTATIVES

St Mary's	Mrs Hannah Hollingum Mr Hugh Acland Mrs Trish Westram
St Stephen's	Mrs Michelle Redman Mr Tony Nelson
Queen Street	Mr Rod Ostler

PCC TREASURER	Mr Geoffrey Gair
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PCC SECRETARY	Mrs Natalie Pierce
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2.1 PCC Appointments and Responsibilities

The PCC has responsibility for the running of the parish but may delegate some of its work to the Parish Leadership Team (comprising clergy, parish wardens, deputy wardens and treasurer). There are two Church Wardens (known as Parish Wardens) and each church has two deputy wardens. All of these are ex-officio members of the PCC. The method of appointment of PCC members is set out in the Church Representation Rules and in the PCC Constitution. All Church attendees are encouraged to register on the Electoral Roll.

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The PCC is responsible for a wide range of matters affecting the parish including health and safety, disability legislation and parish safeguarding policies.

In their capacity as trustees, members of the PCC are responsible for the stewardship of funds and for the appropriate accounting and reporting of the parish finances. Company Law and Charity Law require the PCC to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. The PCC usually elect a Parish Treasurer to oversee this and to provide regular financial information.

The PCC works to ensure that each member is equipped to fulfil their role. When new members join the PCC, they are given instructions as to their duties, privileges, and responsibilities on behalf of the Chair and directed to the relevant provisions made by the Charity Commissioners, before being formally welcomed and inducted.

The PCC pays due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2006.

2.2 Related Trusts and Charities

The Broadwater Outreach Trust (BOT) was a facility whereby church members could pay into the Trust such sums as they wished to give towards mission. This separate Charity was closed in 2020 with the PCC taking on responsibility through a separate Sub-Committee (The Global Outreach Team). The PCC aims to set aside annually c.10% of 'Voluntary Giving' receipts (i.e. "Planned Giving Through The Bank" and "Collections At Services") to financially support our home and overseas Mission Partners. In 2021 the Global Outreach team approved payments totalling £22,625 to our Mission Partners and, congregations were regularly updated with news and videos. A further £10,263 of charitable giving was distributed by the PCC, meaning £32,888 was given in total.

There are now no other related Trust or Charities.

2.3 Management of potential risks, uncertainties and their mitigation

The PCC has an ongoing task of reviewing the major risks which impact on the work of the churches in the Parish. The PCC consider that the principal risks and uncertainties are :-

- The health and safety of congregations within church buildings is protected.

The Fabric Team regularly review all buildings to ensure that priority matters are addressed in a timely manner and, that routine maintenance is regularly carried out. Regular PAT testing and fire extinguisher checks etc are conducted.

- Safeguarding children and vulnerable people at all our sites remains a key priority.

Diocesan policy is followed, each site has named Safeguarding Co-ordinators, regular training is provided and DBS checks are up to date.

- The funding of large, unexpected costs associated with St Mary's & the Parish Centre.

Carry out priority repairs identified during Quinquennial reviews in a timely manner. Set aside a Designated Fund each year for repairs as budgets allow. Maintain buildings insurance cover. Review in 2022 the property portfolio and future plans for their use, so spending is aligned.

- The trend of voluntary income (or tithing) continues to fall.

Covid has had an impact but we do need to see a growth in voluntary income (particularly through the Parish Giving Scheme), such that the increasing day to day costs of running the Parish are covered. 'Generous Giving' opportunities will be provided next year.

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

- The decreasing number of full time Clergy available within the Diocese.

The Parish is now down to two Clergy. Revisit Service times in 2022 to allocate staff resources. Pay the full 'Parish Ministry Costs' to the Diocese as this helps to fund the provision of Clergy today & in the future. Strive to pay more than the 100% of average PMC, to support less able churches & build sustainable Diocesan funds to protect future provision of Clergy.

2.4 PCC Meeting Attendance

The full PCC met seven times in 2021 with an average attendance of 83%. The Parish Leadership Team aim to meet between PCC meetings and minutes of their deliberations were received by the full PCC and discussed.

The PCC is aware that, following meetings, communication needs to be improved with congregation members of the key matters discussed. Church Wardens or a PCC member, aim to highlight three key discussion points to congregations during the "Notices" at the Sunday service following a meeting.

3. OUR OBJECTIVES AND PURPOSES AS A CHARITY AND CHURCH

For close to a thousand years Christians have met together in Broadwater Parish, coming together before God to worship him and sharing the good news of Jesus Christ in our community. The PCC is not only maintaining this calling but future proofing the fabric of the church for generations to come.

As a Parish we continue to focus on our vision to 'Love In, Love Out and Love Up'. Working together in the name of Jesus for the revitalisation of the church in Worthing and for the transformation of lives. Linking to The Bible with Matthew 6:33 "Seek first His kingdom and His righteousness".

We recognise we are one Parish with three church sites. A primary objective of the PCC is to work with the clergy in delivering the vision across the parish for the benefit of the whole community from the youngest to the eldest.

The PCC also supports a wide range of missionary and relief endeavours at home and overseas. Many members of our congregations are involved in Christian service of one sort or another and we actively encourage this.

The PCC encourages co-operation with churches in the deanery and with other denominations in the local area. The PCC recognises its role as part of the Diocese of Chichester and Church of England.

4. WHAT WE DO TO ACHIEVE OUR OBJECTIVES

When planning our activities for the year, our incumbent and the PCC have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on 'charities for the advancement of religion'. The PCC dutifully considers the safeguarding of children and vulnerable adults on activities.

The key activities can be found on the 'Mission Action Plan'. This is submitted to the Diocese and includes the following example activities to help fulfil our objectives and purpose:-

- To ensure our churches are accessible and open to everyone, young & old, living in the community and beyond. This includes live streaming of services when appropriate. We offer space and time for people to easily access our church sites regularly and, provide Sunday and weekday opportunities for Christian worship.

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

-
- To use our resources for the provision of pastoral, social, evangelistic and, ecumenical care in the community. Weekly tots and toddler groups, monthly tea times with the elderly, Messy Church, morning prayer opportunities and termly Alpha and Bible courses.
 - To provide facilities for Christian baptisms, marriages, and funerals.
 - Nurturing new and existing believers to grow and mature as Christians, by running a Bible course and provide training and support to our Homegroups and leaders.
 - Active involvement with local schools and colleges to share our Christian faith. Weekly assemblies are given at our local primary & secondary schools. Working with the staff and helping with curriculum where we are able.
 - Putting faith into practice, through prayer and scripture, music and sacrament and actively serving in the local community.
 - Offering worship and prayer, learning about the Gospel, in small & large group situations
 - Provision of assistance to the poor and needy in the parish and beyond.
 - Reaching out to the unchurched through social events, after school clubs, Alpha, Christians Against Poverty, bereavement counselling etc.
 - Maintaining the fabric of the church building as an historic focus of Christian life in the Parish for this and future generations.

5.0 WHAT WE ACHIEVED AND HOW WE AFFECTED BENEFICIARIES' LIVES

5.1. Electoral Roll

TOTAL	April 2020 397	April 2021 399
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5.2. Attendance at Church

	No. of services	2020 Attendance			2021 Attendance		
		Adults	Children	Total	Adults	Child	Total
St Mary's Church	4	95	29	124	174	37	211
St Stephen's Cafe Church	1	40	7	47	48	12	60
Queen Street Church	1	42	3	45	44	6	50
Total	6	177	39	216	266	55	321

The 2020 Attendance figures shown above have been significantly impacted by prolonged closure of the church during the COVID pandemic. The figures used for 2020 were based on a typical Sunday in October 2020 when a total of five services were permitted during COVID. Attendance at these services was also strictly limited in line with COVID social distancing requirements. The 2021 attendance figures were taken from the average number of people attending services during the month of October 2021, as Covid restrictions remained in place through much of the year.

5.3. Key Achievements

The strategy for the Parish as agreed by the PCC, is to be more aligned as 'One Church' operating across our three sites. Working together in our Ministry and Mission here in Worthing and with our newly formed GO Team (Global Mission) across the world.

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

St Mary's church has benefitted from a further round of Re-Ordering work with new toilets and, a much needed and improved kitchen. Further worship space has been created by clearing the South Transept and with the addition of another room at the rear of the kitchen area.

During the COVID season we have truly been one unified church and parish. New technology has been introduced enabling livestreaming of services from our St Mary's site, allowing us to communicate the gospel across the whole parish and beyond. Meetings, prayer times and Alpha courses have continued using Zoom applications and, the upskilling of many people using new technology for the first time.

We have continued to work with Christians Against Poverty during the year but, the Worthing Winter Night Shelter wasn't able to happen during COVID. We continue to work in our local primary and secondary schools providing assemblies and services within our church sites. A number of staff, clergy and volunteers are involved in many different ways within our schools, including our Rector being a Governor at the Broadwater primary school and at the St Andrews Church of England school.

We were able to gradually start up some of our outreach ministries during Covid such as 'Tots and Toddlers', 'Tea Time' and 'Messy Church' which were able to operate with limited numbers.

6.0 STAFF AND OTHER RESOURCES

The PCC pays for a Staff Team of seven people to support our Clergy and, also four cleaners to cover the three church sites and the Parish Centre. The Staff Team comprises of the Verger at St Mary's, a Youth & Worship Pastor, two Children's Pastors, a Pastoral Co-Ordinator and two part-time Administrators. The Youth & Worship Pastor is fully funded from a restricted legacy for this purpose. The two Children's Pastors are currently funded annually in advance by a generous, separate restricted donation.

The Parish is also ably & generously supported by retired clergy including Rev Bob Groves and the Rev George Butterworth, who freely give of their time. Additionally, we have been blessed to have two volunteer Ministry Intern's during 2021, who each served voluntarily with our Clergy team. The PCC was able to bless each Intern with £2k for their service, using unrestricted funds from a legacy.

The church also benefits from the dedicated work of a great number of volunteers across the Parish. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

The PCC has the use of St Mary's church, which is owned by the Church of England. The PCC is responsible for the repair and upkeep of the church. Additionally, the PCC owns the St Stephen's and Queen Street sites, the Parish Centre, the residential property at 67 Normandy Road and, a 68% ownership of the residential property at 53 Lavington Road (the other 32% is owned by the Diocese).

7.0 THE YEAR AHEAD (2022)

During the Advent season leading up to Christmas 2021, we opened our sites on a restricted basis for a variety of Christian services, Messy Church, Youth and Children events. We expect to be able to fully open our church buildings in 2022 to welcome many in and to rebuild and restart many of our pre Covid activities.

The Clergy and PCC worked on a 'Mission Action Plan' for 2022 and beyond. This was a valuable exercise and helped us focus on our mission to serve God and tell others about Jesus in Broadwater Parish.

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

We appointed a new Children's Minister (for the Under 5's) who started in March 2021 and it will be exciting to see this work develop in 2022 post lockdown. During the time of church closure we were able to live stream a service each week and, we expect to continue this on reopening. There are many who appreciate this service and be able to stay connected with the Parish in this way.

We will continue with our Alpha courses and looking at other evangelistic opportunities across the Parish.

8.0 FINANCIAL REVIEW

8.1 Incoming Resources

Regular 'Planned Giving' (Bank Standing Orders) & 'Collections at Services' fell for the fifth consecutive year to £202,502. The total income through all sources was £498,818 having been boosted by £91,435 of VAT reclaimed on the Re-Ordering project. The Parish has become increasingly reliant on other forms of income (i.e. specific donations, legacies, hall hire & property rental) to maintain services, as regular giving does not currently cover the day to day expenditure. Ideally, regular giving needs to be increased from church members to cover the routine costs of c.£35k a month in running the Parish.

8.2 Outgoing Expenditure

All of our key expenditure requirements were met and totalled £924,385. Over half of this expenditure (£476,921) was on the St Mary's Re-Ordering project as the builders were able come on site and complete a significant portion of the project. 'Parish Ministry Costs' of £144,412 were paid to the Diocese for the provision of our Clergy and, a further £125,257 was paid out for the non-clergy salaries. It is pleasing to note that no staff were furloughed during Covid. Included within the £63,817 of monies spent on 'Maintenance' is c.£40k of expenditure on the roof at St Mary's as identified during the last Quinquennial inspection. These four areas accounted for 85% of total expenditure in 2021.

8.3 Reserves Policy

Expenditure of £924,385 over Income of £498,818 gave a Net Deficit of £425,567 for the year. Consequently, 'Parish Reserves' or 'Net Assets' at the end of 2021 fell from £1,674,330 to £1,248,763. These Reserves can be broken down to £614,148 in Cash and £634,617 in Property. Parish property shown in the Accounts is valued at the initial purchase price, so its accounting value is low given that the real, tangible value is only realised on the sale of a property.

The Cash Reserves of £634,617 may appear high but, contained within this figure is "Restricted Funds" and monies already "Designated" for spending totalling £366,447. This includes £76,479 to complete the "Re-Ordering" of the St Mary's project in 2022, £155,532 of Roger's legacy for "Youth Work", £25,000 for additional maintenance work identified in the Quinquennial report and, £48,712 to complete the Parish Audio & Visual equipment upgrades. This leaves our actual unrestricted cash Reserves at the end of 2021 to be £229,407.

8.4 Summary

Looking ahead, I have forecast that expenditure will exceed income by £273k in 2022. This is on the back of deficits in 2020 of £183,535 and £425,567 in 2021, so the Parish Reserves will have reduced by a total of £882k across those three years. The costs of the Re-Ordering project, essential roof repairs to St Mary's and maintenance of other Parish church sites and properties, the employment of additional paid staff in Youth and Children's Work, together with upgrades to audio and visual equipment to enable livestreaming of services, are a considerable investment in the Parish. This investment has come about from the generosity of our church members and, was needed to 'future proof' the Parish buildings and equipment for their wider use today and for the generations to come.

BROADWATER PAROCHIAL CHURCH COUNCIL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Parish is in a sound financial position at this point in time and holds sufficient Cash Reserves to cover the shortfall in monthly giving but, this may not be sustainable in the longer term. Our aim across the Parish as church members regularly return to services, should be to see an uplift in monthly giving in order that the routine monthly outgoings are covered.

8.5 Reserve & Legacy Policies

It is PCC policy to maintain a minimum balance on the general 'Unrestricted Cash Reserves' (i.e. excluding 'Designated & Restricted Funds' and excluding property) which equates to approximately a minimum of three months (maximum of six months) of regular running costs. This is to ensure continued financial security, provide for unforeseen contingencies and, to maintain cash flow for the provision of Clergy, staff salaries and other regular church running costs.

The closing 'Unrestricted Cash Reserves' balance of £247,701 represents seven months of regular running costs, giving us sufficient cash flow in 2022 to continue to pay bills when they fall due.

Should 'Unrestricted Cash Reserves' exceed six months of running costs the PCC will develop a clear plan for the surplus, identifying a proposed spending plan and timescales. This usually involves improving the fabric of our buildings and updating obsolete equipment, in projects aimed at improving our infrastructure for future generations of worshippers. However, whilst we hold seven months of 'Unrestricted Cash Reserves' this is forecast to fall to five months by the end of 2022.

From time to time the PCC receives legacies. We aim to spend such money as soon as possible after receiving the legacy, in accordance with the wishes of the legator.

9. STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT EXAMINER

So far as the PCC are aware, there is not relevant information of which the charity's independent examiners are unaware, and they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant information and to establish that the PCC's independent examiners are aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Approved by order of the board of trustees on *19th April 2022* and signed on its behalf by:

.....
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BROADWATER PAROCHIAL CHURCH COUNCIL

Independent examiner's report to the trustees of Broadwater Parochial Church Council

I report to the charity trustees on my examination of the accounts of Broadwater Parochial Church Council (the Trust) for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the 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 registered member of ACA which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Rachel Taylor FCA
ACA
Acuity Professional Partnership LLP
Unit 2.02
High Weald House
Glovers End
Bexhill
East Sussex
TN39 5ES

Date: 25/1 May/2022

BROADWATER PAROCHIAL CHURCH COUNCIL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES FROM					
Voluntary income	2	450,810	-	450,810	347,095
Charitable activities	5				
Church Activities		5,111	-	5,111	7,224
Activities for generating funds	3	11,240	-	11,240	13,511
Investment income	4	30,971	-	30,971	33,220
Other income		686	-	686	3,622
Total		498,818	-	498,818	404,672
EXPENDITURE ON					
Charitable activities	6				
Church Activities		924,385	-	924,385	588,207
NET INCOME/(EXPENDITURE)		(425,567)	-	(425,567)	(183,535)
Transfers between funds	13	388,606	(388,606)	-	-
Net movement in funds		(36,961)	(388,606)	(425,567)	(183,535)
RECONCILIATION OF FUNDS					
Total funds brought forward		996,585	677,745	1,674,330	1,857,865
TOTAL FUNDS CARRIED FORWARD		959,624	289,139	1,248,763	1,674,330

The notes form part of these financial statements

BROADWATER PAROCHIAL CHURCH COUNCIL

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	10	634,617	-	634,617	634,617
CURRENT ASSETS					
Investments	11	(289,139)	289,139	-	826,831
Cash at bank		614,148	-	614,148	212,884
		<u>325,009</u>	<u>289,139</u>	<u>614,148</u>	<u>1,039,715</u>
CREDITORS					
Amounts falling due within one year	12	(2)	-	(2)	(2)
NET CURRENT ASSETS		<u>325,007</u>	<u>289,139</u>	<u>614,146</u>	<u>1,039,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>959,624</u>	<u>289,139</u>	<u>1,248,763</u>	<u>1,674,330</u>
NET ASSETS		<u><u>959,624</u></u>	<u><u>289,139</u></u>	<u><u>1,248,763</u></u>	<u><u>1,674,330</u></u>

The notes form part of these financial statements

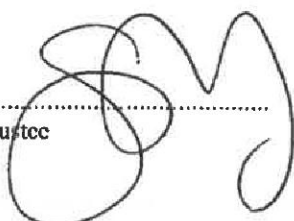
BROADWATER PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021

FUNDS	13		
Unrestricted funds:			
Unrestricted - General		882,316	882,678
Designated - Quinquennial and Audio/Visual		77,308	113,907
		959,624	996,585
Restricted funds:			
Restricted - St Mary's Re-ordering		119,404	476,534
Restricted - Parish Youth Work		158,485	193,711
Restricted - Childrens Pastor Salary		11,250	7,500
		289,139	677,745
TOTAL FUNDS		1,248,763	1,674,330

The financial statements were approved by the Board of Trustees and authorised for issue on 18th April 2022 and were signed on its behalf by:

.....
Trustee



The notes form part of these financial statements

BROADWATER PAROCHIAL CHURCH COUNCIL**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(457,224)</u>	<u>(225,835)</u>
Net cash used in operating activities		<u>(457,224)</u>	<u>(225,835)</u>
Cash flows from investing activities			
Other income		686	3,622
Depreciation		-	11,669
Withdrawals from deposit accounts		826,831	238,581
Interest received		<u>30,971</u>	<u>33,220</u>
Net cash provided by investing activities		<u>858,488</u>	<u>287,092</u>
Change in cash and cash equivalents in the reporting period		<u>401,264</u>	<u>61,257</u>
Cash and cash equivalents at the beginning of the reporting period		<u>212,884</u>	<u>151,627</u>
Cash and cash equivalents at the end of the reporting period		<u><u>614,148</u></u>	<u><u>212,884</u></u>

The notes form part of these financial statements

BROADWATER PAROCHIAL CHURCH COUNCIL

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(425,567)	(183,535)
Adjustments for:		
Profit on disposal of fixed assets	(686)	(3,622)
Interest received	(30,971)	(33,220)
Decrease in creditors	-	(5,458)
Net cash used in operations	<u>(457,224)</u>	<u>(225,835)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	212,884	401,264	614,148
	<u>212,884</u>	<u>401,264</u>	<u>614,148</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	826,831	(826,831)	-
	<u>826,831</u>	<u>(826,831)</u>	<u>-</u>
Total	<u>1,039,715</u>	<u>(425,567)</u>	<u>614,148</u>

The notes form part of these financial statements

BROADWATER PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Church Accounting Regulations 2006 together with applicable accounting standards and the FRS 102 Charities SORP.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

FUND ACCOUNTING

General funds represent the funds of the Parochial Church Council (PCC) that are not subject to any restrictions regarding their use and which are available for application for the general purposes of the PCC.

Funds designated for a particular purpose by the PCC are also unrestricted.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or requested by the PCC for a specific object. The funds may only be expended on the specific object for which they are given. Any balance remaining unspent at the end of the year must be carried forward as a balance on that fund. The PCC does not usually invest separately for each fund.

The accounts include all transactions, assets and liabilities for which the PCC is responsible in law. They do not include the accounts of church groups that owe their main affiliation to another body nor the accounts of church groups of informal gatherings of church members.

INCOMING RESOURCES

Voluntary income and capital sources

- Collections are recognised when received by or on behalf of the PCC.
- Planned giving receivable under covenant is recognised only when received
- Income tax recoverable on covenants or gift aid donations is recognised when the income is received.
- Grants and Legacies to the PCC are accounted for as soon as the amount due is received.
- Funds raised by the fete, garden party and similar events are accounted for gross.
- Sales of books and magazines from the church bookstall are accounted for gross.

Other ordinary income

Rental income from the letting of church premises is recognised when rental is paid.

Income from investments

Dividends and interest are accounted for when received. Tax recoverable on such income is recognised in the same accounting year.

RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they are allocated to activities on a basis consistent with the use of resources.

Overheads and salaries are allocated between expense headings on the basis of time spent.

Costs of generating voluntary income comprise the costs associated with attracting voluntary income.

BROADWATER PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

RESOURCES EXPENDED

Fundraising trading costs comprise the costs of trading for fundraising purposes.

Church Activities includes those costs incurred by the PCC in the delivery of its objectives and services for the benefit of the parish. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs are those incurred in connection with the management of PCC's organisational administration and compliance with the constitutional and statutory requirements.

TRANSFER

The Parochial Church Council are permitted to make transfers to correct shortfalls or mis-allocations between funds

TAXATION

The charity is exempt from tax on its charitable activities.

FINANCIAL INSTRUMENT

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

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

BROADWATER PAROCHIAL CHURCH COUNCIL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****1. ACCOUNTING POLICIES - continued****FINANCIAL INSTRUMENT**

Basic financial liabilities, including creditors, bank loans and loans from fellow group charities that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payment discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Planned giving	194,719	-	194,719	198,078
Collection at services	7,783	-	7,783	7,319
Donations and appeals	75,687	-	75,687	51,382
Income tax recoverable	44,450	-	44,450	57,906
Grants	91,435	-	91,435	12,188
Legacies	36,736	-	36,736	20,222
	<u>450,810</u>	<u>-</u>	<u>450,810</u>	<u>347,095</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Room hire	10,721	-	10,721	13,111
Other	519	-	519	400
	<u>11,240</u>	<u>-</u>	<u>11,240</u>	<u>13,511</u>

BROADWATER PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Interest received and Rental income	<u>30,971</u>	<u>-</u>	<u>30,971</u>	<u>33,220</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Fees	Church Activities	<u>5,111</u>	<u>7,224</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Church Activities	<u>921,916</u>	<u>2,469</u>	<u>924,385</u>

7. SUPPORT COSTS

	Governance costs £
Church Activities	<u>2,469</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

BROADWATER PAROCHIAL CHURCH COUNCIL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES FROM			
Voluntary income	347,095	-	347,095
Charitable activities			
Church Activities	7,224	-	7,224
Activities for generating funds	13,511	-	13,511
Investment income	33,220	-	33,220
Other income	3,622	-	3,622
Total	404,672	-	404,672
EXPENDITURE ON Charitable activities			
Church Activities	588,207	-	588,207
NET INCOME/(EXPENDITURE)	(183,535)	-	(183,535)
Transfers between funds	123,081	(123,081)	-
Net movement in funds	(60,454)	(123,081)	(183,535)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,057,039	800,826	1,857,865
TOTAL FUNDS CARRIED FORWARD	996,585	677,745	1,674,330

BROADWATER PAROCHIAL CHURCH COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Moveable church furnishings £	Equipment £	Totals £
Cost					
At 1 January 2021 and 31 December 2021	<u>634,617</u>	<u>1,291</u>	<u>74,426</u>	<u>29,695</u>	<u>740,029</u>
Depreciation					
At 1 January 2021 and 31 December 2021	<u>-</u>	<u>1,291</u>	<u>74,426</u>	<u>29,695</u>	<u>105,412</u>
Net book value					
At 31 December 2021	<u>634,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,617</u>
At 31 December 2020	<u>634,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,617</u>
 Freehold land and property				£	£
Freehold land					
Rear of Queen Street					16,057
Freehold property					
Broadwater centre			1987		140,682
Clergy houses					
67 Normandy Road			1995	93,804	
37 Angola Road			1997	145,698	
53 Lavington Road			2008	238,376	477,878
TOTAL					<u>634,617</u>

53 Lavington Road represents a 68% ownership obtained through an equity share agreement with the Diocese. The original purchase price of this property was £350,000.

BROADWATER PAROCHIAL CHURCH COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. CURRENT ASSET INVESTMENTS

	2021 £	2020 £
Fixed Rate Interest Deposits	-	826,831

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other creditors	2	2

13. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
Unrestricted - General	882,678	(425,567)	425,205	882,316
Designated - Quinquennial and Audio/Visual	113,907	-	(36,599)	77,308
	996,585	(425,567)	388,606	959,624
Restricted funds				
Restricted - St Mary's Re-ordering	476,534	-	(357,130)	119,404
Restricted - Parish Youth Work	193,711	-	(35,226)	158,485
Restricted - Childrens Pastor Salary	7,500	-	3,750	11,250
	677,745	-	(388,606)	289,139
TOTAL FUNDS	1,674,330	(425,567)	-	1,248,763

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted - General	498,818	(924,385)	(425,567)
TOTAL FUNDS	498,818	(924,385)	(425,567)

BROADWATER PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
Unrestricted - General	922,039	(183,535)	144,174	882,678
Designated - Quinquennial and Audio/Visual	135,000	-	(21,093)	113,907
	<u>1,057,039</u>	<u>(183,535)</u>	<u>123,081</u>	<u>996,585</u>
Restricted funds				
Restricted - St Mary's Re-ordering	562,482	-	(85,948)	476,534
Restricted - Parish Youth Work	238,344	-	(44,633)	193,711
Restricted - Childrens Pastor Salary	-	-	7,500	7,500
	<u>800,826</u>	<u>-</u>	<u>(123,081)</u>	<u>677,745</u>
TOTAL FUNDS	<u>1,857,865</u>	<u>(183,535)</u>	<u>-</u>	<u>1,674,330</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted - General	404,672	(588,207)	(183,535)
	<u>404,672</u>	<u>(588,207)</u>	<u>(183,535)</u>
TOTAL FUNDS	<u>404,672</u>	<u>(588,207)</u>	<u>(183,535)</u>

BROADWATER PAROCHIAL CHURCH COUNCIL**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****13. MOVEMENT IN FUNDS - continued**

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

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
Unrestricted - General	922,039	(609,102)	569,379	882,316
Designated - Quinquennial and Audio/Visual	135,000	-	(57,692)	77,308
	<u>1,057,039</u>	<u>(609,102)</u>	<u>511,687</u>	<u>959,624</u>
Restricted funds				
Restricted - St Mary's Re-ordering	562,482	-	(443,078)	119,404
Restricted - Parish Youth Work	238,344	-	(79,859)	158,485
Restricted - Childrens Pastor Salary	-	-	11,250	11,250
	<u>800,826</u>	<u>-</u>	<u>(511,687)</u>	<u>289,139</u>
TOTAL FUNDS	<u>1,857,865</u>	<u>(609,102)</u>	<u>-</u>	<u>1,248,763</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			
Unrestricted - General	903,490	(1,512,592)	(609,102)
TOTAL FUNDS	<u>903,490</u>	<u>(1,512,592)</u>	<u>(609,102)</u>

BROADWATER PAROCHIAL CHURCH COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

15. PURPOSE OF FUNDS

Designated funds

Audio Visual Project - upgrading of sound and visual equipment at St Mary's and the Parish.

Quinquennial Fund - maintenance work required on St Mary's Parish Church.

St Stephens Cafe Church - various social and community activities.

Restricted funds

St Mary's Re-ordering - to fund the re-ordering of St Mary's church i.e. the development of the building and fabric to better meet the current and future needs of the church and local community.

Youth Work - a legacy received in 2019 'for Youth Work and for the payment of the salary of a Youth Worker'

Childrens Pastor & Pre School Worker - balance of an annual donation to pay for the salaries of two staff members.

BROADWATER PAROCHIAL CHURCH COUNCIL**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES				
Voluntary income				
Planned giving	194,719	-	194,719	198,078
Collection at services	7,783	-	7,783	7,319
Donations and appeals	75,687	-	75,687	51,382
Income tax recoverable	44,450	-	44,450	57,906
Grants	91,435	-	91,435	12,188
Legacies	36,736	-	36,736	20,222
	<u>450,810</u>	<u>-</u>	<u>450,810</u>	<u>347,095</u>
Activities for generating funds				
Room hire	10,721	-	10,721	13,111
Other	519	-	519	400
	<u>11,240</u>	<u>-</u>	<u>11,240</u>	<u>13,511</u>
Investment income				
Interest received and Rental income	30,971	-	30,971	33,220
Charitable activities				
Fees	5,111	-	5,111	7,224
Other income				
Other income	686	-	686	3,622
Total incoming resources	<u>498,818</u>	<u>-</u>	<u>498,818</u>	<u>404,672</u>
EXPENDITURE				
Charitable activities				
Missionary and charitable giving	30,339	-	30,339	21,824
Ministry costs	144,412	-	144,412	144,430
Church running expenses	45,417	-	45,417	101,967
Office salaries	125,257	-	125,257	106,471
Light and heat	14,711	-	14,711	18,644
Carried forward	360,136	-	360,136	393,336

This page does not form part of the statutory financial statements

BROADWATER PAROCHIAL CHURCH COUNCIL**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Charitable activities				
Brought forward	360,136	-	360,136	393,336
Maintenance, Security & Repair	63,817	-	63,817	63,252
Administration	11,064	-	11,064	6,244
Insurance	7,277	-	7,277	7,060
Depreciation	-	-	-	11,669
Obligations & subscriptions	2,701	-	2,701	1,348
St Mary's Re-Ordering	476,921	-	476,921	102,886
	<u>921,916</u>	<u>-</u>	<u>921,916</u>	<u>585,795</u>
Support costs				
Governance costs				
Accountancy and legal fees	2,469	-	2,469	2,412
Total resources expended	<u>924,385</u>	<u>-</u>	<u>924,385</u>	<u>588,207</u>
Net expenditure	<u>(425,567)</u>	<u>-</u>	<u>(425,567)</u>	<u>(183,535)</u>

This page does not form part of the statutory financial statements