

PENARTH MINISTRY AREA
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS

31 DECEMBER 2022

Registered Charity: 1134711



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PENARTH
MINISTRY AREA

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1. Annual Report from the Board of Trustees of Penarth Ministry Area

The Trustees present their report with the unaudited financial statements of the charity for the year ended 31 December 2022.

Objectives and activities

Penarth Ministry Area (PMA) is a parish of the Church in Wales. The charitable object of PMA is the promotion of the whole mission of the Church, pastoral, evangelistic, social and ecumenical, in the parish. It is a Christian Church comprising the former parishes of:

- All Saints, Penarth;
- Holy Nativity, Penarth;
- Saint Augustine, Penarth;
- Saint Dochdwy, Llandough; and
- Saint Peter Old Cogan.

Additionally, PMA is responsible for churchyards associated with closed churches at Leckwith and at St Lawrence, Lavernock.

We facilitate services at our church buildings and community activities in our church halls. We also provide pastoral care to the local community in Penarth.

Structure, governance and management

PMA is an unincorporated association and is registered with the Charity Commission for England and Wales as charity number 1134711. PMA was established by a Decree from the Bishop of Llandaff on 1 January 2022, which merged the former parochial church councils of the Parish of All Saints and the Parish of Penarth and Llandough.

PMA is governed by a Ministry Area Council (MAC) consisting of 12 Trustees, both Lay and Clerical. Lay Trustees are appointed by vote of members of the electoral roll at the Annual Vestry Meeting. The MAC is supported by sub-committees which deal with: Mission; Children and Young People; Finance; Buildings; Pastoral matters; and Fellowship.

Trustees

The Trustees of Penarth Ministry Area at 31 December 2022 were:

Janet Akers
Robert Court
Reverend Mark Jones
Melanie Tuke Griffin
Patricia Ann Humphrey
Jan Knight
Jane McLaughlin
Reverend Bethany Pearson
Neil Pugh
Christian Salisbury
Huw Williams
Reverend Jimmy Young

Achievements and performance

At the start of the year, we completed the merger of the former Parochial Church Councils of the Parish of All Saints and the Parish of Penarth & Llandough. This was the culmination of more than 18 months of detailed planning and pre-merger activity. The Ministry Area now has around 270 people on the electoral roll. Services at the five churches have resumed, largely as normal, following the relaxing of Covid restrictions.

The relaxation of Covid restrictions also allowed us to continue our varied programme of community based activities, aligned with our Mission. In addition to ongoing church services, our activities include baptisms, weddings and funerals, musical events (including various concerts and sponsorship of three musical scholars), a community cinema, a programme of events for children and young people, a monthly breakfast club for young families, work with local schools, first aid courses, defibrillator training, Quiet Days, Lent courses, plant and cake sales and various other faith-based groups and activities.

In March, we said goodbye to Reverend Alison Reeves, following her appointment as Vicar in the Afon Nedd Ministry Area. We wish Reverend Reeves every success in her new role. In June, we welcomed our new Curate, Reverend Bethany Pearson, to the Ministry Area, following her ordination at Llandaff Cathedral. We wish Reverend Pearson every success during her time with us.

We have continued to support other charities, such as the Huggard Centre (for homeless people) and through our Christmas Tree Festival at St Augustine's in December 2022, we raised almost £3,000 to be shared equally amongst Ty Hafan, Médecins Sans Frontières and Leukaemia UK. We are also working with other churches in Penarth to develop a 'Warm Spaces' programme to provide places where people can shelter from the cold weather and we provide regular contributions to local community food banks.

We have continued our programme of essential buildings maintenance, which has included substantial ground works at Holy Nativity, the improvement of safety railings at St Augustine's (a Grade I listed building) and ongoing maintenance at St Peter's (a Grade II listed building). We anticipate further maintenance will be necessary in 2023, due to ongoing challenges with our estate and any works deemed necessary by the forthcoming round of quinquennial reviews.

Our first year as a Ministry Area was undoubtedly a challenging year financially (see following section) and we were not able to cover all our routine operating costs. However, the Trustees are exploring new ways to raise funds and, where possible, reduce our expenditure.

The Ministry Area Council wishes to thank all who support its mission. In particular, we offer our thanks to the Clergy, whose tireless work guides our activity, and to our employees for their hard work and dedication throughout the year. We also wish to recognise and thank all those who provided financial contributions which are so vital to our mission and our continued existence as a Ministry Area. The MAC also expresses its thanks to all church wardens and volunteers who give their time freely and, without whom, the Ministry Area would not be able to function.

Financial review

During the year, PMA received unrestricted income of c£292,000, and incurred operating costs of c£319,000, resulting in an operating loss on unrestricted funds of c£27,000. Additionally, PMA recorded a depreciation of c£1,000 in its holding in the Church in Wales Common Investment Fund for the year. As such, PMA reports a net deficit for the year on unrestricted funds of c£28,000.

Primary sources of income during the year included Planned Giving of c£124,000; Money Raising of c£80,000; and Legacy Gifts of c£33,000. Primary expenditure included the Parish Share¹ of c£132,000; Maintenance of Churches of c£94,000 and General Parish expenses of c£63,000.

The Trustees currently foresee a similar operating loss on unrestricted funds in 2023, however plans are being formulated to generate additional income during 2023, whilst reducing operating expenditure where possible.

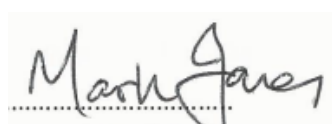
At 31 December 2022, PMA held unrestricted net assets (reserves) of c£755,000, consisting of property valued at £580,000; cash of c£159,000; investments of c£20,000; and unrestricted creditors of c£5,000.

In addition to its unrestricted funds, PMA received c£6,000 in restricted donations and income, and spent £31,000 of restricted funds, primarily on maintenance of church buildings and construction/ground works at Holy Nativity. At 31 December 2022 PMA held Restricted funds of c£64,000, the majority of which was donated to PMA and/or its predecessor PCCs, for maintenance and development of church buildings.

Despite the operating loss in 2022, the Board of Trustees continues to take the view that PMA is a going concern, due primarily to the strength of its unrestricted reserves (note 20 refers).

The above report has been prepared in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board of Trustees:



Reverend Mark Jones
Ministry Area Leader and Trustee

28 March 2023

¹ The 'Parish Share' refers to money paid by PMA to the Diocese of Llandaff to cover (inter alia) use of church buildings and the services provided by clergy to PMA.

Report from the Independent Examiner

Independent Examiner's Report to the Trustees of Penarth Ministry Area

I report to the charity trustees on my examination of the accounts of **Penarth Ministry Area** (Registered charity 1134711) for the year ended 31 December 2022, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility:

- to examine the accounts under section 145 of the Charities Act
- to follow the procedures laid down in the general directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

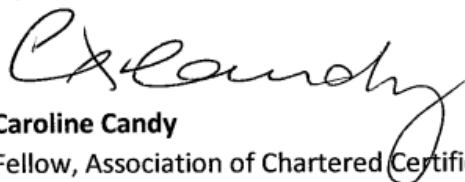
- to keep accounting records in accordance with section 130 of the Charities Act,
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met;

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Date:

31.03.2023



Caroline Candy

Fellow, Association of Chartered Certified Accountants

Naunton Jones Le Masurier Accountants, 24 St Andrews Crescent, Cardiff, CF10 3DD

3. Statement of Financial Activities

For the Year Ended 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Prior year
		£	£	£	£
INCOMING RESOURCES / RECEIPTS					
Voluntary income					
Planned giving	13	123,877	211	124,088	86,515
Loose collections		7,974		7,974	2,237
Donations		6,202	4,541	10,743	7,743
For Mission		2,503		2,503	
Tax refunds		5,288		5,288	
Legacy gifts received	5, 14	33,390		33,390	26,240
Grants		11,532		11,532	32,915
Generated income					
Money raising	15	79,877	120	79,997	32,921
Fees		10,258	352	10,610	7,148
Investment income					
Bank account interest	8	858	157	1,015	
Rent on investment property		9,300		9,300	
Other incoming resources					
Gas and electricity refunds		1,129		1,129	
Other	16	271	303	574	9,086
TOTAL INCOMING RESOURCES / RECEIPTS		292,458	5,684	298,142	204,806
RESOURCES EXPENDED / PAYMENTS					
Support for Ministry					
Parish share		132,470		132,470	73,328
Parochial expenses of clerics	10	8,612		8,612	2,397
Other		3,982		3,982	
Parish Activities					
Maintenance of services		14,026		14,026	4,229
General Parish expenses	17	63,216	66	63,282	68,482
Church Property					
Maintenance of churches	18	94,398	22,087	116,485	9,805
Maintenance of other property		1,907	3,498	5,405	6,042
Grants/Financial Support					
Missions: Parish		521		521	633
Missions: Home		259	3,021	3,280	
Missions: International			958	958	
Other Resources Expended			1,652	1,652	
TOTAL RESOURCES EXPENDED / PAYMENTS		319,391	31,282	350,673	164,916
OPERATING SURPLUS / (DEFICIT) FOR THE YEAR		(26,933)	(25,598)	(52,531)	39,890
Asset revaluations					
Common Investment Fund		(1,396)		(1,396)	764
NET SURPLUS / (DEFICIT) FOR THE YEAR		(28,329)	(25,598)	(53,927)	40,654

BALANCE OF TOTAL FUNDS

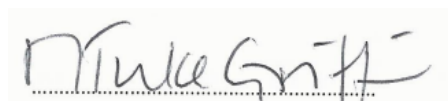
	Notes			
Brought forward 1st January 2022		413,095	4,873	417,968
Funds acquired from merger	2	156,696	9,939	166,635
Harmonising accounting treatments post merger	3	287,673		287,673
Transfers between funds	4	(74,588)	74,588	
Net surplus / (deficit) for the year		(28,329)	(25,598)	(53,927)
Carried forward 31 December 2022		754,547	63,802	818,349

4. BALANCE SHEET

As at 31 December 2022

Notes	Current year			Previous year		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Tangible Assets - Investment Property	3	580,000	580,000	300,000		300,000
Current Assets:						
Unrestricted funds		96,499	96,499	70,359	4,873	75,232
Norman and Freda Jones Trust	5, 14	57,460	57,460	28,992		28,992
CCLA account: Unrestricted	6	5,282	5,282			
CCLA account: Restricted	7		61,040			
Restricted funds: Other	8	2,763	2,763			
Creditors falling due within one year		(4,716)	(4,716)			
Investment Assets:						
Church in Wales Common Investment Fund	9	20,021	20,021	13,744		13,744
Total Assets		754,547	818,349	413,095	4,873	417,968
Represented By						
Unrestricted Fund		754,547	754,547	413,095		413,095
Other restricted funds		63,802	63,802		4,873	4,873
		754,547	818,349	413,095	4,873	417,968

The accounts were approved by the Board of Trustees on 29 January 2023.



Mel Tuke-Griffin
Chair



Chris Salisbury
Treasurer

5. NOTES TO THE ACCOUNTS

1. Accounting policies

These Financial Statements have been prepared in accordance with applicable United Kingdom accounting standards; the Statement of Recommended Practice, SORP (FRS102) issued by The Charity Commission; and the Church in Wales Accounting Regulations, which specify the Standard Form of Accounts to be adopted by parishes within the Church in Wales.

The historical cost convention is used except for the valuation of certain fixed assets, whose valuation basis is detailed in note 1a below. The principal accounting policies are applied consistently.

Fixed assets

Churches, Churchyards and Vicarages are vested in the Representative Body of the Church in Wales and any such property forms no part of the assets of the Parish. Moveable Church contents are inalienable property and require a faculty for disposal. Many are historic for which no reliable cost or valuation bases exist. They are not recognised on the Balance Sheet nor listed, to reduce the risk of theft and vandalism. Expenditure on Churches (including contents), Churchyards and Vicarages is written off when incurred. Other freehold land and buildings are held in trust for the Parish by either the Representative Body, or the Llandaff Diocesan Board of Finance.

Funds

- **Endowments funds:** are funds the capital of which must be maintained; only income arising from investment of the endowment may be used either as restricted or unrestricted funds depending upon the purpose for which the endowment was established.
- **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 invited by the Ministry Area for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund.
- **Unrestricted funds:** are general funds which can be used for ordinary purposes by the Ministry Area.

2. Parish of Penarth All Saints (Registered Charity 1134711) change of name and merger with the Parish of Penarth and Llandough (Registered Charity 1130979) on 1 January 2022

Under Decree from the Bishop of Llandaff, the Parish of Penarth All Saints Parochial Church Council ('All Saints PCC' or 'All Saints'), changed its name on 1 January 2022 to 'Penarth Ministry Area' ('PMA' or 'The Ministry Area'), whilst retaining its existing charitable status and registration. Ongoing management and administration of the parish previously associated with All Saints PCC continues with Penarth Ministry Area.

Further, under the Bishop's decree, the new PMA assumed responsibility on 1 January 2022 for the management and administration of the parish previously associated with the Parochial Church Council of the Ecclesiastical Parish of Penarth and Llandough ('PPL PCC' or 'PPL'), registered charity 1130979. The Charity Commission dissolved PPL's charitable registration in January 2023, following an application from the Board of Trustees of PPL.

In accordance with the Bishop of Llandaff's Decree, the financial and other assets of All Saints PCC and PPL PCC, as at 31 December 2021, became transferrable to PMA on 1 January 2022. PMA now has responsibility for the management and administration of five churches (All Saints, St Augustine's, Holy Nativity, St Dochdwy's and St Peter's) and related properties.

The net assets reported by All Saints and PPL at the date of the merger (1 January 2022) were:

All amounts in £	All Saints		PPL	
	Unrestricted	Restricted	Unrestricted	Restricted
Assets:				
Property	300,000			
Cash	99,351	4,873	156,696	9,939
Investments	13,744			
Total	413,095	4,873	156,696	9,939
Represented by:				
Unrestricted fund	413,095		156,696	
Restricted fund		4,873		9,939
Total	413,095	4,873	156,696	9,939

3. Harmonising accounting treatments post-merger: Property and investments

PMA (and previously All Saints PCC) has a beneficial interest in a 3-bedroomed semi-detached property in Penarth, known as the 'Curate's House'. Registered title to this property rests with the Representative Body of the Church in Wales (RBCIW) but, as PMA is entitled to exercise control over the property and benefit from any rental (and, ultimately, disposal proceeds) the Board of Trustees takes the view (and the RBCIW has agreed) that the property should be recognised in the Balance Sheet for PMA, in accordance with the provisions of International Accounting Standard 16. At 31 December 2022, the PMA Board of Trustees valued the property at £300,000 (2021: £300,000).

Prior to the merger, PPL had a similar interest in a semi-detached property known as 'Church House'. The legal and beneficial ownership arrangements for this property are identical to the Curate's House referenced above but PPL had not historically valued this property in its accounts, preferring instead to disclose its interest in the property in the notes to the accounts. The PMA Board of Trustees takes the view, and the RBCIW agrees, that this property should now be recognised and valued in the balance sheet of PMA. At 31 December 2022, the PMA Board of Trustees valued the property at £280,000 (2021: unvalued).

Prior to the merger, All Saints PCC had a beneficial interest in the Church in Wales Common Investment Fund valued at £13,744 on 31 December 2021. PPL had a similar beneficial interest in the Church in Wales Common Investment Fund, valued at £7,673 on 31 December 2021. The accounts of PPL at 31 December 2021 disclose this interest in the notes to the accounts, rather than as a value in the balance sheet. To harmonise accounting treatments, the PMA Board of Trustees takes the view that both legacy interests in the Church in Wales Common Investment Fund should be reflected in the PMA balance sheet at 31 December 2022. The value of the investment at 31 December 2022 was £20,021 (2021: £21,417).

4. Transfers from unrestricted to restricted funds, post-merger

At 31 December 2021, PPL held £74,588 as Unrestricted funds, but designated for St Augustine's and Holy Nativity. The PMA Board of Trustees reviewed the circumstances of these donated funds in March 2022 and concluded the funds should be presented as Restricted funds. (This does not imply that PPL's prior treatment of the funds as Unrestricted-Designated was incorrect; rather PMA has simply taken an alternative interpretation of the donors' stated purposes for these funds).

Accordingly, the PMA Board of Trustees transferred a sum of £74,588 from Unrestricted funds (received from PPL) to Restricted funds in the balance sheet of PMA.

The balances of the funds transferred, and at year end, were:

	Transferred 21-03-22 £	Balance 31-12-2022 £	Comment
Earl of Plymouth fund:	72,962	51,495	£21,467 used in 2022 for Church repairs and maintenance
Holy Nativity	1,627	Nil	£1,627 used in 2022 for Churchyard maintenance
Totals	74,588	51,495	

5. Norman and Freda Jones Trust

In 2020, a Trust fund known as the '*Norman and Freda Jones Trust*' was established using proceeds from the estate of a former parishioner. The terms of the Trust direct that it shall be owned by RBCIW as a permanent endowment (hence it does not appear in PMA's balance sheet), with income from the Trust being paid to All Saints PCC and any successor bodies (now PMA) as beneficiary. The terms of the Trust further direct that income from the Trust should be used by the beneficiary for the benefit of the parish with preference being given to St Peter's Church. As this is a 'preference' rather than a requirement, the PMA Board of Trustees takes the view that income arising from the fund is unrestricted.

During 2022, PMA received £29,890 (2021: £26,140) from the Trust and spent £1,422 on maintenance of St Peter's Church buildings, churchyard and car park. The balance of income from the Trust held by PMA on 31 December was £57,460 (2021: £28,992).

6. CCLA account: Unrestricted-Designated

PMA holds unrestricted funds on deposit with CCLA Investment Managers Limited. At 31 December 2022, PMA had £5,282 in a CCLA account which is designated (by PMA) for St Dochdwy's Church.

7. CCLA account: Restricted

PMA holds restricted funds on deposit with CCLA Investment Managers Limited. The opening balances, transactions and closing balances on these funds were:

<i>Fund (all amounts in £):</i>	<i>Brought F/wd 1 Jan 2022</i>	<i>Income</i>	<i>Interest</i>	<i>Expenditure</i>	<i>Carried F/wd 31 Dec 2022</i>
CCLA: Holy Nativity	1,627	-	1	(1,628)	-
CCLA: St Augustine's Churchyard	3,193	-	101	-	3,294
CCLA: St Augustine's Music Fund	2,532	-	2	-	2,533
CCLA: Earl of Plymouth Fund	72,962	-	50	(21,517)	51,495
CCLA: St Lawrence Churchyard	312	-	0	(300)	13
CCLA: St Dochdwy's Churchyard	3,902	-	3	(200)	3,705
TOTAL	84,527	-	157	(23,645)	61,040

- **Holy Nativity:** Fund held for the purposes of maintaining the church and churchyard. Expenditure during the year relates to groundworks in the Churchyard
- **St Augustine's Churchyard:** Fund held for the purpose of maintaining St Augustine's churchyard.
- **St Augustine's Music fund:** Fund for choir music, new robes, ad hoc singers and instrumentalists for services if/when required and, more recently, choral bursaries.
- **Earl of Plymouth Fund:** Fund donated for the maintenance and development of St Augustine's Church and Churchyard. Holy Nativity may also benefit from the fund for these purposes.
- **St Lawrence Churchyard:** Fund held for the purpose of maintaining St Lawrence's churchyard. Funds were used during the year for removal of a tree and undergrowth from the churchyard
- **St Dochdwy's Churchyard:** Fund held for the purpose of maintaining St Dochdwy's churchyard. Funds were used during the year for ground maintenance work.

8. Restricted: Other

	<i>Brought F/wd 1 Jan 2022</i>	<i>Income</i>	<i>Interest</i>	<i>Expenditure</i>	<i>Carried F/wd 31 Dec 2022</i>
Fund (all amounts in £):					
Housing for Justice	965	-	-	(965)	-
Walliach	140	-	-	(140)	-
AV Fund	2,000	-	-	(1,485)	515
All Saints' Piano Fund	1,791	-	-	-	1,791
St Dochdwy	-	187	-	-	187
Llandough Community Council	-	180	-	-	180
Christmas tree festival	-	3,111	-	(3,111)	-
Holy Nativity	-	1,255	-	(1,255)	-
Other	(23)	794	-	(681)	90
TOTAL	4,873	5,527	-	(7,637)	2,763

9. Church in Wales Common Investment Fund

PMA holds 9,554 shares in the Church in Wales Common Investment Fund. At 31 December 2022, the shares were valued at £2.0956 per share; giving a total holding value of £20,021.

10. Trustees' remuneration, expenses and benefits

No trustee is employed by the charity. No trustees receive remuneration or other financial benefits from their roles as trustees.

During the year, the Board of Trustees entered into contract with one trustee (on a self-employed basis) for the provision of musical expertise, including playing the organ at church services, weddings and funerals. The payments made to this Trustee during the year amount to £2,435 (2021: £nil).

Three trustees (members of the clergy) received expenses relating to their clerical duties totalling £8,612 during the year.

11. Employee remuneration

The Charity had four part-time employees during the year. Compensation paid to these employees was in the following bands:

£0 - £10,000:	2 employees
£10,001 - £20,000:	2 employees

12. Payment to Independent Examiner

The charity paid £725 to its Independent Examiner in 2022 for the examination of the 2021 accounts. No other fees were payable to the Independent Examiner in respect of the 2021 financial year. As at 31 December 2022 Independent Examination fees of £1,950 were accrued in respect of the examination of the 2022 accounts.

13. Planned giving

	Unrestricted £	Restricted £	Total £
Standing Order Planned Giving	9,960		9,960
Occasional Giving via Bank	740		740
Gift Aid Envelopes - Occasional	4,240		4,240
Gift Direct	108,089	211	108,300
Other planned giving	847		847
Total	123,877	211	124,088

14. Legacy gifts received

	Unrestricted £	Restricted £	Total £
Norman and Freda Jones Trust	29,890		29,890
Other	3,500		3,500
Total	33,390		33,390

15. Money raising

	Unrestricted £	Restricted £	Total £
Fund raising	3,555		3,555
Other funds generated	2,376	110	2,486
Hall Rental Income	52,845		52,845
Magazine/other publication sales	2,932		2,932
Sundry income	9,342	10	9,352
Hire of Church	2,408		2,408
MA/Parish share rebate	6,419		6,419
Total	79,877	120	79,997

16. Other income

	Unrestricted £	Restricted £	Total £
Unknown donations*	271	303	574

*The above represents donations received, for which PMA has been unable to identify the source. Enquiries are continuing

17. General parish expenses

	Unrestricted £	Restricted £	Total £
Costs of meetings	420		420
Bank charges	564	66	630
Printing, post and stationery	1,441		1,441
Telephone/mobile/internet	303		303
Office and general expenditure	16,725		16,725
Administrative staff salaries	34,105		34,105
Professional Fees	4,500		4,500
Independent examination fees	2,675		2,675
Trustee Training and development	720		720
Admin/Staff HMRC payments	1,405		1,405
Admin/Staff Expenses	359		359
Total	63,216	66	63,282

18. Maintenance of churches

	Unrestricted £	Restricted £	Total £
Church operating costs - insurance	10,355		10,355
Church operating costs - gas & electricity	26,622		26,622
Church operating costs - water	2,970		2,970
Church repairs and maintenance	42,496	22,017	64,513
Church cleaning	8,820		8,820
Church operating costs - general	3,136	70	3,206
Total	94,398	22,087	116,485

19. Reserves policy

The Ministry Area aims to always maintain unrestricted current assets (cash minus creditors) of a minimum of £50,000. As at 31 December 2022, unrestricted current assets amounted to £156,476.

20. Going concern assessment

On 29 January 2023, the PMA Board of Trustees assessed the financial position and prospects of Penarth Ministry Area and concluded that the charity remains a Going Concern. In arriving at this conclusion, the Board:

- Noted the net operating loss on unrestricted funds for 2022 and assumed that underlying income and expenditure patterns in 2023 will remain largely consistent with 2022 (albeit the Board of Trustees will continue to seek opportunities to increase income and reduce expenditure where possible)
- Noted that a Covid relief grant of £10,000 made available to the Ministry Area in 2022 is unlikely to be repeated in 2023
- Noted that Covid-19 continues to present a risk to normal activity levels and that any further 'lockdowns' could have significant impact on the charity's fund-raising ability
- Noted the ageing estate that falls within the responsibility of the Ministry Area (which includes both Grade I and Grade II Listed Buildings) and the continuing maintenance and financial burden this creates
- Noted the probability of substantially increased gas and electricity charges in 2023, compared to 2022
- Noted that, at 31 December 2022, PMA had unrestricted cash (liquid) reserves of £159,241 and investments (near-liquid) reserves of £20,021.
- Noted that PMA is the beneficial owner of properties worth £580,000 that could be sold to provide further cash for normal activity if needed (whilst recognising, also, that there is currently downwards pressure on house prices).
- Considered both the general economic climate, and the specific operating environment for the Ministry Area, for a period of at least 12 months from the date on which the 2022 accounts were approved by the Trustees (29 January 2023)
- Estimated that PMA currently holds liquid reserves sufficient to sustain normal operating activity for a period of at least three years, plus property and investments which, if sold, would be sufficient to sustain normal operating activity for at least a further 10-15 years thereafter.

Penarth Ministry Area

All Saints Church
Victoria Square
Penarth
CF64 3EL

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The Charity is registered with the Charity Commission for England and Wales as charity number 1134711.



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