

CHRIST FIRST **WATFORD**



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Charity Registration No 1142678

Company Registration No 7659090 (England & Wales)

CHRIST FIRST WATFORD

INFORMATION

YEAR ENDED 31 MARCH 2023

Trustees

Jerry Abraham
Lorraine Duff
Andy Smith
Alex Steed
Elizabeth Holop

Secretary

Lorraine Duff

Charity Registration number

1142678

Company Registration number

7659090

Registered office

The Hub Fuller Way
Croxley Green
Rickmansworth
Herts
WD3 3PJ

Independent Examiner

Mr Hayden Watson FCCA
The MHH Partnership Ltd
Elstree House
Watson's Yard, High Street
Cottenham
Cambs
CB24 8RX

Bankers

National Westminster Bank plc
72-74 High Street
Watford
Herts
WD17 2GZ

CHRIST FIRST WATFORD

CONTENTS YEAR ENDED 31 MARCH 2023

	Page
Directors' & Trustees' report	4 – 8
Statement of Trustees' responsibilities	9
Independent Examiner's report to the Trustees	10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 – 17

CHRIST FIRST WATFORD

DIRECTORS' & TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees of the Charity present their Annual Report and the financial statements for the year ended 31 March 2023.

Objectives and activities of the charity

The Charity's objectives are for the public benefit to advance the Christian faith in the UK and abroad and to fulfil other purposes which are charitable according to the law of England and Wales.

Our Mission

We put Christ First in every area of our lives and live in a way that demonstrates that Jesus is more important to us than anything or anyone else.

We see the good news of Jesus Christ Transforming Lives as it is clearly taught and practically demonstrated to those around us.

We are Building Community that welcomes everyone and celebrates our diverse ethnic and cultural backgrounds; creating an environment where people can hear the practical and life changing message of Jesus in an accessible way.

Our Core Values

As we follow the mission of Jesus we hold to these eight core values:

- **TRUTH**
Building a culture of Truth, we choose to live our lives with the absolute truth of the bible as our benchmark and look to it for direction on how to live. We will build community that is genuine, with relationships built on truth and honesty;
- **COURAGE**
Building a culture of Courage, we choose to follow God on the adventure of faith. We speak and act in a way that makes it clear that He alone is Lord of our lives. We put aside our reputation & personal comfort to be obedient to the call of God;
- **HONOUR**
Building a culture of Honour, we put Christ first, honouring Him above all else through prayer & a life lived as worship. We aim to outdo one another in showing honour, this means we esteem others more highly than ourselves, always seeking to encourage and bless;
- **SERVICE**
Building a culture of Service, we imitate Jesus who took on the nature of a servant; choosing to surrender our lives as instruments to God for Him to use as He sees fit; placing His will above our own & building community by serving others;
- **DEVELOPMENT**
Building a culture of Development, we will encourage & challenge one another to grow in our faith and relationship with God. As a church we will provide opportunities to train and improve both abilities and character;
- **GENEROSITY**
Building a culture of Generosity, we recognise that everything we have is from God, so led by the Holy Spirit we give generously & joyfully of our time, lives & money. This is an act of worship to Jesus & comes before our own comfort or financial security;

CHRIST FIRST WATFORD

DIRECTORS' & TRUSTEES' REPORT (cont) FOR THE YEAR ENDED 31 MARCH 2023

- **FAMILY**

Building a culture of Family, we enjoy a friendly and loving atmosphere where everyone is welcome. We will laugh, cry, eat and journey together, supporting those in need & celebrating the diversity represented; and

- **COMPASSION**

Building a culture of Compassion, we recognise the value of every human life. We put the needs, dignity and freedom of others ahead of our own wants, convenience & comfort. We look to care for the communities we live in and the world we inhabit.

Each aspect of these values and our ministry is supported by financial commitment from the church's resources.

Review of activities

The Church is based in Watford and holds its regular Sunday morning meetings at The Hub in Croxley Green.

The church has a full programme of events to meet the varying needs of church members and others in the community. During the year, the church has welcomed new members and others who have joined in the various activities summarised below.

Children and young peoples' activities on Sunday are arranged with the support of many gifted helpers and volunteers who are all DBS checked. The key meetings during the week, which are open to all church members and guests, are our Explore groups where there is opportunity for everyone to be involved. There are other activities during the week and special events, with all the details available on the Charity's website at www.x1church.com.

All of our activities are open to members of the public and we are actively involved with other churches in Watford through the 'Christians across Watford' link.

In planning the Charity's activities, the Trustees have regard to the Charity Commission's general guidance on public benefit. The ways in which the Charity works for the public benefit include:

- Holding regular meetings for worship and prayer;
- Providing biblical teaching at Sunday and mid-week meetings and through social network links;
- Visiting those who are sick or in need and providing practical help where required; and
- Providing financial help for those in need, in the UK and abroad.

Achievements and performance

During the past year, we have seen a number of encouraging developments, the main ones being:

- For our Explore Groups, the cyclical three phase programme of Campaign, Course and Connect has continued. We have continued to see high levels of participation in midweek groups, and the charity produced their own resources to accompany the Campaign programme;
- The charity has continued to invest in its premises, in particular installing a new kitchen at the Hub;

CHRIST FIRST WATFORD

DIRECTORS' & TRUSTEES' REPORT (cont) FOR THE YEAR ENDED 31 MARCH 2023

- The charity has continued to provide financial help for those in need, both in the UK and abroad. In addition to the regular assistance given, this year the church has provided significant help to the large number of Afghan refugees who have relocated to the UK, and specifically Watford. The needs of the refugees have been great, urgent and diverse, and the charity has responded in many practical ways. This has included: the purchase and gifting of many life-essentials such as school uniforms, nappies and toiletries; arranging and running of social events such as football, bowling and meals; and organising and leading teaching classes to assist with the refugees' integration into British society and culture;
- The church organised several events, including a fireworks night which was successful in providing an enjoyable event for local families to attend, and a church weekend away which strengthened the unity of the church and provided a basis for worship, prayer and biblical teaching.

Financial review

During the year ended 31 March 2023, tithes and offerings amounted to £116,000 (2022: £138,000); and including other income and interest received, total income amounted to £167,000 (2022: £197,000). Total expenses amounted to £211,000 (2022: £175,000), primarily for the church's activities in Watford but also including grants to missions and individuals.

The decrease in tithes and offerings in the year was attributable to a few individual donors who ceased to attend the church during the year. The church's external ministry associated with the Afghan refugees continued during the year, with the amount received as income in connection with this ministry during the year being £34,000 (2022: £41,000), and the amount expended being £51,000 (2022: £40,000).

Expenses associated with the church's activities have seen increases in the year, as detailed in note 2 to the financial statements. Increased costs were incurred in connection with the church weekend away and higher catering and depreciation costs were incurred following the completion of the new kitchen at the Hub. Grants amounted to £13,000 (2022: £18,000) as detailed in note 3 to the financial statements.

The church's active ministry serves and helps those in our area and beyond who are in need. In addition, the church supports a number of mission activities in the UK and abroad, either helping those in need or developing the work of the Christian church. A minimum of ten per cent of income is allocated to these ministries and, if not spent during the year, any balance is carried forward in the Mercy & Mission fund which at 31 March 2023 amounted to £881 (2022: £229).

At 31 March 2023, the charity had total funds of £160,466 (2022: £204,817) comprising restricted funds of £(15,169) (2022: £3,867) and unrestricted funds of £175,635 (2022: £200,950). The restricted funds is in deficit as at 31 March 2023, however the charity has a realistic expectation that sufficient income will be received in the year ended 31 March 2024 to cover the shortfall.

Investment & reserves policy

The Trustees have a general power to invest and disinvest the Charity's funds in furtherance of the Charity's objects.

The Reserves Policy is established to protect Christ First Watford's activities as a church from risk of disruption at short notice due to lack of funds. It determines an appropriate level for general reserves, taking into account:

- Possible unplanned shortfalls in voluntary giving to the Charity;

CHRIST FIRST WATFORD

DIRECTORS' & TRUSTEES' REPORT (cont) FOR THE YEAR ENDED 31 MARCH 2023

- The need to invest in a suitable building for the Charity's use; and
- Regular operating costs being reasonably predictable given the budget approved by the Trustees.

The target level of general reserves is approximately six months operating expenses for the ongoing church activities, which equates to approximately £70,000, plus additional funds to invest in our building. The basis for determining the target level of reserves is kept under review by the Trustees.

Designated funds are those unrestricted funds that have been allocated by the Trustees for particular purposes. The Designated fund for Mercy & Mission has been established to provide funds for specific acts of mercy and mission to support others in need in the UK and abroad. To the extent that ten per cent of the charity's income is not spent on such mercy and mission, the balance is carried forward to future years. The amount carried forward is kept under review by the Trustees and is taken into account in finalising the operating budget for the coming year.

Risk management

The Trustees keep the principal risks of the Charity under review, have re-assessed the risks during the past year and appropriate preventative actions are developed and monitored.

The principal risks for the charity are:

- Loss of key personnel, especially the Eldership team;
- Safeguarding risks associated with external ministries, including the Afghan ministry;
- Loss of a significant number of the church's congregation; and
- Safeguarding of children.

The Church's major source of income is from member donations; the number of separate donors who contributed to the activities of the Church during the year was approximately 50. As a result of the wide sources of income, the Trustees consider that there is a low risk to the ongoing work of the Charity should it lose income from some donors.

Plans for the future

The charity has continued to invest in its property, and after the year-end a coffee shop was opened for a trial period, and the charity is currently considering longer-term options for the shop.

The charity will be running a campaign named "Take a step" during the autumn of 2023, and several church members have signed up to an externally run training and development course commencing in the autumn of 2023. The charity intends to continue in its efforts to offer aid and help to the Afghan refugees who are currently living in Watford and as they relocate to other parts of the UK.

Structure, governance and management

Christ First Watford is a Christian charity which was established as a company limited by guarantee on 6 June 2011. It was formed to take over and progress the activities of a previous charity, Christ First, which was founded under trust in 1992 and consequently the new company has objects and aims which are similar to those of the previous Trust. The Charity is a member of the Evangelical Alliance and is working in partnership with New Ground, part of the Newfrontiers family of churches.

The Trustees who served during the year ended 31 March 2023, who are also directors for the purpose of Company law, are listed in the Information section on page 2. No Trustee has any beneficial interest in the Company. There are two members of the Company and each one guarantees to contribute an amount not exceeding £10 in the event of a winding up. The Trustees met on four occasions to discuss the progress of the Charity and to pray for its continued development.

CHRIST FIRST WATFORD

DIRECTORS' & TRUSTEES' REPORT (cont) FOR THE YEAR ENDED 31 MARCH 2023

New Trustees are appointed either by a resolution of the existing Trustees or by the Charity in General meeting. A Trustee appointed by a resolution of existing Trustees and a third of all Trustees are required to retire by rotation at each Annual General Meeting.

New Trustees are provided with details of the Charity's governing documents, Trustees reports and financial statements and a full background on the Charity's activities. They are also encouraged to access the Charity Commission website for details of Trustee responsibilities, governance guidelines, etc.

Management

The charity is managed on a day-to-day basis by two Elders, Aaron McGovern and Andy Smith, who have responsibility for leading and directing activities. The Elders report on the charity's progress and future plans at each Trustees' meeting where the strategic direction and financial budgets are discussed and approved.

Reference and administrative details

The Charity is called Christ First Watford and operates as X1 or X1 Church with its website at www.x1church.com. Details of the Charity's registration numbers, its registered address, Trustees serving during the year and other administrative details are shown on page 2 of this report.

On behalf of the Directors/Trustees



Mr Alex Steed
Acting Chairman
Dated: 19 December 2023

CHRIST FIRST WATFORD

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2023

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period.

In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that this Annual Report and the financial statements comply with the statutory requirements and the charity's governing documents.

CHRIST FIRST WATFORD

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHRIST FIRST WATFORD

Report of the Independent Examiner to the trustees on the accounts of Christ First Watford

I report on the accounts of the company for the year ended 31 March 2023, which are set out on pages 11 - 17.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- a) examine the accounts under section 145 of the 2011 Act;
- b) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- c) state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the 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 you as 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:
 - a. to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - b. to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mr Hayden Watson FCCA
The MHH Partnership Ltd
Elstree House
Watson's Yard, High Street
Cottenham
Cambs
CB24 8RX

CHRIST FIRST WATFORD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		2023	2023	2023	2022	2022	2022
	Notes	£	£	£	£	£	£
Income and endowments from:							
Donations and gifts		116,296	34,049	150,345	138,246	48,172	186,418
Towards church activities		4,708	-	4,708	872	-	872
Other activities		11,333	-	11,333	10,172	-	10,172
Investments - interest receivable		686	-	686	18	-	18
Total income		133,023	34,049	167,072	149,308	48,172	197,480
Expenditure on:							
Charitable (church) activities	2	158,338	53,085	211,423	130,503	44,305	174,808
Total expenditure		158,338	53,085	211,423	130,503	44,305	174,808
Net income/(expenditure)/ movement in funds		(25,315)	(19,036)	(44,351)	18,805	3,867	22,672
Reconciliation of funds							
Total funds brought forward at 1 April 2022		200,950	3,867	204,817	182,145	-	182,145
Total funds carried forward at 31 March 2023	9/10	175,635	(15,169)	160,466	200,950	3,867	204,817

There are no other gains or losses other than the result for the year.

All of the activities of the Charity are classed as continuing.

CHRIST FIRST WATFORD

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	6		12,027		10,786
Current assets					
Debtors	7	18,450		22,354	
Cash at bank and in hand		136,386		181,877	
		154,836		204,231	
Liabilities					
Creditors: amounts falling due within one year	8	(6,397)		(10,200)	
Net current assets			148,439		194,031
Total net assets			160,466		204,817
The funds of the charity:					
Restricted income funds	9/11		(15,169)		3,867
Unrestricted funds					
Designated fund – Mercy & Mission	10		881		229
Undesignated funds	10		174,754		200,721
Total unrestricted funds			175,635		200,950
Total charity funds			160,466		204,817

For the year ended 31 March 2023 the company was entitled to exemption under section 477 of the Companies Act 2006 ('the Act') relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 11 to 17 were approved by the Trustees on 19 December 2023



Mr Alex Steed
Chairman

CHRIST FIRST WATFORD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, on a going concern basis, as the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 and the Charities SORP FRS 102.

1.2 Income

Income represents funds received by the Charity for the support of its objectives and activities. Incoming resources, including income tax recoverable, are accounted for on a receivable basis.

The Charity benefits from the services of volunteers in most areas of the church's activities. The value of services provided by volunteers has not been included in the financial statements because that value cannot be reasonably quantified in financial terms.

1.3 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources, inclusive of VAT which is not recoverable.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Church equipment	Between 3 and 5 years
Leasehold improvements	The lease term

Individual items of equipment are capitalised when the purchase price is £1,000 or above.

1.5 Pensions

The Charity provides contributions to the personal pension funds of staff working two days per week or more. The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

1.6 Fund accounting

The funds held by the charity are:

- Unrestricted general funds - these are funds which can be used in accordance with the objects of the charity at the discretion of the Trustees;
- Designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future projects or purposes; and
- Restricted funds - these are funds which can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Gift aid related to restricted donations is treated as restricted income.

1.7 Taxation

The Church is not subject to Income Tax. It is entitled to claim from H M Revenue & Customs the tax associated with income received under gift aid.

1.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases. Rentals payable are charged in the Statement of Financial Activities on a straight line basis over the lease term.

CHRIST FIRST WATFORD

NOTES TO THE FINANCIAL STATEMENTS (cont) FOR THE YEAR ENDED 31 MARCH 2023

2 Church activities

	Staff costs (note 4)	Depreciation	Other costs	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Grants payable - see note 3	-	-	13,467	13,467	17,853
Church Ministry – see note below	65,059	-	3,848	68,907	63,948
Church activities – direct	-	-	20,221	20,221	7,157
Church activities – Afghan ministry	-	-	50,596	50,596	40,048
Administration:					
Church maintenance/operating costs	-	17,028	28,788	45,816	38,290
Church administration	-	-	11,057	11,057	6,316
Governance costs – accountancy and review fees	-	-	1,359	1,359	1,196
	65,059	17,028	129,336	211,423	174,808

Church Ministry includes the cost of full-time and part-time staff salary, pension and expenses and the cost of visiting speakers.

Expenditure on church activities was £211,423 (2022: £174,808), of which £158,338 (2022: £130,503) was unrestricted and £53,085 (2022: £44,305) was restricted.

Operating lease rentals of £5,854 (2022 - £5,854) have been recognised as an expense during the year.

3 Grants payable

	Unrestricted Funds	Restricted funds	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Grants to institutions:				
New Ground (including Newday)	5,406	90	5,496	5,496
Discipling Nations – Zimbabwe	-	-	-	2,015
Rope – Kenya Sunshine home	3,000	-	3,000	3,000
Wycliffe	1,500	-	1,500	1,500
Other	771	2,399	3,170	1,036
	10,677	2,489	13,166	13,047
Grants to individuals (6 grants; 2022: 6 grants)	301	-	301	4,806
	10,978	2,489	13,467	17,853

CHRIST FIRST WATFORD

NOTES TO THE FINANCIAL STATEMENTS (cont) FOR THE YEAR ENDED 31 MARCH 2023

4 Employees

Number of employees

The average monthly number of employees during the year was two (2022: two), which comprised one (2022: one) full-time and one (2022: one) part-time employees.

Employment costs

	2023	2022
	£	£
Wages and salaries	60,830	57,510
Social security costs	1,186	1,496
Other pension costs	3,043	2,876
	<u>65,059</u>	<u>61,882</u>

There were no employees whose annual emoluments were £60,000 or more.

5 Trustees and Related party transactions

No Trustee or any persons connected with them received any remuneration from the Charity during the year.

Andy Smith, one of the Trustees, is also one of the church Elders and incurs expenses in this role which are reimbursed by the Charity. The expenses are mainly for travel and accommodation in carrying out his duties as an Elder and amounted to £1,893 (2022: £736).

No other expenses were claimed by Trustees.

The aggregate amount of donations to the Charity by Trustees and Related Parties amounted to £29,900 (2022: £59,900).

There were no other Related Party Transactions during the year (2022: nil).

CHRIST FIRST WATFORD

NOTES TO THE FINANCIAL STATEMENTS (cont) FOR THE YEAR ENDED 31 MARCH 2023

6 Tangible fixed assets

	Church equipment £	Leasehold improvement s £	Total £
Cost			
At 1 April 2022	11,983	22,100	34,083
Additions	-	18,270	18,270
At 31 March 2023	11,983	40,370	52,353
Depreciation			
At 1 April 2022	10,675	12,622	23,297
Charge for the year	1,203	15,826	17,029
At 31 March 2023	11,878	28,448	40,326
Net book value:			
At 31 March 2022	1,308	9,478	10,786
At 31 March 2023	105	11,922	12,027

7 Debtors

	2023 £	2022 £
Income tax recoverable	4,734	4,643
Other debtors	1,061	4,395
Prepayments and accrued income	12,655	13,316
	18,450	22,354

8 Creditors: amounts falling due within one year

	2023 £	2022 £
Taxes & social security costs	1,456	1,438
Accruals and deferred income	4,941	8,762
	6,397	10,200

CHRIST FIRST WATFORD

NOTES TO THE FINANCIAL STATEMENTS (cont) FOR THE YEAR ENDED 31 MARCH 2023

9 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2022	Movement in funds		Balance at 31 March 2023
	£	£	£	£
Specific donations	2,674	466	(2,489)	651
Afghan ministry fund	1,193	33,584	(50,596)	(15,820)
	<u>3,867</u>	<u>34,049</u>	<u>(53,085)</u>	<u>(15,169)</u>

Specific donations have been received and are paid out to those organisations and individuals for whom they were given. These items are included in the analysis of grants in note 3.

The Afghan ministry fund facilitates the support and provision of aid for the Afghan refugees who are located in the Watford area. These activities are accounted for as Church activities, in note 2.

10 Unrestricted funds

	Undesignated funds	Designated fund – Mercy & Mission	Total
	£	£	£
Balances at 1 April 2022	200,721	229	200,950
Net surplus for the year	(25,315)	-	(25,315)
Transfer to Mercy & Mission reserve	(652)	652	-
Balances at 31 March 2023	<u>174,754</u>	<u>881</u>	<u>175,635</u>

The Designated fund – Mercy & Mission reserve represents funds held for activities of mercy and mission within Watford and beyond. Ten per cent of donations and gifts to the church are allocated to Mercy & Mission ministry and to the extent the funds are not spent in the year, they are carried forward for future expenditure and designated as such in these accounts.

11 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	12,027	-	12,027
Current assets	170,005	(15,169)	154,836
Creditors: amounts falling due within one year	(6,397)	-	(6,397)
	<u>75,635</u>	<u>(15,169)</u>	<u>160,466</u>