

**WATERWAYS CHAPLAINCY**

**TRUSTEE'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2023**

---

## **WATERWAYS CHAPLAINCY**

---

## **CONTENTS**

---

	Page
<b>Reference and administrative details of the charity, its Trustees and advisers</b>	<b>1</b>
<b>Trustee's report</b>	<b>2 - 11</b>
<b>Independent auditor's report on the financial statements</b>	<b>12 - 14</b>
<b>Statement of financial activities</b>	<b>15</b>
<b>Balance sheet</b>	<b>16</b>
<b>Notes to the financial statements</b>	<b>17 - 22</b>

---

## **WATERWAYS CHAPLAINCY**

---

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS** *FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Trustee**                                      The Church Army (appointed 27 September 2022)

**Charity registered number**    1200492

**Principal office**                      C/O Church Army  
Wilson Carlile Centre  
50 Cavendish Street  
Sheffield  
S3 7RZ

**Independent auditor**                BHP LLP  
Statutory Auditor  
2 Rutland Park  
Sheffield  
S10 2PD

### TRUSTEE'S REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

---

The Trustee presents their annual report together with the audited financial statements of the charity for the period 27 September 2022 to 31 March 2023.

#### **Objectives and activities**

##### **a. Main activities undertaken to further the charity's purposes for the public benefit**

Our Waterways Chaplains proactively reach out to people in need on our rivers and canals. We support the increasing number of boaters who are 'signposted to us' by the Canals and Rivers Trust Welfare Officers. We also support other boaters who are concerned for someone they have come across in need and other Waterways Chaplains.

Rather like Street Pastors, Waterways Chaplains are there to serve those they come across. We build and maintain relationships and often help to sort out more involved issues with the boater such as poverty, or health & benefits problems. This leads to transformation in people's lives and the opportunity to spiritually be reactive and pray for or with them.

Waterways Chaplains walk the waterways within a certain geographical patch near them. They are trained volunteers, who are assigned a mentor for the first few months and are from different ecumenical and work backgrounds. Chaplains may be partly retired who now want to volunteer to help their community or they just walk their dog along canals or rivers and see a need along their "stretch".

As Chaplains, we are all very connected into our local communities and our local Churches. We aim to proactively 'come alongside' boaters in need with a chat and a cup of coffee and support any further needs that may arise.

The Chaplains offer:

- **Listening:** listening & confidential ear.
- **Signposting:** sign post those in difficulty to local support services e.g. foodbanks.
- **Advocates:** act as advocates when a boater needs someone to unravel issues e.g. difficulties with paying licences, support with bereavement.
- **Emergencies:** take boaters to access emergency medical support e.g. Doctor or hospital, housing.
- **Practical:** help e.g. washing and drying laundry for boaters, helping out after a (rare) boat sinking.

All of the support provided is free of charge to the people we help.

The Trustee has referred to the guidance on public benefit issued by the Charity Commission when reviewing the charity's objectives and aims.

#### **Achievements and performance**

##### **a. Main achievements of the charity**

*"The chaplaincy provides excellent support to boaters, and are well regarded, and very well spoken of both, in the boating community, and within the Trust. I have been immensely impressed by the Chaplaincy leadership team as well as the dedication of all the chaplains from the senior team through to local chaplains, often going above and beyond to get help and support where needed."*

*There has never been a greater need for support than now, the ever-increasing demands on people's finances, the impacts on the cost-of-living crisis, along with delays in accessing medical support would indicate that we can only expect to see a rise in the requests for support from our boating customers."*

Sean Williams - Welfare & Safeguarding Officer Canal and River Trust. 5th October 2023

---

---

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Achievements and performance (continued)**

This supporting comment from the Canal and River Trust both sets the context and indicates the impact that Waterways Chaplains have on the communities who live or spend their leisure time on canals and rivers where they minister.

This report covers the activity of the Waterways Chaplaincy from 1st April 2022 to 31st March 2023 however, we recognise that for the purposes of this Annual Report, Waterways Chaplaincy became a new unincorporated trust, with Church Army Board as the sole trustee, on 27th September 2022.

**Waterways Chaplains and where they work**

Waterways Chaplains offers support to those who use and live on the UK waterways and canals. Chaplains are volunteers from local churches who regularly visit the waterways offering companionship and a listening ear to individuals and businesses.

This year has been a time of rebuilding numbers of Waterways Chaplains following the COVID pandemic. On 1st September 2022 there were 95 active Waterways Chaplains which was a decrease from 101 the previous year. Growth continued throughout 2022/2023 and at the time of writing there are 118 active Waterways Chaplains.

The chaplains are arranged into 12 Hubs: Central, East Anglia, Kennet & Avon, Lancashire, London, North Midlands, Northwest, Severn & Avon, South, Southeast, Staffordshire, Surrey & Hants.

Each hub is led by a Senior Waterways Chaplain, and they meet monthly, face to face online and some a mixture. The hubs are a place of support, fellowship, and encouragement, and the Senior WWCs play a crucial role in the recruitment, training and pastoral support of chaplains in their hubs.

We currently have three paid staff: a National Senior Chaplain and a Senior Chaplain for the North and a Senior Chaplain for the South. They work part time.

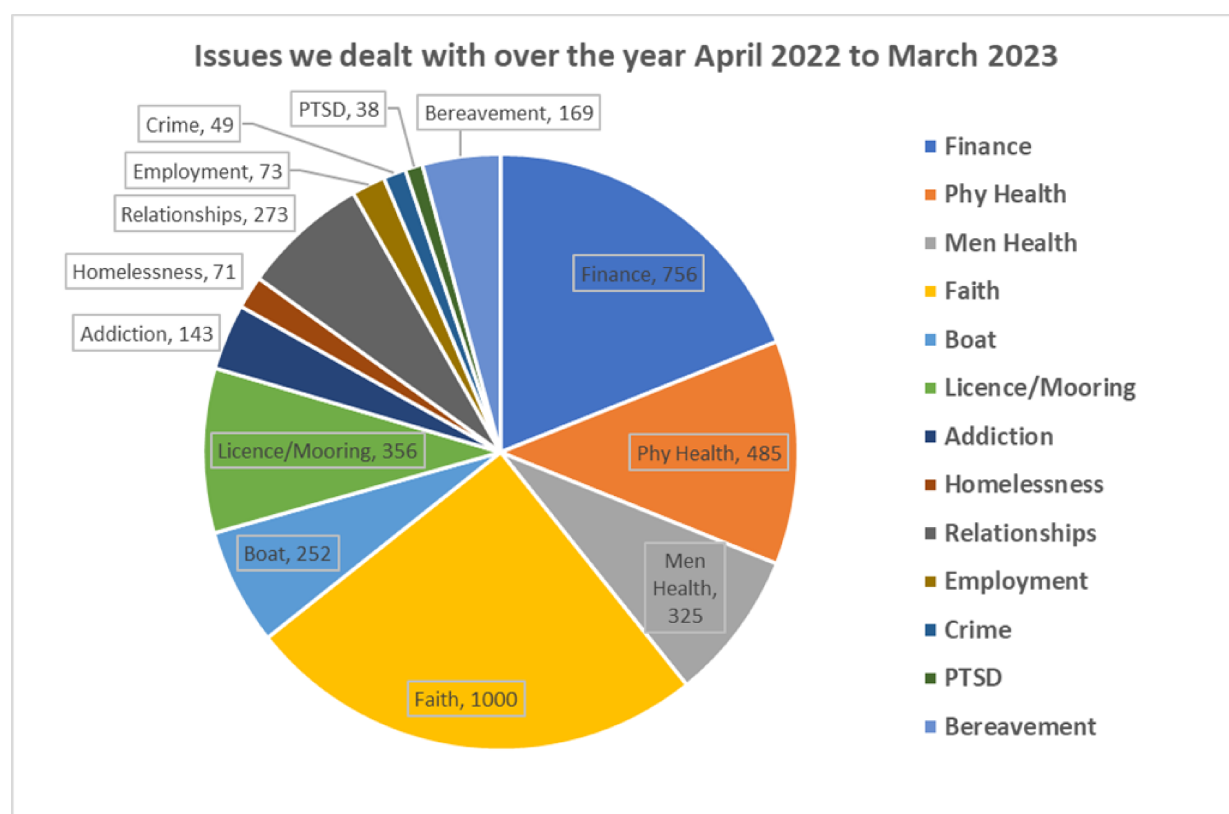
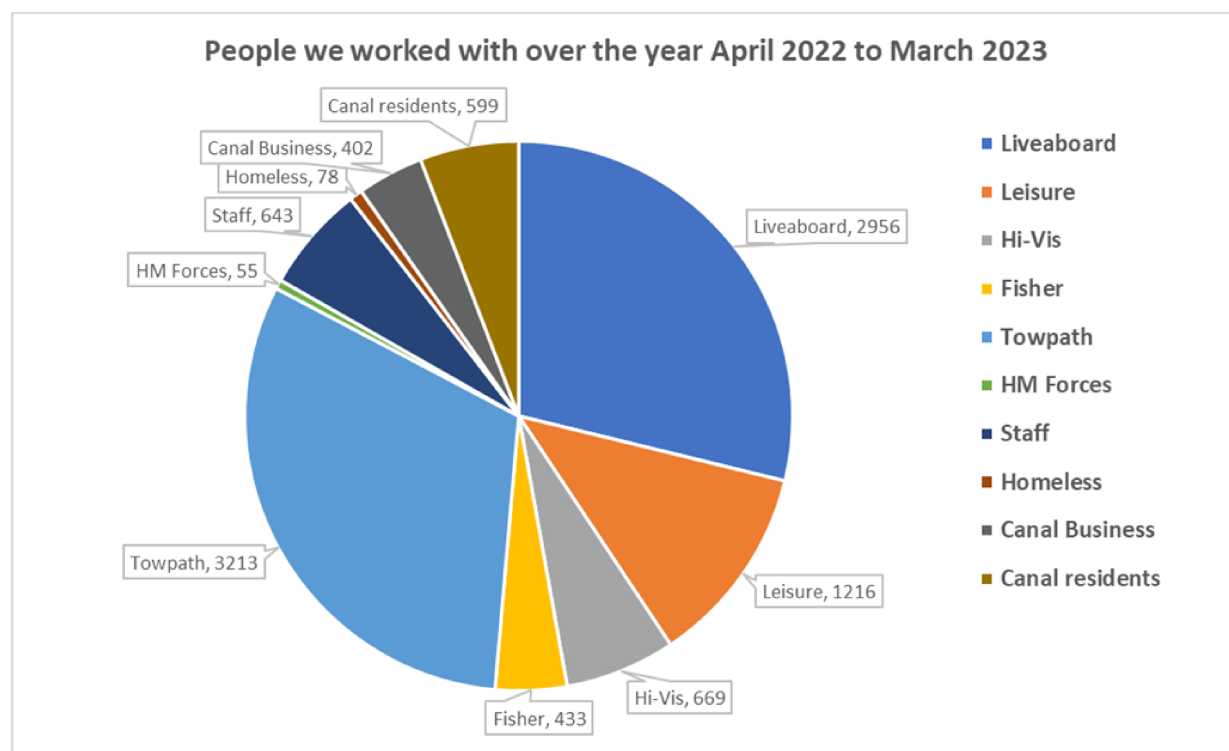
Funding for the Waterways Chaplaincy comes primarily from grants from the Tudor Trust, Maurice and Hilda Laing Trust and The Benefact Trust. We are also indebted to several churches and individuals who support the work financially and many of the Chaplains themselves, who not only give of their time but claim little or no expenses.

**Who Waterways Chaplains work with and the issues they face**

Poverty and mental health have been among the key issues reported with other things ranging from boating matters to relationships, employment, and homelessness. Matters of faith and spirituality often come up in conversations as people often were struggling with what seemed to them hopeless situations. We have been involved in funerals for boaters and their families as part of that support, which has been important for the boating community and gives our work profile among that group. The underpinning principle of this unique chaplaincy is to provide independent and confidential support, which is encouraging and ensures that people feel listened to. Among our volunteers across both chaplaincies are a mix of retired teachers, GPs, clergy, professionals, and others who are still working but find volunteering a wonderful way to 'give back.'

TRUSTEE'S REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2023

Achievements and performance (continued)



---

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Achievements and performance (continued)****Stories of impact that Waterways licensed chaplains are having:**

The last word should go to our chaplains, sharing the ways that they are changing lives:

From L in the Southeast hub: There was a boat fire at Stansted Abbots. 3 boats burned. Only one was occupied. A young man lost everything apart from the clothes he stood up in and his phone. It was going to be his birthday the following day! L went the following day with clothing, bedding and toiletries and a birthday cake for him and he was visibly moved with the provision.

From Continuous cruiser WWCs S and F: Since being commissioned in Bethany Baptist Church, Cardiff, last July, we have ministered to a huge range of people on the canals. For most, this has consisted of a cheery wave or friendly chat on the towpath. For others, this has involved a 7hr conversation about the purpose and meaning of life, help with bike maintenance, or support with crippling financial and health issues. Where relevant, we give out information about local services and pocket New Testaments. One thing that has struck us during this time, has been the value of 'living amongst'. Most of the opportunities that arise, occur because we are 'there'. Occasionally, the chaplaincy will send through referrals, but mostly, the conversations start because someone is moored next to us, meets us at a lock, or is walking the towpath. We do not seek out these encounters and never 'push' our faith on others, but, as chaplains, we are open about the hope that is within us and willing to listen and care for those around us.

From D and C in the North Midlands: we were alerted, by a towpath user we know, to the distress of a boater, whom we also know, who had been attacked by another boater. We went to see the distressed boater, who was very pleased to see us. Having previously given him an NT and Psalms, we asked him if he found them helpful, and he said he liked Psalm 23, but preferred the Authorised Version. So we printed that out and also Psalm 139, for which he was very grateful. He knows we keep praying for him, and when the boater who had attacked him was given notice to quit his mooring, our friend thought that was an answer to prayer.

**Chris Upton, National lead Chaplain – October 2023**

Transition of Waterways Chaplaincy into Church Army family:

The last 12 months has seen the transition of the Waterways Chaplaincy from being part of Workplace Matters into the family of Church Army.

The formal transfer took place on January the 1st 2023 when Church Army took over the staff, volunteers and activities from EPI Limited t/a Workplace Matters, but this came after 18 months of building closer relationships and exploring the best option to secure the future for Waterways, building on a longstanding relationship where Church Army had provided administrative and leadership support to EPI Ltd over many years.

Since then the employees have moved onto the Church Army payroll. So, after many years of close collaboration between Workplace Matters and Church Army; Church Army now provides Waterways the organisational support of HR, payroll, volunteering, policy, financial processing, line management and leadership, with oversight of the work undertaken through a Project Board. Church Army is the sole trustee of Waterways Chaplaincy. It carries all legal and financial responsibilities in respect of Waterways Chaplaincy. The Waterways Project Board has delegated authority from Church Army to oversee the activities of the Waterways Chaplaincy.

We have in the past twelve months seen the retirement of our National Lead Chaplain in Mark Chester. We are hugely grateful for all that he has given to Waterways Chaplaincy and how the work to support people on our Waterways has grown through his leadership, organisation, example and care. We will celebrate Mark's work and thank him personally at the National Celebration for Waterways in November 2023.

### TRUSTEE'S REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

---

#### Achievements and performance (continued)

We have now successfully appointed Rev Chris Upton to the role of National Lead Chaplain for Waterways. He has settled into his role well and is leading the network and the senior chaplains within Waterways. Emma Sivyer as Mission Development Officer for Church Army has now taken over the responsibility of line management for the National Lead Chaplain.

The project board has now been meeting quarterly throughout this year and it consists of:

- Director of Mission Operations, (Chair)
- Chief Operating Officer (as company secretary of Church Army)
- National Lead Chaplain for Waterways
- Tony Charles
- Mission Development Officer, (South and East)
- Operations Team Administrator, (as minute taker)

The Waterways Chaplaincy Project Board oversees the strategic direction, legal and financial responsibility and the support for the National Lead Chaplain and the team.

Since the transition the work of Waterways has continued to grow and have significant impact upon the communities with which we serve.

As a project board we are hugely indebted for the hours that our network of licensed chaplains provides for Waterways and our communities. For the many hours walking, listening, supporting, and caring they are valued and appreciated.

The work of Waterways Chaplaincy is needed more than ever within this country. We recognise the immense need that our licensed chaplains are addressing along our waterways of England and Wales. The stories of impact (that are recorded below) illustrate the complexity of needs that the Waterways Licensed Chaplains are picking up.

Stories of Impact from our Waterways licensed chaplains:

*'I have noticed a dramatic and severe downturn in personal finances of liveaboards recently. I have an arrangement with several local food banks and this month is the first time I have had to authorise multiple food parcels and other necessities.'*

*'We met R when he was fishing and in need of power for his mobile phone. 2 days later we met him again shortly before we left the boat for a week.'*

*'He has a number of challenges including alcohol and a difficult home situation which resulted in him sleeping rough (a tent alongside the canal) whilst staying in contact with his wife who lives nearby. We invited him to boat sit for us for the week and were able to leave him with a John's gospel to read. When we returned to the boat he had a meal with us on board and we were able to share with him that our generosity springs from a relationship with our heavenly father who is more generous and loving than we could ever be.'*

*'After some difficulty I managed to locate a couple in difficulty on a narrowboat. I was firstly alerted to their plight by a friend who delivers fuel to live a boards on the Thames. They contacted us via the website and I visited them to see how I could help. They have had engine problems which is serious as the Thames is in flood and they had spent a lot of money addressing this. They had also been fined for overstaying so were financially hard up. They wanted fuel for their wood burning stove, which I was able to provide the next day.'*

*'Assisting a boater, who is a stroke victim and cannot read or write, to complete his licensing application'.*

---

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Achievements and performance (continued)**

These stories are a fraction of the impact that our community of Licensed Chaplains are having across our Waterways.

**Financial review****a. Review of period**

These accounts represent 3 months activity from 1 January 2023 to 31 March 2023, the period from the transition date of Waterways into Church Army to the end of the accounting period.

During the period Waterways Chaplaincy received a grant from Laing Trust and an interim payment of £80,000 from Workplace Matters including grants made before the start of the period for waterways work. All monies received are banked in the Church Army central bank account, and are therefore included in these accounts as debtors.

Some of the grant monies are for use over a period that stretches beyond March 2023. This portion has been excluded from the income from the period and moved into creditors.

An amount of £45,814 is expected to be received during 2023/24, being the final settlement with Workplace Matters – this is recognised as a contingent asset as at the date of this report.

**b. Going Concern**

Due to support pledged from the Trustee, the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**c. Reserves policy**

Following the move of Waterways Chaplaincy activities into a new charity on 1 January 2023, with Church Army as the sole Trustee, the aim is to work towards holding free reserves equivalent to 6 months operating expenses over the next 3 years. This planned approach is made possible by the ongoing support of Church Army. At the year end free reserves were £23,882.

---

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Key Risks**

The Project Board maintains a Risk Register and highlights key risks to the Trustee – the current key risks and mitigations are as follows:

<b>Key risk</b>	<b>Mitigations</b>
<b>Loss of key staff due to insecurity of funding</b>	<ul style="list-style-type: none"><li>• We have in place funding for all of the part time Waterways Chaplains for 2023 and for a further two years for one of those posts.</li><li>• We are negotiating with the other and looking at other sources of funding.</li><li>• Church Army may provide bridging funding if necessary.</li><li>• We will work with the Chaplains to help strengthen their stakeholder relationships.</li></ul>
<b>Level of voluntary income including trust income continues to decline in real terms impacting risk appetite to grow the work</b>	<ul style="list-style-type: none"><li>• We continue to evaluate the work which enables us to offer more evidenced based applications strengthening the opportunities</li><li>• We will seek to build longer term relationship with the trusts we currently work with</li><li>• We are currently developing a strategy for reaching local churches to try and secure new funding from that source</li><li>• We are seeking to increase the number of individual donors</li></ul>
<b>Reputational risk through failure to protect the vulnerable and marginalised</b>	<ul style="list-style-type: none"><li>• Disclosure and Barring Service (DBS), Safeguarding training screening to reduce risk.</li><li>• Policies and procedures exist in the chaplaincy to establish good practice.</li><li>• All staff and volunteers working with vulnerable adults or children have regular safeguarding training updated at least every three years</li><li>• Continued vigilance and addressing of issues as they arise.</li><li>• Any allegations handled in line with our policy</li><li>• We are supported by 31:8 for advice and help when things go wrong</li></ul>

---

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

***Structure, governance and management*****a. Constitution**

Waterways Chaplaincy is a registered charity, number 1200492, and is constituted under a Trust deed. Church Army is the sole trustee of Waterways Chaplaincy. It carries all legal and financial responsibilities in respect of Waterways Chaplaincy. The Church Army Board acts on Church Army's behalf as trustee and sets the framework.

As well, as being sole trustee, Church Army provides certain services to Waterways Chaplaincy, including executive leadership, accounting, payroll and other HR services, policies, and other support services.

**b. Project Board**

The Church Army Board has created the Waterways Chaplaincy Project Board ('Project Board') as a sub-committee of the Church Army Board and has delegated to it non-executive responsibility for overseeing the management, operation and development of the Waterways Chaplaincy within agreed parameters.

The Church Army Director of Operations has executive responsibility for all aspects of the management and operation of the Waterways Chaplaincy and will report Waterways Chaplaincy activities through his executive reporting line into the Church Army Management Group.

The Project Board and the Waterways Chaplaincy Lead are keen to work with churches from different denominations, the local community, staff, service users and other key stakeholders, and to benefit from their insights.

The Project Board has freedom to act as it sees fit in implementing the decisions of the Church Army Board and in overseeing the management, operation and development of the Waterways Chaplaincy within the following parameters:

- The Project Board is to lead and set strategy, vision and direction of the Project whilst managing the finances of the Project in line with the agreed budget.
- The Project Board is responsible for the appointment of the Waterways Chaplaincy Lead and will select appropriate member(s) to be involved in any recruitment process - through that person holds the Project Management Team accountable for the Project.
- The Project Board is to report annually to the Church Army Board in September, reviewing both developments over the past year and its plans for the following year, including proposals on strategic direction for the Waterways Chaplaincy for approval or amendment by the Church Army Board. The Project Board may refer urgent matters to the Church Army Board or Finance Committee at other times of year.
- The Project Board is to work within the policies and procedures of Church Army with regard to personnel, health and safety, finance, property, insurance and legal compliance except as agreed with the relevant Church Army managers.
- The Project Board is a non-executive Board and does not therefore get involved in the day-to-day running of the project.

**The role of the Church Army Board**

The Church Army Board reserves to itself the following powers and responsibilities:

- To approve and amend as appropriate the overall strategic direction for Waterways Chaplaincy
- To appoint and remove members of the Project Board
- To approve the annual financial statements of Waterways Chaplaincy
- To approve the annual budget of Waterways Chaplaincy, including capital expenditure
- To set and amend as appropriate the governance framework for Waterways Chaplaincy

---

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Structure, governance and management (continued)**

- To receive the minutes of meetings of the Project Board
- To advise the Project Board and to respond to questions raised by the Project Board

**c. Methods of appointment or election of Trustee**

The management of the charity is the responsibility of the Trustee who is elected and co-opted under the terms of the Trust deed.

**Plans for future periods****Plans for 2023-24**

With the move into the Church Army family in January 2023, and with our current National Senior Chaplain set to step down in July 2023 it is a time of significant change. Much time and effort are being put into stabilising the chaplaincy and into the search for and appointment of a new National Lead Chaplain.

Given all this there are still other areas of focus:

- 1) Continuing to grow the number of chaplains and the geographical spread of the chaplaincy
- 2) Raising the financial and prayer support for the chaplaincy, specifically to enable the important staffing resource to grow to match the expansion in the number of chaplains
- 3) Develop the training and support offered to licensed chaplains, recognising the complex issues they are increasingly encountering

None of these will happen quickly, but we are confident that the direction of travel is slow and steady, and this neatly reflects the style and pace of our core user group!

**TRUSTEE'S REPORT (CONTINUED)**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**Statement of Trustee's responsibilities**

The Trustee is responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

**Disclosure of information to auditor**

The Trustee at the time when this Trustee's report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditor**

The auditor, BHP LLP, has indicated his willingness to continue in office. The designated Trustee will propose a motion reappointing the auditor at a meeting of the Trustee.

Approved by order of the Trustee and signed on their behalf by:

**Neville Willerton**

For and on behalf of the Trustee  
Date:

**John Whitfield**

For and on behalf of the Trustee

---

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WATERWAYS CHAPLAINCY**

---

We have audited the financial statements of Waterways Chaplaincy (the 'charity') for the year ended 31 March 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the trustee's report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustee's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

---

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WATERWAYS CHAPLAINCY (CONTINUED)**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with the trustee and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity, including safeguarding legislation, health and safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal costs; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

---

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WATERWAYS CHAPLAINCY (CONTINUED)**

---

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of my report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**BHP LLP**

Statutory Auditor  
2 Rutland Park  
Sheffield  
S10 2PD

Date:

BHP LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

---

**WATERWAYS CHAPLAINCY**

---

---

**STATEMENT OF FINANCIAL ACTIVITIES**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
<b>Income from:</b>				
Donations and legacies	2	36,148	16,875	53,023
Other trading activities	3	9	-	9
<b>Total income</b>		<b>36,157</b>	<b>16,875</b>	<b>53,032</b>
<b>Expenditure on:</b>				
Charitable activities	4	12,275	16,875	29,150
<b>Total expenditure</b>		<b>12,275</b>	<b>16,875</b>	<b>29,150</b>
<b>Net movement in funds</b>		<b>23,882</b>	<b>-</b>	<b>23,882</b>
<b>Reconciliation of funds:</b>				
Net movement in funds		23,882	-	23,882
<b>Total funds carried forward</b>		<b>23,882</b>	<b>-</b>	<b>23,882</b>

The Statement of Financial Activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

---

**WATERWAYS CHAPLAINCY**

---

**BALANCE SHEET**  
*AS AT 31 MARCH 2023*

---

	Note	2023 £
<b>Current assets</b>		
Debtors	8	72,323
		<u>72,323</u>
Creditors: amounts falling due within one year	9	(48,441)
		<u>23,882</u>
<b>Net current assets</b>		<u>23,882</u>
<b>Total net assets</b>		<u><u>23,882</u></u>
<b>Charity funds</b>		
Unrestricted funds	10	23,882
		<u>23,882</u>
<b>Total funds</b>		<u><u>23,882</u></u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

**Neville Willerton**  
For and on behalf of the Trustee  
Date:

**John Whitfield**  
For and on behalf of the Trustee

The notes on pages 17 to 22 form part of these financial statements.

---

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**1. Accounting policies****1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Waterways Chaplaincy meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £1.

**1.2 Going concern**

Due to support pledged from the Trustee, the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**1.3 Income**

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

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Debtors**

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**1. Accounting policies (continued)****1.6 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**1.7 Financial instruments**

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

**1.8 Fund accounting**

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

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

**2. Income from donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Restricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Donations	36,148	16,875	53,023

---

## WATERWAYS CHAPLAINCY

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

---

#### 3. Income from other trading activities

##### Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £
Other income	9	9
	<hr/>	<hr/>

#### 4. Analysis of expenditure on charitable activities

##### Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Direct costs	12,275	16,875	29,150
	<hr/>	<hr/>	<hr/>

#### 5. Auditor's remuneration

	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	2,440
Fees payable to the charity's auditor in respect of:	
All non-audit services not included above	2,335
	<hr/>

---

## WATERWAYS CHAPLAINCY

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

---

#### 6. Staff costs

	2023 £
Wages and salaries	15,247
Social security costs	1,031
Contribution to defined contribution pension schemes	94
	<hr/> 16,372 <hr/>

Wages costs are recharged from the parent charitable company, The Church Army, for the employees of Waterways Chaplaincy.

The average number of persons employed by the charity during the period was nil.

No employee received remuneration amounting to more than £60,000 in the period.

#### 7. Trustee's remuneration and expenses

During the period, the Trustee did not receive any remuneration or other benefits.

During the period ended 31 March 2023, no Trustee expenses have been incurred.

#### 8. Debtors

	2023 £
Amounts owed by group undertakings	72,214
Other debtors	109
	<hr/> 72,323 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**9. Creditors: Amounts falling due within one year**

	<b>2023</b> <b>£</b>
Accruals and deferred income	<b>48,441</b>

	<b>2023</b> <b>£</b>
Resources deferred during the period	<b>43,666</b>

**10. Statement of funds****Statement of funds - current period**

	Income £	Expenditure £	Balance at 31 March 2023 £
<b><i>Unrestricted funds</i></b>			
General funds	<b>36,157</b>	<b>(12,275)</b>	<b>23,882</b>
<b><i>Restricted funds</i></b>			
Benefact Trust	<b>7,750</b>	<b>(7,750)</b>	-
Tudor Trust	<b>5,375</b>	<b>(5,375)</b>	-
Laing Trust	<b>3,750</b>	<b>(3,750)</b>	-
	<b>16,875</b>	<b>(16,875)</b>	-
<b><i>Total of funds</i></b>	<b>53,032</b>	<b>(29,150)</b>	<b>23,882</b>

Restricted funds are for the running and development of the chaplaincy.

---

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE PERIOD ENDED 31 MARCH 2023*

---

**11. Summary of funds****Summary of funds - current period**

	Income £	Expenditure £	Balance at 31 March 2023 £
General funds	36,157	(12,275)	23,882
Restricted funds	16,875	(16,875)	-
	<u>53,032</u>	<u>(29,150)</u>	<u>23,882</u>

**12. Analysis of net assets between funds****Analysis of net assets between funds - current period**

	Unrestricted funds 2023 £	Total funds 2023 £
Current assets	72,323	72,323
Creditors due within one year	(48,441)	(48,441)
<b>Total</b>	<u>23,882</u>	<u>23,882</u>

**13. Related party transactions**

The sole trustee and parent charitable company is Church Army. A balance of £72,214 is held within debtors owed by Church Army as at 31 March 2023.

As well, as being sole trustee, Church Army provides certain services to Waterways Chaplaincy, including executive leadership, accounting, payroll and other HR services, policies, and other support services. No charges are made for these services.

**14. Controlling party**

The ultimate controlling party is the sole trustee, Church Army, a charitable company limited by guarantee under company number 00037169 and registered charity number 226226.