

WATERWAYS CHAPLAINCY

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Registered Charity number: 1200492

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WATERWAYS CHAPLAINCY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustee	The Church Army
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

The Trustee presents their annual report together with the audited financial statements of the charity for the year 1 April 2023 to 31 March 2024.

Objectives and activities

Objects

The objects of the charity are:

To advance the Christian faith with the aim of bringing people to a personal faith in Jesus Christ by:

1. Providing trained evangelists and lay agents (including, but not limited to, Chaplains) to assist the advancement of the Christian religion, and
2. Relieving poverty and distress, including by (but not limited to) providing pastoral care and support, particularly among people living or travelling on or around canals and waterways across the UK.

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 Canal and River Trust Welfare Officers, Licencing Officer and other interested parties. We also support other boaters who are concerned for someone they have come across in need.

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. On occasion this leads to a clear transformation in people's lives but very often we do not know exactly how we have helped. Faith conversations are often brought up by those we help (see below) and we are ready to respond to their questions; our evangelism is oblique, rarely the purpose of our conversations but regularly the outcome.

Waterways Chaplains walk the waterways within a certain geographical patch near them, or they lurk in marinas or waterside cafes. 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.
- **Spiritual support:** When asked, Chaplains are willing to pray for and with people and talk about faith.

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

This supporting comment 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.

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 consolidation (though thankfully the effects of the COVID pandemic are beginning to wane) and restaffing after the retirement of the National Lead Rev Mark Chester and the Southern Lead Rev Sarah Hayes. In July 2023 Rev Chris Upton took over from Mark, and Rev Mark Macaulay from Sarah. Our administrator retired in January 2024 and his work has been covered by the head office staff of the Church Army.

On 31 March there were 118 active Waterways Chaplains and at the time of writing there are 108. We think this is due to natural retirement of some older chaplains and the changing staffing of the WWC. A number of new chaplains are coming on board in the North of England and this is very welcome. The chaplains are still arranged into 12 Hubs: Central, East Anglia, Kennet & Avon, London, North Midlands, Northwest, Severn & Avon, South, Southeast, Staffordshire, Surrey & Hants but Lancashire has closed and the Peaks and Derbyshire has opened.

Each hub is led by a Senior Waterways Chaplain, and they meet monthly, face to face or 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 Lead 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 a grant from The Benefact Trust. We are working hard to raise the profile of the chaplaincy with the hope that this will lead to a more sustainable funding basis, with contributions coming from both churches and individuals but also businesses and charitable institutions. We are heavily indebted to the Chaplains themselves, who not only give of their time but claim little or no expenses.

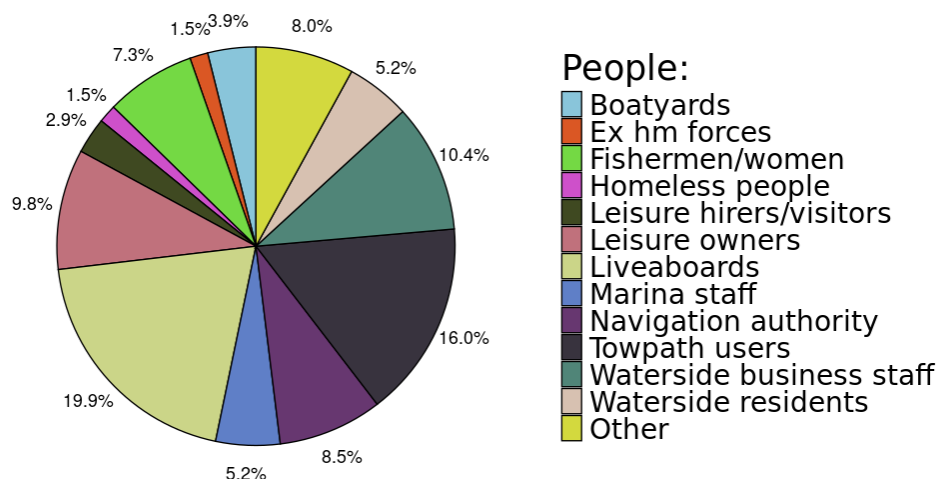
Who Waterways Chaplains work with and the issues they face.

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 holistic support, which is encouraging and ensures that people feel listened to. Among our volunteers are a mix of retired teachers, GPs, clergy, professionals, and others who are still working but find volunteering a wonderful way to 'give back.'

In January 2024 we changed our reporting system to make it easier and quicker for chaplains to report via a smartphone. The key difference that we noticed in the last year was the rise in conversations about mental health. We think that this is a worrying trend possibly linked to the Covid pandemic and the Cost-of-Living crisis. Noting this we invited Sanctuary Mental Health CEO Corin Pilling to lead us in some training at our national training days in January and February.

Who are we talking to?

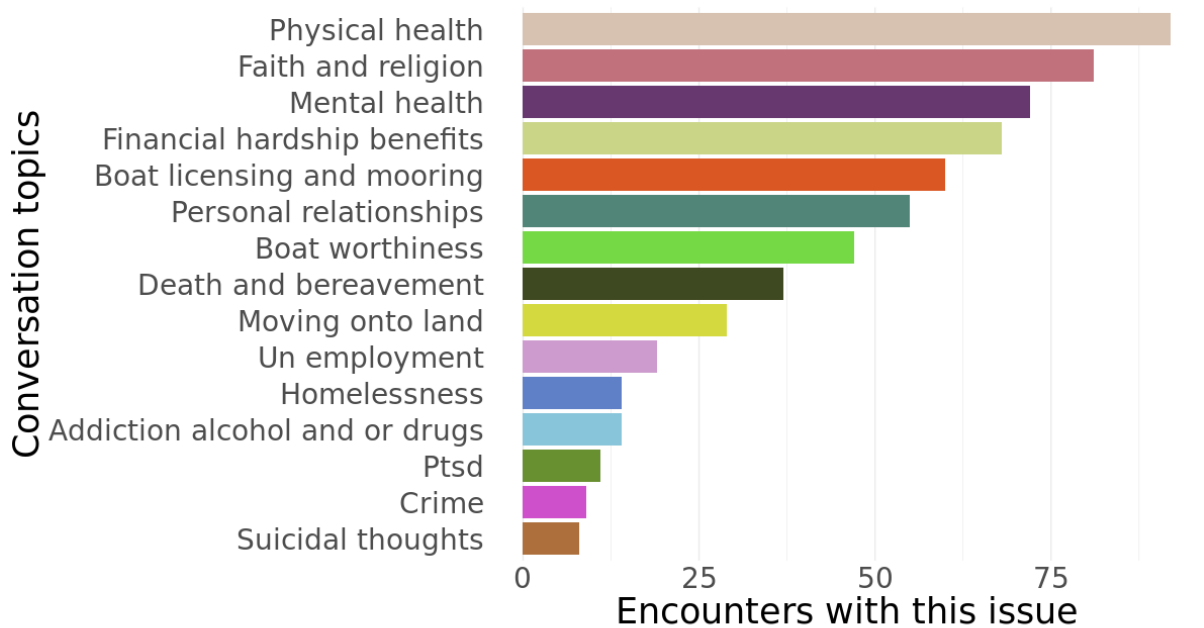
Between 2024-01 and 2024-05



capped at one per chaplain per month to account for differences in reporting.

What are we talking about?

Between 2024-01 and 2024-05



Freetext (i.e. 'other') responses are excluded from this graph.
 Encounters are capped at one per chaplain per month to account for differences in reporting.

Stories of impact that Waterways licensed chaplains are having:

These three stories have all come from our newly reestablished monthly e-newsletters.

From Charles

Whilst walking along the towpath, I came across a tired looking boat. Wondering whether it had been abandoned, I enquired with the neighbours and they put me right... someone was actually living aboard. As the owner wasn't around, I simply left a WWC leaflet and my phone number.

Some weeks later I received a text. "Hi, you left a leaflet on my boat. Can we meet up?"

We met several times in a local café and chatted, sometimes for hours and talked about many things: boat worthiness, relationships, work, Christian faith etc, etc. After a couple of months, he started coming with me to the local church. I think he was rediscovering the faith he had in his younger years. He still comes on a Sunday occasionally, bringing his family with him.

From Helen

I met a boater by chance while showing a prospective chaplain along a stretch of canal towpath. The boater's friend, aware of our chaplaincy, mentioned that their friend needed our help to sort things out.

The boater was a continuous cruiser, grappling with financial challenges and the complexities of life. In the previous year, they had resigned from their agency job with dreams of self-employment but lacked the know-how to make it happen. With dwindling funds and mounting stress, they found themselves in a difficult spot. Despite managing through the winter with assistance from a fellow boater, they needed more support.

I arranged to meet them for a longer chat to assess how we could assist. Each visit was to a different location since the boater was constantly on the move. Through these visits, I explored vast stretches of countryside and canal, forging a deeper connection.

We organised a food parcel with the help of another chaplain and assisted in making a Universal Credit application. I provided transportation to the job center for two interviews and helped with shopping once funds became available.

I'm pleased to report that the boater is now much more in control of their life and feels positive about the future. They also expressed interest in church and faith, actively seeking opportunities to be involved. They even considered cycling to church when mooring points allowed.

It was truly fulfilling to be of service to this boater and witness their journey toward positivity and stability.

From Steven and Amanda (probationer chaplains)

A request via the website came to us in our first week and this really helped us to settle into the role. During our first two months we have found we have been comforters, form obtainers, food shoppers, dog walkers. We have washed and dried laundry, delivered many parcels (from the marina to liveaboards), charity shop drop off's, as well as getting registration to doctors surgeries.

Stand out points so far - generally being there to speak to, seeing the loneliness of what had originally seemed to us an idyllic lifestyle, it quickly became apparent that many people have become very isolated.

Even when we were told by our fellow Waterways Chaplains a bit of what to expect, we were not quite fully aware of the lack of living space available, the lack of street lighting on tow paths and the potential for people to feel very isolated and lonely. The isolation struck us the most... that an hour or two of our time may be the only contact that someone will have for days on end. That access to the doctor and supermarket, (which we take for granted) is not afforded to many people who live on the waterways.

Transition of Waterways Chaplaincy into Church Army family

The last 12 months has seen the ongoing 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 Mark Chester in November 2023. 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 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)
- Company Secretary of Church Army
- National Lead Chaplain for Waterways
- Tony Charles – former trustee of EPI Ltd t/a Workplace Matters
- Mission Development Officer, (South and East)

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

We are seeking to add the voices of Licensed Chaplains to the Project Board in the coming year to strengthen the connection between the chaplains and the governance of the chaplaincy.

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 included in this report illustrate the complexity of needs that the Waterways Licensed Chaplains are picking up.

Plans for the future

With the move into the Church Army family being consolidated over the last year and with new staff having come onboard the future of the WWC looks good. There are still significant risks around funding but these are being addressed.

Areas of focus continue to be:

- 1) Continuing to grow the quality and number of chaplains and the geographical spread of the chaplaincy. This will be done through ongoing training and by increasing the expectations in the recruitment process.
- 2) Increasing the resilience of the financial and prayer support for the chaplaincy, specifically to enable the important staffing resources needed to match the expansion in the number of chaplains and the complexity of the work delivered.

Neither 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!

Financial review

a. Review of the year

These accounts reflect the first full year within the Church Army family to 31 March 2024, whereas the prior period represented the 3 months from 1 Jan 2023 to 31 March 2023 the period from the transition date of Waterways into Church Army to the end of the accounting period.

Income from donations and grants totalled £103k – this included a £46k receipt from EPI Limited t/a Workplace Matters the charity that previously operated Waterways Chaplaincy prior to its transfer into the Church Army family in January 2023.

Expenditure of £104k led to a small loss of £1k for the year.

Funds carried forward totalled £23k representing just 2 months operating costs and the Project Board is thankful for the ongoing support of Church Army, the sole Trustee, as detailed in the Going Concern statement below, while work continues to source ongoing grant funders and increase donation and fundraised income to move Waterways to financial sustainability.

b. Going concern

Recognising the challenges this year in obtaining new grant funding to sustain the work following expiry of current grants, the Project Board has sought and received a letter of comfort from the Board of Church Army – an extract from this reads:

'The Board of Church Army remains committed to the work of the Waterways Chaplaincy of which Church Army is the sole Trustee.'

Church Army recognises that the journey to sustainability may take more than one year and commits to providing the funding required to continue operating the Waterways Chaplaincy should any shortfall in fundraising occur. For audit purposes to confirm that Waterways Chaplaincy is a Going Concern we explicitly confirm this commitment for at least the next 12 months.'

The Project Board takes comfort from this express commitment of ongoing support from Church Army in making its Going Concern statement.

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 are £23k.

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:

Key risk	Mitigations
Failure to attract new grant funding and donation income results in operating losses	<ul style="list-style-type: none">• Targeted programme of Grant applications being implemented• Wider fundraising strategy being developed to obtain support from different stakeholders in the canals and waterways• Commitment from Church Army the sole Trustee to provide financial support to sustain Waterways Chaplaincy while sustainable ongoing funding is put in place

WATERWAYS CHAPLAINCY
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024

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

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
- 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 are elected and co-opted under the terms of the Trust deed.

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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed;
- 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
- the 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.

WATERWAYS CHAPLAINCY
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Auditor

Following a tender process Church Army has appointed Hawsons as its new auditors for all the charities in the Church Army group for the March 2025 audit.

The Trustee thanks BHP LLP, the outgoing auditor for their advice, guidance and support over the last 9 years including the last 2 years for Waterways.

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



Signer ID: TSME4YQXYF...



Signer ID: CPK83FJNRT...

John Whitfield
For and on behalf of the Trustee

Neville Willerton, Director of Mission Operations – Church Army
Chair of Waterways Project Board

Date: 03/12/2024 GMT

Opinion

We have audited the financial statements of Waterways Chaplaincy (the 'charity') for the year ended 31 March 2024, 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 2024, 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 trustee is responsible for the other information. 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.

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 trustee's report is inconsistent in any material respect with the financial statements; 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 the trustee

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 the Act and relevant regulations made or having effect thereunder.

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 Senior Statutory Auditor 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.

WATERWAYS CHAPLAINCY

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Signer ID: CZYRUVFAHR...

BHP LLP

Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date: 04/12/2024 GMT

BHP LLP is eligible to act as an auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WATERWAYS CHAPLAINCY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
	Note				
Income from:					
Donations and legacies	2	51,797	51,416	103,213	53,023
Other trading activities	3	-	-	-	9
Total income		51,797	51,416	103,213	53,032
Expenditure on:					
Charitable activities	4	(53,010)	(51,416)	(104,426)	29,150
Total expenditure		(53,010)	(51,416)	(104,426)	29,150
Net movement in funds		(1,213)	-	(1,213)	23,882
Reconciliation of funds:					
Total funds brought forward		23,882	-	23,882	-
Net movement in funds		(1,213)	-	(1,213)	23,882
Total funds carried forward		22,669	-	22,669	23,882

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 2024

	Note	2024 £	2023 £
Current assets			
Debtors	8	51,730	72,323
Creditors: amounts falling due within one year	9	(29,061)	(48,441)
Net current assets		22,669	23,882
Total net assets		22,669	23,882
Charity funds			
Unrestricted funds	11	22,669	23,882
Total funds		22,669	23,882

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



Signer ID: CPK83FJNRT...

Neville Willerton

For and on behalf of the Trustee

Date: 03/12/2024 GMT



Signer ID: TSME4YQXYF...

John Whitfield

For and on behalf of the Trustee

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

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.

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

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	51,797	51,416	103,213	53,023
Total 2023	36,148	16,875		

3. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other income	-	-	-	9
Total 2023	9	-		

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Direct costs	53,010	51,416	104,426	29,150
Total 2023	12,275	16,875		

5. Auditor's remuneration

	2024 £	2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	5,730	2,440
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	-	2,335

6. Staff costs

	2024 £	2023 £
Wages and salaries	70,060	15,247
Social security costs	5,013	1,031
Contribution to defined contribution pension schemes	2,680	94
	77,753	16,372

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 year, the Trustee did not receive any remuneration or other benefits (2023: nil).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023: nil).

8. Debtors

	2024 £	2023 £
Amounts owed by group undertakings	48,328	72,214
Other debtors	3,402	109
	<u>51,730</u>	<u>72,323</u>

9. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	29,061	48,441

10 Deferred income

	2024 £
Opening deferred income	43,666
Resources deferred during the year	24,286
Amounts released from previous years	(43,666)
Closing deferred income	<u>24,286</u>

Deferred income relates to grant income received in advance.

11. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
<i>Unrestricted funds</i>				
General funds	23,882	51,797	(53,010)	22,669
<i>Restricted funds</i>				
Benefact Trust	-	25,833	(22,833)	-
Tudor Trust	-	14,333	(14,333)	-
Laing Trust	-	11,250	(11,250)	-
<i>Total of funds</i>	<u>23,882</u>	<u>103,213</u>	<u>(104,426)</u>	<u>22,669</u>

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

11. Statement of funds - continued

Statement of funds – prior period

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

12. Summary of funds

Summary of funds - current year

	Balance b/f 1 April 2023 £	Income £	Expenditure £	Balance c/f 31 March 2024 £
General funds	23,882	51,797	(53,010)	22,669
Restricted funds	-	51,416	(51,416)	-
	23,882	103,213	(104,426)	22,669

Summary of funds – prior period

	Income £	Expenditure £	Balance c/f 31 March 2023 £
General funds	36,175	(12,275)	23,882
Restricted funds	16,875	(16,875)	-
	53,032	(29,150)	23,882

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2024 £	Unrestricted Funds 2024 £	Total funds 2024 £
Current assets	-	51,730	51,730
Creditors due within one year	-	(29,061)	(29,061)
Total	-	22,669	22,669

Analysis of net assets between funds – prior period

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

13. Related party transactions

The sole trustee and parent charitable company is Church Army. A balance of £48,328 (2023: £72,214) is held within debtors owed by Church Army as at the year end.

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.

There were no other related party transactions.

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.