

Pentecostal Residences Charity
Unaudited Financial Statements
31 December 2021

MATTOCKS GRINDLEY

Chartered Accountants
18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

Pentecostal Residences Charity

Financial Statements

Year ended 31 December 2021

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Pentecostal Residences Charity

Trustees' Annual Report

Year ended 31 December 2021

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

Reference and administrative details

Registered charity name	Pentecostal Residences Charity
Charity registration number	1002396
Principal office	C/o The Foundry Lugsdale Road Widnes Cheshire

The trustees

Mr A Hewitt	
Mr S Smith	
Mrs J Hicklin	
Mrs L Holland	(Appointed 16 September 2021)
Mr I Aitken	(Appointed 16 September 2021)
J Archibald	(Retired 16 September 2021)
J Mayhew	(Retired 16 September 2021)

Independent examiner	Mr I Jennions BA (Hons) FFA FIPA FFTA 18 Mulberry Avenue Turnstone Business Park Widnes Cheshire WA8 0WN
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Structure, governance and management

The organisation was registered as a Charity on 27 March 1991 under a governing instrument dated 16 October 1990. The organisation is governed by a management committee.

INVESTMENT POLICY

The Trustees have the power to invest in such assets as they see fit subject nevertheless to such conditions and consents as may for the time being be imposed or required by law. Surplus funds are invested with various institutions.

RESERVES POLICY

The Charity carries out a variety of both long term and short term projects. The Trustees have examined the requirement for free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that currently, given the nature of our work, this should be approximately £625,000, which gives flexibility to cover short term timing differences for grant claims and adequate working capital for our core costs, and to represent investment in fixed assets. However the Trustees keep this under regular review as circumstances change. The free reserves at 31 December 2021 consist of the profit and loss reserve of £1,516,772.

Pentecostal Residences Charity

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Structure, governance and management *(continued)*

RISK MANAGEMENT

The Trustees actively review the major risks which the Charity faces on a regular basis and believe that maintaining our free reserves at the levels stated above, combined with our annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks which we face and confirm that they have established systems to mitigate the significant risks.

Objectives and activities

The objectives and activities of Pentecostal Residences Charity are:

- 1) Housing accommodation for persons over 60 years who are members of the Halton Pentecostal Church or in fellowship with the Church, or a Church in fellowship therewith, or persons in such need.
- 2) Relieving aged persons in occupation of the Housing accommodation of the Charity and, subject thereto, applying the income in furthering the religious and other charitable work of the Halton Pentecostal Church.

Achievements and performance

Since 1985, PRC has maintained a high level of service, delivered with care, enthusiasm and commitment that is warmly appreciated by its tenants. PRC is served by an outstanding team of staff, including on-site wardens and managers. PRC also benefits from operating and working closely in conjunction with the Foundry Church, with the added benefits of community living offered through the friendship and support of the local church.

During the last decade, the management team have overseen a constant and considerable programme of refurbishment within the bungalows. Occupancy rates remain high, the waiting list, especially for two-bedroom accommodation, remains strong, and the atmosphere on site remains friendly and amenable.

Much credit must go to the managers, wardens and volunteers who have continued to ensure that Fair Havens Court, particularly over the past 12 months and the opening up of community life after COVID-19, has continued to be a great place to live as well as a safe place to live!

Staff have continued to attempt to make Fair Havens Court an excellent place to work and live despite the challenges, and extra care and diligence has been taken to look out for especially vulnerable persons during this time.

PRC is also appreciative of the working relationship with the Lighthouse Foundation and their students who work hard to maintain grounds maintenance on behalf of the charity.

The Trustees of the Pentecostal Residences Charity submit this review with confidence that the great work of 2021 will be continued into 2022 and beyond.

Pentecostal Residences Charity

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Financial review

Through sound financial management the charity has been able to continue to provide an excellent service to our residents.

Over the past 12 months, rental income has been increased through a programme of steady increases, undertaken in consultation with an external property group to ensure the correct market rental values were applied. The Trustees are pleased to report that the proposed rentals increases have been accepted by the local authority for housing benefit purposes.

Plans for future periods

No significant changes are expected in the way the charity operates during the next financial year.

BENEFITS TO THE PUBLIC

The charity provides sheltered housing accommodation for persons over 60 years who are members of the Halton Pentecostal Church or in fellowship with the Church, or a Church in fellowship therewith, or persons in such need.

The trustees' annual report was approved on17/7/22..... and signed on behalf of the board of trustees by:



Mr A Hewitt
Trustee

Pentecostal Residences Charity

Independent Examiner's Report to the Trustees of Pentecostal Residences Charity

Year ended 31 December 2021

I report to the trustees on my examination of the financial statements of Pentecostal Residences Charity ('the charity') for the year ended 31 December 2021.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

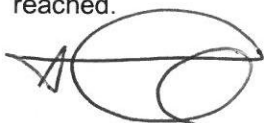
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr I Jennions BA (Hons) FFA FIPA FFTA
Independent Examiner

18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

Pentecostal Residences Charity

Statement of Financial Activities

Year ended 31 December 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	335,988	335,988	334,898
Investment income	5	13	13	19
Total income		<u>336,001</u>	<u>336,001</u>	<u>334,917</u>
Expenditure				
Expenditure on charitable activities	6,7	297,682	297,682	211,236
Total expenditure		<u>297,682</u>	<u>297,682</u>	<u>211,236</u>
Net income and net movement in funds		<u>38,319</u>	<u>38,319</u>	<u>123,681</u>
Reconciliation of funds				
Total funds brought forward		1,478,453	1,478,453	1,354,772
Total funds carried forward		<u>1,516,772</u>	<u>1,516,772</u>	<u>1,478,453</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

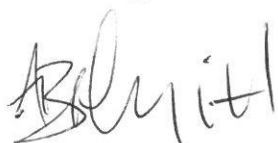
Pentecostal Residences Charity

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	12	1,387,781	1,386,833
Investments	13	123	123
		<u>1,387,904</u>	<u>1,386,956</u>
Current assets			
Debtors	14	7,510	6,921
Cash at bank and in hand		131,785	94,208
		<u>139,295</u>	<u>101,129</u>
Creditors: amounts falling due within one year	15	<u>10,427</u>	<u>9,632</u>
Net current assets		<u>128,868</u>	<u>91,497</u>
Total assets less current liabilities		<u>1,516,772</u>	<u>1,478,453</u>
Net assets		<u>1,516,772</u>	<u>1,478,453</u>
Funds of the charity			
Unrestricted funds		<u>1,516,772</u>	<u>1,478,453</u>
Total charity funds	17	<u>1,516,772</u>	<u>1,478,453</u>

These financial statements were approved by the board of trustees and authorised for issue on 17/12/22, and are signed on behalf of the board by:



Mr A Hewitt
Trustee

The notes on pages 7 to 13 form part of these financial statements.

Pentecostal Residences Charity

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is C/o The Foundry, Lugsdale Road, Widnes, Cheshire.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Pentecostal Residences Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

Pentecostal Residences Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings	-	25% reducing balance
Minibus	-	25% reducing balance
Equipment	-	25% reducing balance
Computer equipment	-	25% reducing balance

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Pentecostal Residences Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Rents and Service Charges Receivable	335,988	335,988	333,962	333,962
Grants				
Government grant income	—	—	936	936
	<u>335,988</u>	<u>335,988</u>	<u>334,898</u>	<u>334,898</u>

5. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank Charges Receivable	13	13	19	19

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Direct charitable activities	294,952	294,952	207,150	207,150
Support costs	2,730	2,730	4,086	4,086
	<u>297,682</u>	<u>297,682</u>	<u>211,236</u>	<u>211,236</u>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Direct charitable activities	294,952	—	294,952	207,150
Governance costs	—	2,730	2,730	4,086
	<u>294,952</u>	<u>2,730</u>	<u>297,682</u>	<u>211,236</u>

Pentecostal Residences Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

8. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	794	477
Operating lease rentals	<u>473</u>	<u>473</u>

9. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,730</u>	<u>2,730</u>

10. Staff costs

The average head count of employees during the year was 3 (2020: 8).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

11. Trustee remuneration and expenses

Included in the above is the amount of £27,456, paid to Adam Hewitt, a trustee, and Diane Daniels, a trustee of the Foundry church, who are paid in their roles as consultants to the charity. Part of this amount is paid in the form of management fees recharged by Foundry Church, who pay Adam and Diane's salaries. Also included is the amount of £32,674, paid to Sean Smith, a trustee who is paid in his role as an employee of the charity.

12. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Equipment £	User defined asset £	Total £
Cost					
At 1 January 2021	1,385,403	4,286	38,794	–	1,428,483
Additions	–	51	–	1,691	1,742
At 31 December 2021	<u>1,385,403</u>	<u>4,337</u>	<u>38,794</u>	<u>1,691</u>	<u>1,430,225</u>
Depreciation					
At 1 January 2021	–	4,195	37,455	–	41,650
Charge for the year	–	36	335	423	794
At 31 December 2021	<u>–</u>	<u>4,231</u>	<u>37,790</u>	<u>423</u>	<u>42,444</u>
Carrying amount					
At 31 December 2021	<u>1,385,403</u>	<u>106</u>	<u>1,004</u>	<u>1,268</u>	<u>1,387,781</u>
At 31 December 2020	<u>1,385,403</u>	<u>91</u>	<u>1,339</u>	<u>–</u>	<u>1,386,833</u>

Pentecostal Residences Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. Investments

	Listed investments £
Cost or valuation	
At 1 January 2021 and 31 December 2021	123
Impairment	
At 1 January 2021 and 31 December 2021	
Carrying amount	
At 31 December 2021	<u>123</u>
At 31 December 2020	<u>123</u>

All investments shown above are held at valuation.

Financial assets held at fair value

Financial assets are measured at fair value with changes in fair value being recognised in the financial statements.

14. Debtors

	2021	2020
	£	£
Trade debtors	5,915	5,587
Prepayments and accrued income	<u>1,595</u>	<u>1,334</u>
	<u>7,510</u>	<u>6,921</u>

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals and deferred income	3,442	2,420
Social security and other taxes	1,088	1,315
Other creditors - Rent refund due	<u>5,897</u>	<u>5,897</u>
	<u>10,427</u>	<u>9,632</u>

16. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>-</u>	<u>936</u>

Pentecostal Residences Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

17. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 21	Income £	Expenditure £	At 31 December 2021 £
Unrestricted Fund	1,478,453	336,001	(297,682)	1,516,772

	At 1 January 20 20	Income £	Expenditure £	At 31 December 2020 £
Unrestricted Fund	1,354,772	334,917	(211,236)	1,478,453

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,387,781	1,387,781
Investments	123	123
Current assets	139,295	139,295
Creditors less than 1 year	(10,427)	(10,427)
Net assets	<u>1,516,772</u>	<u>1,516,772</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	1,386,833	1,386,833
Investments	123	123
Current assets	101,129	101,129
Creditors less than 1 year	(9,632)	(9,632)
Creditors greater than 1 year	-	-
Net assets	<u>1,478,453</u>	<u>1,478,453</u>

19. Financial instruments

The charity currently holds no financial instruments.

20. Related parties

The Charity is effectively controlled by The Foundry Church (charity no. 1174210) which also controls The Lighthouse Foundation (charity no. 1100896). The charity received £21,600 from The Lighthouse Foundation for property rental and paid £23,837 to The Lighthouse Foundation for ground maintenance.

Pentecostal Residences Charity

Management Information

Year ended 31 December 2021

The following pages do not form part of the financial statements.

Pentecostal Residences Charity
Detailed Statement of Financial Activities
Year ended 31 December 2021

	2021 £	2020 £
Income and endowments		
Donations and legacies		
Rents and Service Charges Receivable	335,988	333,962
Government grant income	—	936
	<u>335,988</u>	<u>334,898</u>
Investment income		
Bank Charges Receivable	13	19
	<u>13</u>	<u>19</u>
Total income	<u>336,001</u>	<u>334,917</u>
Expenditure		
Expenditure on charitable activities		
Wages and salaries	90,061	96,165
Employer's NIC	4,758	5,646
Operating leases	473	473
Motor vehicle expenses	2,230	1,412
Legal and professional fees	5,996	4,698
Other office costs	2,507	6,283
Depreciation	794	477
Property Costs	138,496	59,877
Sundry Expenses	959	467
Mortgage Interest	804	2,393
Donations	50,604	33,345
	<u>297,682</u>	<u>211,236</u>
Total expenditure	<u>297,682</u>	<u>211,236</u>
Net income	<u>38,319</u>	<u>123,681</u>

Pentecostal Residences Charity

Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2021

	2021 £	2020 £
Expenditure on charitable activities		
Direct charitable activities		
<i>Activities undertaken directly</i>		
Wages and salaries	90,061	96,165
Employer's NIC	4,758	5,646
Operating leases	473	473
Motor vehicle expenses	2,230	1,412
Legal and professional fees	3,266	612
Other office costs	2,507	6,283
Depreciation	794	477
Property costs	138,496	59,877
Sundry expenses	959	467
Mortgage interest	804	2,393
Donations	50,604	33,345
	<u>294,952</u>	<u>207,150</u>
Governance costs		
Accountancy fees	2,730	2,826
Legal and other professional fees	—	1,260
	<u>2,730</u>	<u>4,086</u>
Expenditure on charitable activities	<u>297,682</u>	<u>211,236</u>