

Charity Registration No. 1072196

Company Registration No. 03642766 (England and Wales)

**FREEDOM-BATH**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**



**Caladine**

Chartered Certified Accountants

# **FREEDOM-BATH**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mr A M A de Thierry Mr J M Needham Mr S Matthew
<b>Secretary</b>	Mrs H Sell
<b>Charity number</b>	1072196
<b>Company number</b>	03642766
<b>Principal address</b>	Freedom House Lower Bristol Road Bath BA2 1EP
<b>Auditor</b>	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
<b>Bankers</b>	HSBC 45 Milsom Street Bath BA1 1DU  Stewardship Services (UKET) Limited 1 Lamb's Passage London EC1Y 8AB

# **FREEDOM-BATH**

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# **FREEDOM-BATH**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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The Trustees present their report and accounts for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)".

#### **Objectives and activities**

As Trustees we seek to ensure as a church we have considered the Commissions guidance on Public Benefit when planning our activities. Specifically with respect to the guidance on the advancement of religion. With this in mind the charities objects and principal activities are:

- The furtherance of religious education.
- The advancement of the Christian faith including missionary activities in the United Kingdom and overseas and also including but not limited to the planning of new churches and organisations of congregations.
- The relief of the poor and needy.
- The relief of the sick and elderly.
- Such other charitable objects for the benefit of such other charitable bodies and institutions as the committee shall in their absolute discretion see fit.

These objectives enable us to provide public benefit in various ways through the various activities of the charity.

Events are hosted and attended throughout the year to further the charities objects, including Sunday services, midweek meetings, social events and the Church Weekend Away in which the majority of the church go away to be strengthened and encouraged in their faith. These events are strategic in enabling people to connect with each other and with Jesus.

Missions are those activities where by the charity seeks to reach out to others helping to advance the Christian faith and or relieve poverty. A significant amount of our missions activities are through the provision of grants to individuals and charities who are undertaking work that contribute toward the objects of the charity as listed above. You can see a list of those we support in note 9 to the accounts. As well as giving to others we also run our own activities which also serve to reach out to the local and international community. These varied activities act to see the relief of poverty and the advancement of the Christian faith. Many of our small groups in church get involved in helping the communities they live in practical ways. With this in mind we work with social services to help some of the people most in need in our cities.

Activities seek to care for, support and help people to move on in their lives both practically and spiritually. These activities are carried out to bring relief to the poor and needy and the sick and elderly, those requiring emotional and spiritual support. The provision of pastoral support has been continued throughout the year by the Senior Pastor, assisted by members of the pastoral team. This has enabled us to help both people inside and outside of the church as they seek to move forward in their lives.

The core of the church's activities are found in its meetings, which are usually held on Sundays and many midweek evenings. These meetings are specifically aimed at teaching and growing people in their faith. Enabling them to help and encourage others in their daily life with Jesus and each other.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Grant making policy**

Mission is the generic term we give to gifts that we make to other organisations and individuals that furthers our charitable objects. When gifts are given the following criteria are always looked at before the gift is given:

- When giving to the organisation, the trustees decide which organisations and the amount to be given.
- As stated in the Trustees report, we aim to give at least 20% of our unrestricted income away in mission gifts and grants.



## ACHIEVEMENTS AND PERFORMANCE

### 2019

Highlights of the year included:



#### SEPTEMBER 2019

Freshers events  
Leaders day  
Youth trips and Socials

Women's Breakfast  
New comers lunches



#### OCTOBER 2019

Heart and Soul  
Student and Youth socials  
First A21 walk

Betsy trained A21 in Greece  
Alpha course launched  
Kids Glow party



#### NOVEMBER 2019

Hillsong Men's day  
Social Action meeting  
Youth trips and socials  
Thank you banquet  
Community Sunday

Freedom on Ice family event  
De T's visited churches in USA



#### DECEMBER 2019

Simon Guillebaud preached  
New comers lunch  
Christmas decorating event  
Carol services  
Jeff and Julie Crabtree visit  
Youth and student socials

Authentic Youth Christmas party  
Kids Christmas performance  
Hillsong Carols  
Nativity Service  
Christingle service

## ACHIEVEMENTS AND PERFORMANCE



### JANUARY 2020

Youth trips and socials  
Men's Breakfast  
Heart and Soul  
Student meal  
Marriage course

Fire marshall training for staff  
Meal for Prime  
Leadership training  
Edify parents mental health first aid session



### FEBRUARY 2020

Youth weekends away  
New comers lunch  
Edify mental health first aid  
Films with purpose: Unrest  
Afternoon for Young Carers

Student talks on sex and relationships and on finance and budgeting  
Kids conference



### MARCH 2020

Hillsong conference tour  
Rise and Build  
Youth trips and weekend away  
First Sunday service live streamed from auditorium  
Child Protection training for 60 volunteers on zoom

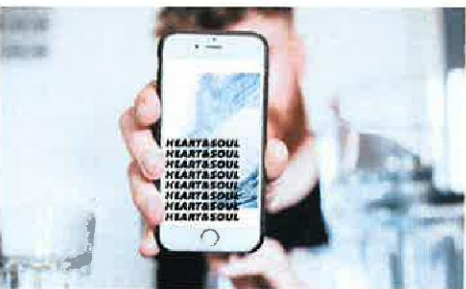
Youth zoom nights  
Trauma informed church Sunday  
Group Hub  
Freedom kids YouTube launched with Sunday films



### APRIL 2020

Easter Sunday pre recorded on new youtube channel  
Sign of the times Q+A on zoom  
Quiz nights and coffee mornings launched weekly on zoom  
Prayer meetings (3 times daily)

After work drinks launched  
Zoomba launched  
Treasure hunt (online) launched  
Baking for families (online) launched  
Craft hampers sent to refugee families in Bath



### MAY 2020

Continuation of regular online activities  
Heart and Soul  
Group Hub  
Film night

Postcards sent to every member  
Wave collective weekly zooms with church leaders from globe



### JUNE 2020

Continuation of regular online activities

Youth online launched on youtube  
Women's Summer drinks outside



## ACHIEVEMENTS AND PERFORMANCE



### JULY 2020

Continuation of online activities  
Heart and Soul  
Start of outside 'car park'  
evening worship services  
Summer of fun packs sent to all  
children for summer Sundays

Hampers of treat food, crafts and  
toys driven to young carers  
families in Bath.



### AUGUST 2020

Summer of speakers for online  
church  
Summer drinks on zoom  
Toby employed as film maker  
Apartment used each week for  
pastors holidays

Uniform cupboard launched for  
free uniform



### SEPTEMBER 2020

Auditorium open for services -  
tickets only, kids club outside  
Leaders meeting on first Saturday

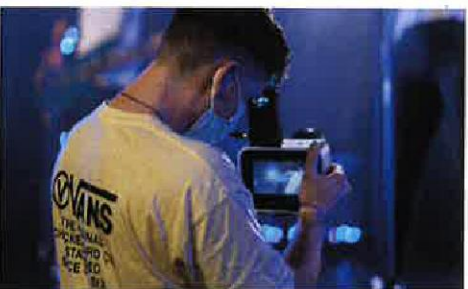
Freshers outside lunches  
Uniform cupboard regularly open



### OCTOBER 2020

Betsy's 6th trauma book  
published.  
Josh de T starts as campus  
pastor

Sundays online and in auditorium  
Kids clubs outside



### NOVEMBER 2020

Remembrance Sunday Services  
online and in auditorium with  
kids clubs outside with heaters

Meeting with Bernard



### DECEMBER 2020

Carol services 6th & 13th in  
auditorium and online  
RUH use auditorium for a week  
to pack hampers for staff

Nativity service moved to online  
and all services only online from  
20th.

## YEAR IN REVIEW 2020

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### CORE NUMBERS

Address Book Numbers	527
Life Groups and Espressos	23
People attending small groups	229
People serving on teams	137

### FRUITFULNESS NUMBERS

Number of Salvations	20
Compassions kids Sponsored	72 children mostly in Kenya
People staying in Apartment	20
Presents Given Away	150 hampers (35 to refugees, 60 to young carers in the Summer, 30 to young carers at Christmas + lots of hampers given to RUH) 429 hand creams & snack bars to the NHS
TRC Hours of Service Provision	36 weeks x 3 days = 288 x staff members x 14= 4,032
Betsy Trained	41 training events (28 events cancelled due to covid )

# **FREEDOM-BATH**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Financial review**

There was a net surplus on general funds for the year of £9,547 (2019: £22,544) before transfers.

### **Reserves Policy**

It was decided by the Trustees that the Church should hold in savings in unrestricted funds the equivalent of at least one month's staff salaries and outgoings in order to cover any shortfall in the giving to the charity. Therefore the charity seeks to hold a minimum of £20,000 in reserve. In view of the building development, additional financial commitments taken on and the arrival of the Covid-19 virus, the reserve policy is under constant review.

### **Funding sources**

Funding is generated predominantly through tithes and offerings given to the church from its members and other organisations. As such a significant source of income is the Gift Aid claimed on peoples gifts. In addition the car park at Freedom House is let to a Trust who use it for their employees during the week and parts of Freedom House are let to another registered charity to carry out their work supporting the local community.

### **Risk management**

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr A M A de Thierry

Mr J M Needham

Rev R White

(Resigned 19 October 2020)

Mr S Matthew

The Chairman of Trustees appoints trustees with relevant business and/or church experience to serve as trustees for a period of normally at least 2 years. Trustees are active members or supporters of Freedom-Bath.

Most Trustees are already familiar with the activities undertaken by the charity as commonly active members of or long term supporters of the church are selected for the role. Copies of the Memorandum and Articles of Association are made available and an overview of recent activities, obligations and plans are given to them at a meeting with the Chairman of the Trustees.

The charity is led by the senior pastor and the leadership team. The church is part of some wider church networks such as the Hillsong Network and Wave Church Network.

The board meet four or five times a year to administer the charity. They are not a board of elders and have no pastoral function, their role is to oversee the legal and financial aspects (governance) of the charity and to ensure compliance with statutory reporting requirements and that risks to which the charity is exposed are reviewed, minimised and managed accordingly. Mr A de Thierry will present those plans which have a financial cost to the trustees who will advise and make recommendations on the best method of implementation or compliance.

### **Related parties**

Freedom Bath + Bristol Developments Limited is a limited company which was engaged by the charity to carry out the design and build contract for the erection of the new auditorium. The charity also supports the Trauma Recovery Centre financially. Mrs de Thierry (wife of Mr de Thierry) is the founder and a Trustee of Trauma Recovery Centre.

# FREEDOM-BATH

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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### Statement of Trustees' responsibilities

The Trustees, who are also the directors of Freedom-Bath for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. 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.

### Auditor

The auditor, Caladine Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.

  
.....  
**Mr A M A de Thierry**

Trustee

Dated: .....

5/5/21

# **FREEDOM-BATH**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FREEDOM-BATH**

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### **Opinion**

We have audited the financial statements of Freedom-Bath (the 'charity') for the year ended 31 August 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, 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 Companies Act 2006.

### **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's 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.



# FREEDOM-BATH

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF FREEDOM-BATH

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

### Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are 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 Trustees determine 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 Trustees are 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

  
John Richard Caladine FCCA CTA FCIE (Senior Statutory Auditor)  
for and on behalf of Caladine Limited

Chartered Certified Accountants  
Statutory Auditor

7 May 2021

Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF



# FREEDOM-BATH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Voluntary income	3	376,418	123,325	499,743	457,917	429,272	887,189
Charitable activities	4	24,911	-	24,911	22,223	-	22,223
Other trading activities	5	30,000	-	30,000	3,565	-	3,565
Investments	6	48	-	48	1,243	-	1,243
Other income	7	5,730	-	5,730	501	-	501
<b>Total income</b>		<b>437,107</b>	<b>123,325</b>	<b>560,432</b>	<b>485,449</b>	<b>429,272</b>	<b>914,721</b>
<b>Expenditure on:</b>							
Charitable activities	8	426,866	70,567	497,433	462,905	209,878	672,783
Other	13	694	-	694	-	-	-
<b>Total resources expended</b>		<b>427,560</b>	<b>70,567</b>	<b>498,127</b>	<b>462,905</b>	<b>209,878</b>	<b>672,783</b>
<b>Net incoming resources before transfers</b>		<b>9,547</b>	<b>52,758</b>	<b>62,305</b>	<b>22,544</b>	<b>219,394</b>	<b>241,938</b>
Gross transfers between funds	21	52,758	(52,758)	-	647,159	(647,159)	-
<b>Net income for the year/ Net movement in funds</b>		<b>62,305</b>	<b>-</b>	<b>62,305</b>	<b>669,703</b>	<b>(427,765)</b>	<b>241,938</b>
Fund balances at 1 September 2019		1,964,036	-	1,964,036	1,294,333	427,765	1,722,098
<b>Fund balances at 31 August 2020</b>		<b>2,026,341</b>	<b>-</b>	<b>2,026,341</b>	<b>1,964,036</b>	<b>-</b>	<b>1,964,036</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# FREEDOM-BATH

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	14		444		889
Property, plant and equipment	15		4,263,414		4,254,169
			<u>4,263,858</u>		<u>4,255,058</u>
<b>Current assets</b>					
Trade and other receivables	16	10,286		11,512	
Cash at bank and in hand		28,469		30,120	
		<u>38,755</u>		<u>41,632</u>	
<b>Current liabilities</b>					
Borrowings	17	20,967		52,859	
Taxation and social security		5,260		4,381	
Other payables		14,216		178,060	
Deferred income	19	30,000		30,000	
	18	<u>70,443</u>		<u>265,300</u>	
Net current liabilities			(31,688)		(223,668)
<b>Total assets less current liabilities</b>			<u>4,232,170</u>		<u>4,031,390</u>
<b>Non-current liabilities</b>					
Borrowings	17	2,088,894		1,920,419	
Deferred income	19	116,935		146,935	
		<u>(2,205,829)</u>		<u>(2,067,354)</u>	
<b>Net assets</b>			<u><u>2,026,341</u></u>		<u><u>1,964,036</u></u>
<b>Income funds</b>					
Unrestricted funds			2,026,341		1,964,036
			<u><u>2,026,341</u></u>		<u><u>1,964,036</u></u>

The financial statements were approved by the Trustees on

30<sup>th</sup> April 2021.

Mr A M A de Thierry  
Trustee

Mr J M Needham  
Trustee

Company Registration No. 03642766

# FREEDOM-BATH

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(105,902)		588,457
<b>Investing activities</b>					
Purchase of property, plant and equipment		(33,146)		(2,394,295)	
Proceeds on disposal of property, plant and equipment		766		17,607	
Investment income received		48		1,243	
<b>Net cash used in investing activities</b>			(32,332)		(2,375,445)
<b>Financing activities</b>					
Proceeds of new bank loans		181,000		1,995,000	
Repayment of bank loans		(44,417)		(989,276)	
<b>Net cash generated from financing activities</b>			136,583		1,005,724
<b>Net decrease in cash and cash equivalents</b>			(1,651)		(781,264)
Cash and cash equivalents at beginning of year			30,120		811,384
<b>Cash and cash equivalents at end of year</b>			28,469		30,120

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

#### **Company information**

Freedom-Bath is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Freedom House, Lower Bristol, Bath, BA2 1EP.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The government restrictions imposed in the wake of Covid-19 have brought change to the operational methods of the charity and their continues to be significant uncertainty over how and when restrictions will change. At the time of approving the financial statements, the Trustees have a reasonable expectation that the support of the charity's bankers and church congregation will ensure the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation as unrestricted income.

Voluntary income is received by way of donations and gifts. It is shown in full in the Statement of Financial Activities when received.

In July 2019 the charity received the sum of £180,000 from a local housing association as an advance payment for use of the charity's car park. This amount is shown as deferred income on the balance sheet, with the income being recognised at a rate of £30,000 per year over the 6 year lease period to July 2025.

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies (Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the associated costs of the advancement of the Christian faith, religious education, relief of the poor and needy, relief of the sick and elderly and other activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include building repairs and maintenance, rates and utilities, travel, office costs and governance costs. Support costs have been allocated wholly to the charitable activity expenditure.

#### 1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a charity are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

These costs relate to the costs of Trademarks for Freedom Bath & Bristol, Freedom Arts College and Freedom Churches.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks	10% on a straight line basis
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#### 1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or, if donated, the value at date of receipt, less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property and land (part only)	1% on a straight line basis
Fixtures, fittings and equipment	25% on a reducing balance basis
Motor vehicle	25% on a reducing balance basis

Freedom House/The New Auditorium - some final snagging work on the new auditorium is due to be completed in 2020-21 when the depreciation policy on the building within the site will be agreed and implemented.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies (Continued)

Fixed assets that cost over £500 are capitalised in the accounts.

#### 1.8 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Taxation

The Trustees consider that none of the income of the charity is subject to UK taxation.

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies (Continued)

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Voluntary income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	376,418	123,325	499,743	457,917	364,272	822,189
Grants receivable	-	-	-	-	65,000	65,000
	<u>376,418</u>	<u>123,325</u>	<u>499,743</u>	<u>457,917</u>	<u>429,272</u>	<u>887,189</u>
<b>Donations and gifts</b>						
Gift aid giving	205,444	67,464	272,908	237,500	191,725	429,225
Other regular gifts	100,318	55,861	156,179	104,221	172,547	276,768
Tax refunds	70,656	-	70,656	116,196	-	116,196
	<u>376,418</u>	<u>123,325</u>	<u>499,743</u>	<u>457,917</u>	<u>364,272</u>	<u>822,189</u>

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Charitable activities

	2020 £	2019 £
Sales of album and other Christian resources	899	1,089
Cafe	2,759	997
Youth work	1,053	937
Charitable rental income	20,200	19,200
	<u>24,911</u>	<u>22,223</u>

### 5 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Rental income (Car Park)	<u>30,000</u>	<u>3,565</u>

### 6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	<u>48</u>	<u>1,243</u>

### 7 Other income

	2020 £	2019 £
Net (loss)/gain on disposals	-	501
Job Retention Scheme Grant	5,730	-
	<u>5,730</u>	<u>501</u>



# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities

	2020 £	2019 £
Staff costs	170,503	177,622
Visitors accommodation and costs	-	803
Pastoral expenses	3,423	7,231
Sunday venue hire	-	86,380
Sunday catering and supplies	6,019	13,133
Youth work	5,753	10,608
Children's work	1,722	5,263
Events - Church weekend away	1,735	60
Events - Other	10,516	6,306
Training and resources	6,182	10,068
Resources for resale and album costs	282	310
	<u>206,135</u>	<u>317,784</u>
Grant funding of activities (see note 9)	65,376	109,415
Share of support costs (see note 10)	179,607	173,660
Share of governance costs (see note 10)	46,315	71,924
	<u>497,433</u>	<u>672,783</u>
<b>Analysis by fund</b>		
Unrestricted funds	426,866	462,905
Restricted funds	70,567	209,878
	<u>497,433</u>	<u>672,783</u>

## FREEDOM-BATH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

#### 9 Grants payable

	2020 £	2019 £
Community Action (The Cupboard)	3,546	2,424
Gilead Foundation	3,000	3,000
Hillsong	6,957	6,205
Hope for Justice	1,200	1,200
Sozo Ministries International	1,200	1,200
Trauma Recovery Centre	19,979	69,972
Rebuild the Pastors	11,162	10,667
Other	9,060	12,377
	<u>56,104</u>	<u>107,045</u>
Grants to individuals	9,272	2,370
	<u>65,376</u>	<u>109,415</u>

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Support costs

	Support costs	Governance costs	Total 2020	Support costs	Governance costs	Total 2019
	£	£	£	£	£	£
Staff costs	-	34,569	34,569	-	31,666	31,666
Depreciation	22,885	-	22,885	22,523	-	22,523
Meetings and staff welfare	1,456	-	1,456	7,223	-	7,223
Garage rent and storage	3,588	-	3,588	4,522	-	4,522
Building repairs and maintenance	13,949	-	13,949	20,023	-	20,023
Church and office equipment	4,048	-	4,048	14,896	-	14,896
Software, graphics and IT	11,754	-	11,754	13,922	-	13,922
Printing, postage and stationery	1,849	-	1,849	3,546	-	3,546
Telephone	2,876	-	2,876	4,760	-	4,760
Other office expenditure	3,959	-	3,959	7,242	-	7,242
Utilities	17,421	-	17,421	15,672	-	15,672
Insurance	7,224	-	7,224	5,591	-	5,591
Travel and accomodation	314	-	314	2,230	-	2,230
Licenses and permits	657	-	657	652	-	652
Rates	14,960	-	14,960	5,480	-	5,480
Bank charges	3,010	-	3,010	3,733	-	3,733
Minibus	720	-	720	1,935	-	1,935
Dues and subscriptions	1,386	-	1,386	687	-	687
Loan interest	67,551	-	67,551	39,023	-	39,023
Legal and professional	-	4,606	4,606	-	33,118	33,118
Audit fee	-	4,620	4,620	-	4,620	4,620
Accountancy	-	2,520	2,520	-	2,520	2,520
	<u>179,607</u>	<u>46,315</u>	<u>225,922</u>	<u>173,660</u>	<u>71,924</u>	<u>245,584</u>
<u>Analysed between</u>						
Charitable activities	<u>179,607</u>	<u>46,315</u>	<u>225,922</u>	<u>173,660</u>	<u>71,924</u>	<u>245,584</u>

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 11 Trustees

Andrew de Thierry received remuneration of £44,126 (2019: £44,000) and pension contributions of £1,760 (2019: £1,760) in his role as Pastor. This payment is permitted within the constitution of the charitable company.

During the year expenses for travel and accommodation were paid to Mr A de Thierry in support of his ministry work amounting to £2,262 (2019: £1,617).

No expenses were paid to any of other the Trustees during the year (2019: £223 paid to other trustees for travel).

Aggregate donations to the charity during the year from Trustees and related parties were £32,148 (2019: £43,644).

#### 12 Employees

##### Number of employees

The average monthly number of full and part time employees during the year was:

	2020 Number	2019 Number
Activities in furtherance of organisations objects	12	11
Management and administration	3	2
	<u>15</u>	<u>13</u>

##### Employment costs

	2020 £	2019 £
Wages and salaries	189,840	191,749
Social security costs	9,936	12,093
Other pension costs	5,296	5,446
	<u>205,072</u>	<u>209,288</u>

A portion of the salary cost of two employees totalling £10,756 (2019: £11,465) is for the Church's mission work. The wages are considered part of the grant allocation under the Rebuilding the Pastors and Trauma Recovery Centre categories and are therefore not included in the above figures.

The church is also wonderfully served by many unpaid volunteers acting in a variety of ways.

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

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 13 Other

	Unrestricted funds	Total
	2020	£ 2019
Net loss on disposal of tangible fixed assets	694	-
	<u>694</u>	<u>-</u>

### 14 Intangible fixed assets

	Trademarks £
<b>Cost</b>	
At 1 September 2019 and 31 August 2020	4,442
<b>Amortisation and impairment</b>	
At 1 September 2019	3,554
Amortisation charged for the year	444
At 31 August 2020	3,998
<b>Carrying amount</b>	
At 31 August 2020	444
At 31 August 2019	889

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 15 Property, plant and equipment

	Freehold property and land (part only)	Fixtures, fittings and equipment	Motor vehicle	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2019	4,207,497	223,768	12,500	4,443,765
Additions	13,220	19,926	-	33,146
Disposals	-	(3,841)	-	(3,841)
At 31 August 2020	4,220,717	239,853	12,500	4,473,070
<b>Depreciation and impairment</b>				
At 1 September 2019	33,490	143,904	12,203	189,597
Depreciation charged in the year	3,491	18,875	74	22,440
Eliminated in respect of disposals	-	(2,381)	-	(2,381)
At 31 August 2020	36,981	160,398	12,277	209,656
<b>Carrying amount</b>				
At 31 August 2020	4,183,736	79,455	223	4,263,414
At 31 August 2019	4,178,881	74,991	297	4,254,169

### 16 Trade and other receivables

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Gift aid	5,575	8,883
Other debtors	1,763	739
Prepayments and accrued income	2,948	1,890
	10,286	11,512

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Borrowings

	2020 £	2019 £
Bank loans	2,109,861	1,973,278
Payable within one year	20,967	52,859
Payable after one year	2,088,894	1,920,419
Amounts included above which fall due after five years:		
Payable by instalments	1,550,216	1,455,958

The property loan from Stewardship Services (UKET) Ltd was originally £1,995,000 in total charged at 3.25% (variable at one months notice) repayable over 15 years.

In 2019-20 the charity received a further advance from Stewardship of £181,000 to pay outstanding liabilities related to the construction of the new auditorium and professional and legal fees.

In light of the uncertainty caused by Covid-19 the charity applied for, and received, deferral of capital repayments on the loan. £1 million of the loan was interest only until January 2021, when capital repayments were due, but this interest only period has been extended - capital repayments are now due to start in July 2021. The other part of the loan, which the charity were making capital repayments against, became interest only in July 2020 and capital repayments will start again in July 2021.

The final repayments of the loan are due in 2034-35.

The loan from Stewardship is secured on Freedom House, Lower Bristol Road, Bath, BA2 1EP and land lying to the west of Technology House, Lower Bristol Road, Bath, BA2 1EP, as the same is registered at the Land Registry under title number AV26412 and AV93184.

### 18 Current liabilities

	Notes	2020 £	2019 £
Bank loans	17	20,967	52,859
Other taxation and social security		5,260	4,381
Deferred income	19	30,000	30,000
Trade payables		7,076	168,505
Accruals and deferred income		7,140	9,555
		70,443	265,300

## FREEDOM-BATH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

#### 19 Deferred income

	2020 £	2019 £
Arising from car park rental	146,935	176,935

Deferred income is included in the financial statements as follows:

	2020 £	2019 £
Current liabilities	30,000	30,000
Non-current liabilities	116,935	146,935
	146,935	176,935

#### 20 Retirement benefit schemes

##### Defined contribution schemes

The charity operates an auto-enrolment defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £5,296 (2019 - £5,446).



# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Restricted funds

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

	Balance at 1 September 2018 £	Movement in funds			Balance at 1 September 2019 £	Movement in funds			Balance at 31 August 2020 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Building Fund	427,740	428,273	(208,854)	(647,159)	-	118,102	(69,089)	(49,013)	-
Gift for visiting speakers	25	475	(500)	-	-	125	(125)	-	-
Trauma Recovery Centre	-	24	(24)	-	-	123	(123)	-	-
Equipment Fund	-	-	-	-	-	4,975	(1,230)	(3,745)	-
Authentic Youth Fund	-	500	(500)	-	-	-	-	-	-
	427,765	429,272	(209,878)	(647,159)	-	123,325	(70,567)	(52,758)	-

## **FREEDOM-BATH**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **21 Restricted funds (Continued)**

##### **Building Fund**

The Building Fund is to identify and raise funds for the refurbishment and development of existing buildings and to provide finance for the purchase of new land/buildings. In addition it is to be used to service loan commitments and other costs relating to venue hire whilst the new auditorium is constructed. Money given to the building fund is tithed as mission gifts to third parties. The expenditure of £69,089 represents £67,551 of mortgage interest and £1,537 on other building related costs. The transfers out of £49,013 represents £13,220 of capitalised expenditure and a remaining transfer of £35,793 as the building project is now complete.

##### **Gifts for visiting speakers**

This fund provides gifts to visiting speakers.

##### **Trauma Recovery Centre**

The Church assist the Trauma Recovery Centre, a registered charity no.1141659 which provides therapy and counselling to children and families recovering from trauma and this fund is for donations specifically given for the work from Church members and congregation. Additional support is given via the General Fund.

##### **Equipment Fund**

This fund is to raise funds to buy new media equipment. The transfer of £3,745 represents media equipment which was purchased and capitalised in the year.

##### **Authentic Youth Fund**

This fund is used to put on events for young people.

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 22 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances are represented by:						
Intangible fixed assets	444	-	444	889	-	889
Property, plant and equipment	4,263,414	-	4,263,414	4,254,169	-	4,254,169
Current assets/ (liabilities)	(31,688)	-	(31,688)	(223,668)	-	(223,668)
Long term liabilities	(2,205,829)	-	(2,205,829)	(2,067,354)	-	(2,067,354)
	<u>2,026,341</u>	<u>-</u>	<u>2,026,341</u>	<u>1,964,036</u>	<u>-</u>	<u>1,964,036</u>

### 23 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>51,504</u>	<u>49,665</u>

A salary was paid to Mrs B de Thierry (wife of Mr A de Thierry, a Trustee) as pastor of £51,504 (2019: £49,665). Mrs B de Thierry also received pension contributions of £1,987 (2019: £1,987) and no benefits in kind (2019: £633).

A salary was paid to Mrs H Needham (wife of Mr J Needham, a Trustee) of £3,429 (2019: £3,785).

A salary was paid to Mr J de Thierry (son of Mr A de Thierry, a Trustee) of £5,285 (2019: £763).

Freedom-Bath did not pay for any volunteer training provided by Betsy de Thierry Limited (2019: £1,450).

Freedom-Bath supports the work of the Trauma Recovery Centre (TRC), a separate charity with Mrs B de Thierry acting as a Trustee. TRC leases premises at Freedom House from Freedom-Bath.

Freedom-Bath provided support to TRC of £19,979 (2019: £69,972). £11,200 (2019: £19,200) of this support was a gift-in-kind in lieu of the rent due. TRC also paid rent of £8,000 (2019: nil). The total rent due from TRC of £19,200 (2019: £19,200) is recognised as charitable rental income in the accounts.

Freedom-Bath made payments amounting to £1,200 (2019: £1,200) to a charity, Hope for Justice. Rev R White, a Trustee of Freedom-Bath during the year, is also a Trustee of Hope for Justice.

# FREEDOM-BATH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

24	Cash generated from operations	2020 £	2019 £	
	Surplus for the year	62,305	241,938	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(48)	(1,243)	
	Loss/(gain) on disposal of property, plant and equipment	694	(501)	
	Depreciation and impairment of property, plant and equipment	22,885	22,523	
	Movements in working capital:			
	Decrease/(increase) in trade and other receivables	1,227	(5,687)	
	(Decrease)/increase in trade and other payables	(162,965)	154,492	
	(Decrease)/increase in deferred income	(30,000)	176,935	
	Cash (absorbed by)/generated from operations	(105,902)	588,457	
25	Analysis of changes in net (debt)/funds			
		At 1 September 2019 £	Cash flows £	At 31 August 2020 £
	Cash at bank and in hand	30,120	(1,651)	28,469
	Loans falling due within one year	(52,859)	31,892	(20,967)
	Loans falling due after more than one year	(1,920,419)	(168,475)	(2,088,894)
		(1,943,158)	(138,234)	(2,081,392)