

Charity number: 1072196

Company number: 03642766

(England and Wales)

Sound Church Ltd (previously known as Freedom-Bath)

Report of the Trustees and Audited Financial Statements

For the year ended 31 August 2022

Sound Church Ltd
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For the year ended 31 August 2022

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Sound Church Ltd
Report of the Trustees
For the year ended 31 August 2022

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements for the charitable company for the year ended 31 August 2022. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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 the Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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 whereby 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. 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 Lead 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 considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Grantmaking

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 10% of our unrestricted income away in mission gifts and grants

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022

Volunteers

The church has a total of 451 people who are active members, with a regular Sunday attendance of 260 people in the morning service, and an average of 75 people in the evening prayer meeting. Sound Church has an average attendance of 50 people on a Friday evening, with around 150 people attending different functions all week long.

We have approximately 140 volunteers who are part of teams to enable the smooth running of the events and services. The volunteers are part of teams such as host, welcoming, car parking, cafe, sound team, AV, music bands, kids clubs, youth clubs, our social action teams and many others. The teams have meals together and social times, as well as meetings to enable the volunteer work to abide by all governance and policies.

We recognize that volunteering for such teams has been evidenced based by researchers to be beneficial for mental health and wellbeing and facilitates a sense of wellbeing. The volunteers also help others have a sense of belonging and feel at home in our events.

FINANCIAL REVIEW

There was a net surplus on general funds for the year of £62,938, leaving unrestricted reserves of £2,212,652 at 31st August 2022.

We run several significant events, such as our weekend away, as a main way to integrate people into the organization so that they feel a sense of belonging and feel known by others. Whilst it can be a financial risk to run larger events, the impact is positive, both for those who attend and the sense of stability of the organization and those who attend feeling that they know more people and are known by more people.

The Trustees are mindful of ever-increasing overheads and particularly the steep rise in interest rates of the church borrowing. The Trustees are confident that the growth of the church and the support of the congregation will meet these needs.

Principal 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.

Reserves

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 impact of the Covid-19 virus, the reserve policy is under constant review.

PLANS FOR FUTURE PERIODS

The future of the charity is to continue the morning services and evening prayer and healing nights, alongside continuing the excellent kids and youth programme and young adults and 40+ programmes. We have seen these take place successfully this year, following the Covid season and feel that the momentum is increasing both with numbers and enthusiasm.

Sound Church has no plans to start any new projects and feel that the current ones give us enough to develop. The social action arm of the churches projects are gaining in popularity and many people in the city are beginning to come to the church when they are in need. This team has enabled many others to be a part of a positive team with a sense of purpose in helping others.

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The name of the Trust was changed from Freedom-Bath to Sound Church Ltd on 5 December 2022.

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

Mrs E de Thierry
Mr JM Needham
Mr S Matthew
Ms J Stretford (appointed 30th November 2021; resigned 19th August 2022)
Ms K Ottley (appointed 11th April 2022)

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 Sound Church Ltd.

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 lead pastor, Mrs E deThierry, with the support of the pastoral team. The church is a part of wider church networks such as the Evangelical Alliance 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. Mrs E 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 E de Thierry is the founder and a Trustee of Trauma Recovery Centre.

Betsy de Thierry Ltd is a limited company that provides professional support to members of the church. Mrs E de Thierry is director/shareholder of the company.

Pay policy for senior staff

The trustees are meeting over the summer of 2023 to discuss an appropriate pay scale for Bath which has similarities to London pay, due to rising cost of house prices and cost of living in the area. most of the staff have had to have financial help to be able to work for the church, with reduced costs of rent, living a long way outside of the city or having relatives subsidize income and we aim to work out how to reduce this financial stress whilst recognizing that it is a charity with limited income.

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.

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

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of Charity	Sound Church Ltd
Charity registration number	1072196
Company registration number	03642766
Principal address	Freedom House Lower Bristol Road Bath BA2 1EP

Trustees

The trustees and officers serving during the year and since the year end were as follows:

Mrs E de Thierry
Mr JM Needham
Mr S Matthew
Ms J Stetson (Appointed: 30 November 2021; Resigned: 19th August 2022)
Ms K Ottley (Appointed: 11th April 2022)

Secretary Mrs H Sell

Auditors Caladine Ltd
Chantry House
22 Upperton Road
Eastbourne
BN21 1BF

Accountants Chippendale & Clark
First Floor, Absol House
Ivy Road
Chippenham
SN15 1SB

Bankers HSBC
45 Milsom Street
Bath
BA1 1DU

Stewardship Services (UKET) Limited
1 Lambs Passage
London
EC1Y 8AB

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022

RESPONSIBILITIES OF THE TRUSTEES

The Trustees, who are also directors for the purposes of company law, are who are also directors of Sound Church Ltd for the purposes of Company Law are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing those 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 and statements of recommend practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Trustees and signed on its behalf by

DocuSigned by:

Elizabete de Thierry

CB28C245564450...

19 / 5 / 2023

Mrs E de Thierry

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022

Achievements & Performance 2021-2022



SEPTEMBER 2021

Grief Café

Guvna B



OCTOBER 2021

Worship team training and auditions

Heart and Soul

Youth Overnight trip

Kids Conference

Big Student Party

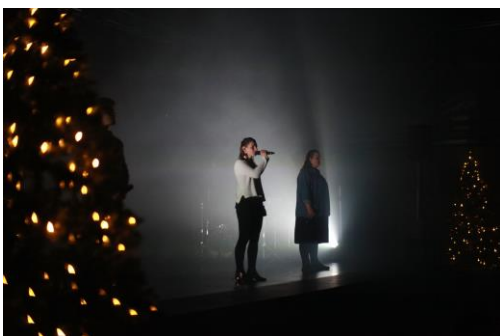


NOVEMBER 2021

Sam Milchem guest speaker

Men's Conference with Ben Lindsay

Students & Young Adults Firework night



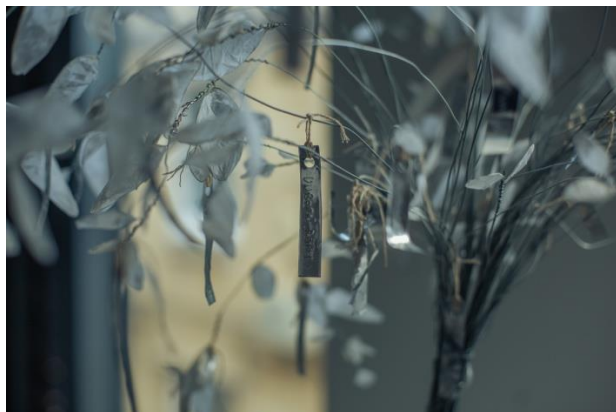
DECEMBER 2021

Christmas Carol Services x2

Nativity Service

Christingle Drive Through

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022



January 2022

Grief Café

Men's Breakfast

Heart & Soul



February 2022

New Prophetic Training Cohort 1

Young Carers Afternoon

First Fences were installed



March 2022

Rise & Build

Mothers Day

New Branding Completed

Betsy Spoke in the Hague & for message trust



April 2022

Women's Conference

Easter Sunday

Uniform Cupboard

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2022



May 2022

Church Weekend Away

Authentic Festival

Premier Christianity Magazine Visits (Trauma Informed Church)



June 2022

Big Church Day Out – Stall for Trauma Informed Church

Staff Party & Celebration

Fathers Day



July 2022

Stephen Matthews visited to Speak

Re-started a foodbank

Sound Global Collective day, hosting trustees from various charities that Sound supports

Painting Party around Freedom House & TRC

Summer of Fun started



August 2022

Summer of Fun continued

Summer Parties & Picnics

De Thierry's went to Wave conference & Betsy spoke in 2 services

Dan Belshaw visited to speak

Independent auditors' report to the members of Sound Church Ltd

Opinion

We have audited the financial statements of Sound Church Ltd (the 'charity') for the year ended 31 August 2022 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 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 2022 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

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

We have nothing to report in this regard.

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.

Independent auditors' report to the members of Sound Church Ltd Continued

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.

Independent auditors' report to the members of Sound Church Ltd Continued

Auditors 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.

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 extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees, and from our commercial 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 charity, including the Companies Act 2006, Charities Act 2011, employment legislation, health and safety, and Anti-Money Laundering laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity'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.

Audit response to risks identified

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;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report to the members of
Sound Church Ltd Continued

A further description of our responsibilities is available on the Financial Reporting Council's website at:
<http://www.frc.org.uk/auditorsresponsibilities>.



John Richard Caladine FCCA CTA FCIE (Senior Statutory Auditor)
For and on behalf of Caladine Limited
Chartered Certified Accountants
Statutory Auditor

24 May 2023

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Sound Church Ltd
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 August 2022

	Notes	Unrestricted funds	Restricted funds	2022	2021
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	706,219	132	706,351	677,148
Charitable activities	3	54,041	-	54,041	45,211
Other trading activities	4	30,000	-	30,000	30,000
Investments	5	11	-	11	3
Other income	6	1,481	-	1,481	17,077
Total		791,752	132	791,884	769,439
Expenditure on:					
Raising funds	7	-	-	-	(4,107)
Charitable activities	8/9	(747,054)	(782)	(747,836)	(623,069)
Total		(747,054)	(782)	(747,836)	(627,176)
Transfers between funds	23	18,240	(18,240)	-	-
Net movement in funds		62,938	(18,890)	44,048	142,263
Reconciliation of funds					
Total funds brought forward		2,149,714	18,890	2,168,604	2,026,341
Total funds carried forward		2,212,652	-	2,212,652	2,168,604

Sound Church Ltd
Statement of Financial Position
As at 31 August 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	16	4,268,332	4,326,917
		4,268,332	4,326,917
Current assets			
Debtors	17	16,241	6,876
Cash at bank and in hand		36,128	70,672
		52,369	77,548
Creditors: amounts falling due within one year	18	(124,539)	(170,642)
Net current assets		(72,170)	(93,094)
Total assets less current liabilities		4,196,162	4,233,823
Creditors: amounts falling due after more than one year	19	(1,983,510)	(2,065,219)
Net assets		2,212,652	2,168,604
The funds of the charity			
Restricted income funds		-	18,890
Unrestricted income funds		2,212,652	2,149,714
Total funds		2,212,652	2,168,604

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

Elizabeth de Thierry

.....
Mrs E de Thierry
Trustee

19/5/2023

Sound Church Ltd
Statement of Cash Flows
As at 31st August 2022

Cash flows from operating activities	2022	2021
Surplus for the year	44,049	142,263
<u>Adjustments for:</u>		
Investment income recognised in the statement of financial activities	(11)	(3)
Loss/(gain) on disposal of property, plant & equipment	0	4,107
Depreciation and impairment of property, plant & equipment	81,987	81,271
<u>Movements in working capital</u>		
Decrease / (increase) in trade & other receivables	(8,808)	6,318
(Decrease) / increase in Creditors & other payables	(3,705)	(2,673)
(Decrease) / increase in deferred income	(30,000)	(30,000)
Cash (absorbed by) / generated from operations	<u>83,511</u>	<u>201,282</u>
Investing activities		
Purchase of property, plant & equipment	(23,402)	(151,776)
Proceeds on disposal of property, plant & equipment	0	3,340
Investment income received	11	3
Net cash used in investing activities	<u>(23,391)</u>	<u>(148,433)</u>
Financing activities		
Proceeds of new bank loans	0	0
Repayment of bank loans	(94,663)	(10,645)
Net cash generated from financing activities	<u>(94,663)</u>	<u>(10,645)</u>
Net decrease in cash and cash equivalents	(34,543)	42,204
Cash and cash equivalents at beginning of year	70,673	28,469
Cash and cash equivalents at end of year	<u>36,130</u>	<u>70,673</u>

Sound Church Ltd
Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and 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), Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

Sound Church Ltd 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 note(s).

Sound Church Ltd is a charitable company limited by guarantee incorporated in England and Wales.

These 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 £.

Going concern

The continued support of the church congregation and church bankers has resulted in another successful year for the charity despite the ongoing effects of the Covid-19 pandemic. This is expected to continue thus ensuring 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 these financial statements.

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.

Incoming resources

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

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. The remaining 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.

Resources expended

Liabilities are recognised as resources expended when there is a legal or constructive obligation committing the Charity to the expenditure:

Taxation

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

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

Intangible assets

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

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Fixed assets that cost over £500 are capitalised in the accounts.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property - 2% on a straight line basis

Fixtures, fittings and equipment - 25% on a reducing balance basis

Motor vehicle - 25% on a reducing balance basis

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.

Grants payable

	<u>2022</u>	<u>2021</u>
Community Action (The Cupboard)	250	87
Gilead Foundation	3,000	3,000
Hillsong	8,360	6,148
Hope for Justice	1,200	1,200
Sozo Ministries International	1,200	1,200
Trauma Recovery Centre	2,190	42
Rebuild Leaders	9,813	10,231
Other	<u>5,292</u>	<u>5,393</u>
	31,305	27,301
 Grants to Individuals	 <u>8,269</u>	 <u>8,505</u>
Total Grants payable	39,574	35,806

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

2. Income from donations and legacies

	Unrestricted funds	Restricted funds	2022	2021
	£	£	£	£
Donations received	706,219	132	706,351	673,748
Grants received	-	-	-	3,400
	706,219	132	706,351	677,148

Comparative for Income from donations and legacies

	Unrestricted funds	Restricted funds	2021
	£	£	£
Donations received	656,397	17,351	673,748
Grants received	-	3,400	3,400
	656,397	20,751	677,148

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

3. Income from charitable activities

	2022	2021
	£	£
Unrestricted funds		
<i>Advancement of Christian faith</i>		
Sales of Christian Resources	557	20
Cafe income	6,252	-
Youth & Student work income	5,812	4,409
Rental Income (Freedom House)	20,700	25,200
Other income	20,720	15,582
	54,041	45,211
	54,041	45,211

4. Income earned from other activities

	2022	2021
	£	£
Unrestricted funds		
Letting of Car Park	30,000	30,000
	30,000	30,000

5. Investment income

	2022	2021
	£	£
Unrestricted funds		
Bank interest receivable	11	3
	11	3

6. Other income

	2022	2021
	£	£
Unrestricted funds		
Job Retention Scheme Grant	1,481	17,077
	1,481	17,077

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31st August 2022

7. Expenditure on other trading activities

	2022 £	2021 £
Fund raising events	-	4,107
	<u>-</u>	<u>4,107</u>

8. Costs of charitable activities by fund type

	Unrestricted funds £	Restricted funds £	2022 £	2021 £
Advancement of Christian faith	384,644	-	384,644	305,701
Support costs	362,410	782	363,192	317,368
	<u>747,054</u>	<u>782</u>	<u>747,836</u>	<u>623,069</u>

Comparison for costs of charitable activities by fund type

	Unrestricted funds £	Restricted funds £	2021 £
Advancement of Christian Faith	305,701	-	305,701
Support Costs	315,507	1,861	317,368
	<u>621,208</u>	<u>1,861</u>	<u>623,069</u>

9. Costs of charitable activities by activity type

	Activities undertaken directly £	Support costs £	2022 £	2021 £
Support Costs				
Advancement of Christian Faith	384,644	363,192	747,836	623,069

Comparison for costs of charitable activities by activity type

	Activities undertaken directly £	Support Costs £	2021 £
Advancement of Christian Faith	305,701	317,368	623,069

10. Analysis of support costs

	2022 £	2021 £
Advancement of Christian faith		
Management	316,293	272,431
Governance Costs	46,899	44,937
	<u>363,192</u>	<u>317,368</u>

Sound Church Ltd
Notes to the Financial Statements Continued

11. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of owned fixed assets	81,987	80,827
Amortisation of intangible fixed assets		
Trademarks	-	444
Accountancy fees	10,781	6,494
Auditor's fees	8,820	4,620
Trustees' remuneration	24,790	30,778
Staff pension contributions	7,426	6,988
(Gain)/Loss on disposal of tangible fixed assets	-	4,107

12. Staff costs and emoluments

Total staff costs for the year ended 31 August 2022 were:

	2022	2021
	£	£
Salaries and wages	268,073	237,116
Social security costs	19,321	22,811
Pension costs	7,426	6,988
	294,820	266,916

The average number of employees during the year was:

	2022	2021
Activities in furtherance of organisations objects	11	12
Management and administration	3	3
	14	15

A portion of the salary cost totalling £9,813 (2021: 9,813) is for the Church's Missions work. The wages are considered part of the grant allocation under the Rebuild Leaders category and are therefore not included in the above figures.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022	2021
	£	£
Aggregate compensation	69,538	67,099

The remuneration of key management personnel is as follows:

	2022	2021
	£	£
£60,001-£70,000	1	-

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

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

13. Trustee remuneration and related party transactions

Mrs E deThierry (trustee) received a salary of £59,500 (2021: £59,500) as the Lead Pastor and pension contributions of £2,800 (2021: £2,800). This payment is permitted within the constitution of the charitable company.

Three family member of Mrs E deThierry received salaries totalling £85,406 (£80,946).

A family member of Mr J Needham received a salary of £5,067 (2021: £4,229)

Aggregate donation to the charity during the year from Trustees and related parties were £38,539 (2021: £37,851)

Betsy deThierry Ltd is a limited company that provides professional support to members of the church. Mrs E deThierry is a director shareholder of this company. A payment of £12,000 (2021: £12,000) was made to the company for professional services such as consultancy, complex trauma support and care & for additional training on courses such as the Certificate of Therapeutic Mentoring.

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 is now hiring equipment from the company. The charity owes the company £566 at the year end (2021: £-1,565).

The charity also supports the Trauma Recovery Centre (TRC) financially. Mrs E deThierry is the founder and a Trustee of the Trauma Recovery Centre. The charity provided support of £2,190 (2021: £42). TRC leases premises at Freedom House from the charity, they paid rent of £19,200 (2021: £26,200). The total rent from TRC of £19,200 (2021: £26,200) is recognised as charitable rental income in the accounts.

None of the trustees have claimed expenses or had their expenses met by the charity in relation to their roles as trustees.

14. Comparative for the Statement of Financial Activities

	Unrestricted funds	Restricted funds	2021
	£	£	£
Income and endowments from:			
Donations and legacies	656,397	20,751	677,148
Charitable activities	45,211	-	45,211
Other trading activities	30,000	-	30,000
Investments	3	-	3
Other income	17,077	-	17,077
Total	748,688	20,751	769,439
Expenditure on:			
Raising funds	(4,107)	-	(4,107)
Charitable activities	(621,208)	(1,861)	(623,069)
Total	(625,315)	(1,861)	(627,176)
Net income	123,373	18,890	142,263
Reconciliation of funds			
Total funds brought forward	2,026,341	-	2,026,341
Total funds carried forward	2,149,714	18,890	2,168,604

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

15. Intangible fixed assets

	Trademarks
Cost or valuation	£
At 01 September 2021	4,442
At 31 August 2022	<u>4,442</u>
Amortisation	
At 01 September 2021	4,442
At 31 August 2022	<u>4,442</u>
Net book values	
At 31 August 2022	<u>-</u>
At 31 August 2021	<u>-</u>

16. Tangible fixed assets

	Land and Buildings £	Fixtures and Fittings £	Total £
At 01 September 2021	4,363,775	191,563	4,555,338
Additions	18,240	5,162	23,402
At 31 August 2022	<u>4,382,015</u>	<u>196,725</u>	<u>4,578,740</u>
Depreciation			
At 01 September 2021	97,616	130,805	228,421
Charge for year	65,439	16,548	81,987
At 31 August 2022	<u>163,055</u>	<u>147,353</u>	<u>310,408</u>
Net book values			
At 31 August 2022	<u>4,218,960</u>	<u>49,372</u>	<u>4,268,332</u>
At 31 August 2021	<u>4,266,159</u>	<u>60,758</u>	<u>4,326,917</u>

17. Debtors

	2022 £	2021 £
Amounts due within one year:		
Amounts due by group and associated undertakings	487	1,566
Prepayments and accrued income	15,524	5,080
Other debtors	230	230
	<u>16,241</u>	<u>6,876</u>

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Loans and overdrafts	77,977	120,931
Trade creditors	1,938	8,772
Amounts due to subsidiary and associated undertakings	556	-
Other creditors		
PAYE & social security	7,348	6,319
Accruals and deferred income	36,720	34,620
	124,539	170,642

19. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Loans and overdrafts	1,926,575	1,978,284
Accruals and deferred income	56,935	86,935
	1,983,510	2,065,219

20. Borrowings

	2022	2021
	£	£
Bank loans	2,004,552	2,099,216
Payable within one year	77,977	120,931
Payable after one year	1,926,575	1,978,284

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 relating to the construction of the new auditorium and profession/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 was interest only until January 2021, when capital repayments were due, but this interest only period ceased in July 2021 when capital repayments started. The other part of the loan was interest only until November 2021 when capital repayments started.

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

Sound Church Ltd
Notes to the Financial Statements Continued
For Year ended 31 August 2022

21. Deferred Income

	£
Deferred income at 1 September 2021	116,935
Deferred income released in the year	(30,000.00)
Deferred income at 31 August 2022	86,935

22. Analysis of net assets between funds

	Intangible fixed assets	Tangible fixed assets	Net current assets / (liabilities)	Creditors > one year	Net Assets
	£	£	£	£	£
Unrestricted funds					
<i>General</i>					
General	-	4,268,332	(72,170)	(1,983,510)	2,212,652
Restricted funds					
	-	4,268,332	(72,170)	(1,983,510)	2,212,652

Previous year

	Intangible fixed assets	Tangible fixed assets	Net current assets / (liabilities)	Creditors > one year	Net Assets
	£	£	£	£	£
Unrestricted funds					
<i>General</i>					
General	-	4,326,917	(111,984)	(2,065,219)	2,149,714
Restricted funds					
Fencing fund	-	-	18,890	-	18,890
	-	4,326,917	(93,094)	(2,065,219)	2,168,604

22. Company limited by guarantee

Sound Church Ltd is a company limited by guarantee and accordingly does not have a share capital.

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2022

23. Restricted Funds

	Balance at 1 Sept 2020	Incoming resources	Resources expended	Transfers	Balance at 1 Sept 2021	Incoming resources	Resources expended	Transfers	Balance at 31 Aug 2022
Fencing fund	-	20,750	(1,861)	-	18,890	132	(782)	(18,240)	-
	-	20,750	(1,861)	-	18,890	132	(782)	(18,240)	-

The fencing fund was set up to raise funds to improve the perimeter and security at Freedom House.

The transfer to the General fund represents the expenditure incurred to meet this objective.

Sound Church Ltd
Notes to the Financial Statement Continued
For the year ended 31 August 2022

24. Detailed Statement of Financial Activities

	2022	2021
	£	£
INCOME AND ENDOWMENT		
Donations and legacies		
Donations	587,807	581,722
Gift Aid	118,544	92,026
Grants receivable	-	3,400
	706,351	677,148
Charitable activities		
Sales of Christian Resources	557	20
Cafe income	6,252	-
Youth & Student work income	5,812	4,409
Rental Income (Freedom House)	20,700	25,200
Other income	8,476	5,880
Church weekend away income	12,244	9,702
	54,041	45,211
Other trading activities		
Income from Letting of Car Park	30,000	30,000
	30,000	30,000
Investments		
Bank interest receivable	11	3
	11	3
Other income		
Job Retention Scheme Grant	1,481	17,077
	1,481	17,077
Total incoming resources	791,884	769,439
EXPENDITURE		
Other trading activities		
Loss on disposal of assets	-	(4,107)
	-	(4,107)
Charitable activities		
Staff costs - wages & salaries	(243,283)	(206,339)
Staff costs - social security costs	(19,321)	(22,811)
Staff costs - pension contributions	(7,426)	(6,988)
Pastoral expenses	(12,726)	(4,635)
Sunday catering & supplies	(6,235)	(4,177)
Youth Work	(8,468)	(8,727)
Childrens Work	(1,836)	(983)
Church weekend away	(12,896)	(8,538)
Events - other	(29,729)	(4,608)
Training & resources	(2,161)	(1,855)
Resources for resale & album costs	(989)	(234)
Grants to institutions	(31,305)	(27,301)
Grants to individuals	(8,269)	(8,505)

Sound Church Ltd
Notes to the Financial Statement Continued
For the year ended 31 August 2022

	(384,644)	(305,701)
SUPPORT COSTS		
Management		
Depreciation	(81,987)	(80,827)
Amortisation	-	(444)
Meetings & staff welfare	(13)	(13)
Garage rent & storage	(1,678)	(3,700)
Church & office equipment	(4,530)	(4,625)
Software, graphics & IT	(11,590)	(5,945)
Printing, postage & stationery	(1,465)	(1,198)
Telephone	(2,786)	(2,912)
Other office expenses (inc cleaning, H&S, website)	(19,850)	(27,297)
Utilities	(21,028)	(21,107)
Insurance	(8,044)	(6,742)
Travel & accomodation	(15,488)	(1,513)
Rates	(12,780)	(11,099)
Bank charges	(3,339)	(2,636)
Minibus	-	(330)
Subscriptions	(5,363)	(4,228)
Loan interest	(70,742)	(68,391)
Building repairs & maintenance	(27,129)	(17,224)
Legal fees	(17,759)	(12,200)
Marketing	(10,722)	-
	(316,293)	(272,431)
Governance costs		
Wages and salaries	(24,790)	(30,778)
Accountancy fees	(10,781)	(6,494)
Audit fees	(8,820)	(4,620)
Legal fees	(2,508)	(3,045)
	(46,899)	(44,937)
Total resources expended	(747,836)	(627,176)
Net Income	44,048	142,263