

Charity number: 1072196
Company number: 03642766
(England and Wales)

Sound Church Ltd
Report of the Trustees and Audited Financial Statements
For the year ended 31 August 2023

Sound Church Ltd
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For the year ended 31 August 2023

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Sound Church Ltd
Report of the Trustees
For the year ended 31 August 2023

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 2023. 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 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.

Our measures of success are as follows:

A) The local church:

- Have we grown numerically this year?
- Have we baptised people this year?
- How many children and YP come to the events that we put on for them.
- How many people have benefitted from our £1.50 lunch each week?
- How many people have attended our main 6 events?
- How many people have decided to follow Jesus?
- How many people are in groups and being discipled?
- Are there testimonies of healing, transformation and breakthrough in people's lives?
- Has there been financial testimonies of super natural financial provision for the congregation members personally?

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2023

B) How much are we impacting the community in a positive way:

- How many uniform stalls have we run?
- How much uniform has been given away?
- How much food from the food bank have we given away?
- How many events have we run for the local community in a crisis such as a critical incident or training for local crisis teams?
- How many prom dresses or suits have we given away?

Grantmaking

Mission is the generic term we give to gifts that we make to other organisations and individuals that furthers our charitable objects who we are in relationship with due to the current members of the church in Bath. 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

ACHIEVEMENTS & PERFORMANCE

Significant activities

In what was a significant year for the charity as we changed name from Freedom Centre UK to Sound Church, we continued with the same vision to advance the Christian faith, provide relief to those in need in the community, and providing support to many within the church and those who are working as church leaders, missionaries, and frontline workers in the UK and around the world.

In October we hosted the first Isaiah 61 & 58 Conference that gathered those same church leaders & missionaries together for support, training and encouragement; throughout the year we continued to host grief cafes that provided a space for people to learn to navigate grief and psychological shock; we also held our annual conferences 'The Weekend Away' and our Men's & Women's conferences where there was opportunity for connection, prayer and teaching.

Achievements against objectives

The Church has 513 people who are active members, with a regular Sunday attendance of 260 people in the morning service, averaging 90 people engaged in lunch and activities after church, and 60 people in the evening prayer meeting. Sound Church engages with 50 people on a Friday evening and 194 people attending groups and functions throughout the week.

We have approximately 145 volunteers who are a part of teams to enable to smooth running of events & services. Members volunteer in teams such as welcome teams, hosting, car parking, café, lunch teams, audio team, AV team, band, kids & youth clubs as well as the Uniform Cupboard, Grief Café and other social action response teams. The teams have meals and social times together, as well as training and meetings to enable the volunteer work to abide by all governance and policies.

We are intentional about providing volunteering opportunities as volunteering not only helps foster a sense of belonging in the community, it has been evidenced by researchers to be beneficial for mental health and well-being.

Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2023

FINANCIAL REVIEW

There was a net surplus on general funds for the year of £9,396, leaving total funds of £2,225,397 at 31st August 2023.

Of the total funds at 31st August 2023, £3,349 are restricted

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

Significant events

Significant events during the reporting period were rising interest rates and utility bills affecting the ongoing running costs of the charity. The trustees have monitored the increased costs and ensured financial planning has reflected the rises. An overcharge on gas was followed up with British Gas with a refund eventually being given to the charity. The church continues to have regular mortgage reviews with Stewardship.

There have been no significant incidents that required reporting to the Charity Commission in the reporting period.

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 as well as other outgoings in order to cover any shortfall in the giving to the Charity. Therefore, the Charity seeks to hold a minimum of £65,000 in reserve.

In view of the building development and additional financial commitments taken on and the impact of Covid 19 virus, the Trustees realise the Church is short of this figure and are aiming to increase reserves.

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 and feel that the momentum is increasing both with numbers and enthusiasm.

Sound Church plans to launch a Pastoral & Creative College in 2024; will continue to facilitate pastor retreats and also release music as 'Sound Church Worship'. The social action arm of the churches projects are continuing to grow in momentum as 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 2023

September 2022

Leaders Day

Women's Breakfast

Grief Café

Bath Spa & Bath Uni Freshers Fairs

Baptisms



October 2022

Glow Party & Youth Fire Pits

Young Adults Cinema Night

Hosted Isaiah 61 & 58 Conference

Uniform Cupboard



November 2022

Youth Cinema & Games Night

Young Adults Bonfire Night

Men's Conference & Matt Hooper visited
to speak and lead Worship

Grief Café

Recording Studio Renovation



December 2022

Sound on Ice

Rebuild Pastors Apartment

Bathroom Renovation

Present Wrapping & Hampers
for Community

Carol Services & Light Shows

Light Show for Schools

Staff Christmas Party



Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2023

January 2023

Changed name to Sound Church
Group Leaders Hub

Freedom Day

Heart & Soul

Alan McWilliam visited



February 2023

Kids Conference

Youth Day Away

Hosted the TRC Conference in the Auditorium

Uniform Cupboard

Betsy speaks at Doorbrekers, The Netherlands



March 2023

Rise & Build

Women's Conference

Grief Café

Celebrating Women's Day

Betsy spoke at City Life Church, The Hague



April 2023

Men's overnight Trip

Easter Sunday

Uniform Cupboard

Baptisms



Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2023

May 2023

Church Weekend Away
Authentic Youth Festival
Group Leaders Hub



June 2023

Marriage Course Started
Freedom Day
Celebrating Men day



July 2023

Summer Socials
Summer of Fun starts
Local Speakers from Church on Sundays
Marriage Course continues
Erald Van de Ridder visited to speak



August 2023

Summer Socials continues
Summer of Fun continues
Intercession Team Launches
Church BBQ's
Local Speakers on Sundays



Sound Church Ltd
Report of the Trustees Continued
For the year ended 31 August 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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 (ceased 31/8/2023)
Ms K Ottley
Mr A McWilliam (appointed 31/8/2023)

The Chair 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.

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 Chair of the Trustees.

The charity is led by the lead pastor, Mrs E deThierry, with the support of the pastoral team. The church is 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.

Induction and training of trustees

Trustees are recruited to the Board with relevant experience to create a balance skillset across all the trustees. All new trustees are supplied with Charity Commission guidance on being an effective trustee and are provided training as needed.

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.

Trauma Recovery Global 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 met 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. Many 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.

Auditor

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 2023

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
Ms K Ottley
Mr S Matthew (Resigned: 31 August 2023)
Mr A McWilliam (Appointed: 31 August 2023)

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 2023

RESPONSIBILITIES OF THE TRUSTEES

The Trustees, who 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

Elizabeth de Thierry

.....
Mrs E deThierry

17 May 2024

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 2023 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 2023 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.

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.

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.

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

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.

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



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

Chartered Certified Accountants
Statutory Auditor

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

20 May 2024

Sound Church Ltd
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 August 2023

	Notes	Unrestricted funds	Restricted funds	2023	2022
		£	£	£	£
Income from:					
Donations and legacies	2	791,237	16,013	807,250	706,351
Charitable activities	3	55,646	-	55,646	54,041
Other trading activities	4	30,000	-	30,000	30,000
Investments	5	178	-	178	11
Other income	6	546	-	546	1,481
Total		877,607	16,013	893,620	791,884
Expenditure on:					
Charitable activities	7/8	(868,211)	(12,664)	(880,875)	(747,836)
Total		(868,211)	(12,664)	(880,875)	(747,836)
Net income		9,396	3,349	12,745	44,048
Reconciliation of funds					
Total funds brought forward at 1 September 2022		2,212,652	-	2,212,652	2,168,604
Total funds carried forward at 31 August 2023		2,222,048	3,349	2,225,397	2,212,652

Comparative for the Statement of Financial Activities

	Unrestricted funds	Restricted funds	2022
	£	£	£
Income and endowments from:			
Donations and legacies	706,219	132	706,351
Charitable activities	54,041	-	54,041
Other trading activities	30,000	-	30,000
Investments	11	-	11
Other income	1,481	-	1,481
Total	791,752	132	791,884
Expenditure on:			
Charitable activities	(747,054)	(782)	(747,836)
Total	(747,054)	(782)	(747,836)
Transfers between funds	18,240	(18,240)	-
Net movement in funds	62,938	(18,890)	44,048
Reconciliation of funds			
Total funds brought forward at 1 September 2021	2,149,714	18,890	2,168,604
Total funds carried forward at 31 August 2022	2,212,652	-	2,212,652

Sound Church Ltd
Statement of Financial Position
As at 31 August 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	14	4,202,285	4,268,332
		4,202,285	4,268,332
Current assets			
Debtors	15	22,601	16,241
Cash at bank and in hand		17,976	36,128
		40,577	52,369
Creditors: amounts falling due within one year	16	(101,325)	(124,539)
Net current assets		(60,748)	(72,170)
Total assets less current liabilities		4,141,537	4,196,162
Creditors: amounts falling due after more than one year	17	(1,916,140)	(1,983,510)
Net assets		2,225,397	2,212,652
The funds of the charity			
Restricted income funds		3,349	-
Unrestricted income funds		2,222,048	2,212,652
Total funds		2,225,397	2,212,652

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

Elizabeth de Thierry

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Mrs E de Thierry
Trustee

17 May 2024

Sound Church Ltd
Statement of Cash Flows
For the year ended 31 August 2023

Cash flows from operating activities	2023	2022
Surplus for the year	12,745	44,049
<u>Adjustments for:</u>		
Investment income recognised in the statement of financial activities	(178)	(11)
Loss/(gain) on disposal of property, plant & equipment	(546)	0
Depreciation and impairment of property, plant & equipment	81,703	81,987
<u>Movements in working capital</u>		
Decrease / (increase) in trade & other receivables	(6,916)	(8,808)
(Decrease) / increase in Creditors & other payables	10,189	(3,705)
(Decrease) / increase in deferred income	(30,000)	(30,000)
Cash (absorbed by) / generated from operations	<u>66,997</u>	<u>83,511</u>
Investing activities		
Purchase of property, plant & equipment	(16,110)	(23,402)
Proceeds on disposal of property, plant & equipment	1,000	0
Investment income received	178	11
Net cash used in investing activities	<u>(14,932)</u>	<u>(23,391)</u>
Financing activities		
Proceeds of new bank loans	0	0
Repayment of bank loans	(70,218)	(94,663)
Net cash generated from financing activities	<u>(70,218)</u>	<u>(94,663)</u>
Net decrease in cash and cash equivalents	(18,153)	(34,543)
Cash and cash equivalents at beginning of year	36,130	70,673
Cash and cash equivalents at end of year	<u>17,977</u>	<u>36,130</u>

Analysis of Net Debt

	At 1/9/22	Cashflows	At 31/8/23
Cash	36,130	(18,153)	17,977
Loans falling due within one year	(77,977)	32,847	(45,130)
Loans falling due after one year	(1,926,575)	37,371	(1,889,205)
Total	(1,968,423)	52,065	(1,916,358)

Sound Church Ltd
Notes to the Financial Statements
For the year ended 31 August 2023

1. Accounting Policies

Basis of accounting

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

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 Church is dependent upon the continued support of its congregation and its bankers to meet its on-going needs. The Trustees are confident that funding will continue to be forthcoming from the congregation members. Therefore, it is the opinion of the Trustees that the Church has adequate resources to continue its operational existence for the foreseeable future and 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 2023

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.

2. Income from donations and legacies

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
Donations received	791,237	16,013	807,250	706,351
	791,237	16,013	807,250	706,351

Comparative for Income from donations and legacies

	Unrestricted funds	Restricted funds	2022
Donations received	706,219	132	706,351

3. Income from charitable activities

	2023	2022
	£	£
Unrestricted funds		
<i>Advancement of Christian faith</i>		
Sales of Christian Resources	1,365	557
Cafe income	4,181	6,252
Youth & Student work income	7,618	5,812
Rental Income (Freedom House)	19,200	20,700
Other income	23,282	20,720
	55,646	54,041
	55,646	54,041

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

4. Income earned from other trading activities

	2023	2022
	£	£
Unrestricted funds		
Letting of Car Park	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

5. Investment income

	2023	2022
	£	£
Unrestricted funds		
Bank interest receivable	178	11
	<u>178</u>	<u>11</u>

6. Other income

	2023	2022
	£	£
Unrestricted funds		
Gain / loss on disposal of assets	546	-
Job Retention Scheme Grant	-	1,481
	<u>546</u>	<u>1,481</u>

7. Costs of charitable activities by fund type

	Unrestricted funds	Restricted funds	2023	2022
	£	£	£	£
Advancement of Christian faith	459,294	-	459,294	384,644
Support costs	408,917	12,664	421,581	363,192
	<u>868,211</u>	<u>12,664</u>	<u>880,875</u>	<u>747,836</u>

Comparison for costs of charitable activities by fund type

	Unrestricted funds	Restricted funds	2023
	£	£	£
Advancement of Christian faith	384,644		384,644
Support costs	362,410	782	363,192
	<u>747,054</u>	<u>782</u>	<u>747,836</u>

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

8. Costs of charitable activities by activity type

	Activities directly undertaken	Support costs	2023	2022
	£	£	£	£
Advancement of Christian faith	459,294	420,021	879,315	747,836

Comparison for costs of charitable activities by activity type

	Activities directly undertaken	Support costs	2022
	£	£	£
Advancement of Christian faith	384,644	363,192	747,836

9. Grants payable

	2023	2022
	£	£
Community Action (The Cupboard)	136	250
Gilead Foundation	3,000	3,000
Hillsong	5,840	8,360
Hope for Justice	800	1,200
Sozo Ministries International	954	1,200
Trauma Recovery Centre	10,059	2,190
Rebuild Leaders	8,267	9,813
Other	13,173	5,292
	<hr/> 42,228	<hr/> 31,305
Grants to individuals	13,571	8,269
Total Grants payable	55,799	39,574

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

10. Analysis of support costs

	2023	2022
	£	£
Advancement of Christian faith		
Management	372,803	316,293
Governance costs	48,778	46,899
	<u>421,581</u>	<u>363,192</u>

11. Staff costs and emoluments

Total staff costs for the year ended 31 August 2023 were:

	2023	2022
	£	£
Salaries and wages	324,898	268,073
Social security costs	21,377	19,321
Pension costs	8,165	7,426
	<u>354,439</u>	<u>294,820</u>

	2023	2022
Activities in furtherance of organisations objects	12	11
Management and administration	3	3
	<u>15</u>	<u>14</u>

A portion of the salary cost totalling £8,266 (2022: 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.

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

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 2023

12. Key management personnel, Trustee remuneration and related party transactions

Mrs E deThierry (trustee) received a salary of £59,500 (2022: £59,500) as the Lead Pastor and pension contributions of £2,800 (2022: £2,800). This payment is permitted within the constitution of the charitable company.

Family members of Mrs E deThierry received salaries & pension contributions as follows:

Mr A deThierry (Men's Pastor, Buildings, Financial & Legal support) £47,864 & £1,370 (2022: £39,000 & £1,610)

Mr J deThierry (Associate Pastor) £37,000 & £923 (2022: £35,000 & £863)

Mr J deThierry (Youth Pastor, Tech & Logistics) £17,538 & £450 (2022: £11,406 & £0)

Mrs N deThierry (Youth Pastor, social media & admin) £17,470 & £374 (2022: £5,435 & £0)

A family member of Mr J Needham received a salary (Kids Coordinator, Pastoral Support & Events) of £11,016 (2022: £5,067)

Aggregate donation to the charity during the year from Trustees and related parties were £57,766 (2022: £38,539)

Trauma Recovery Global 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 £14,400 (2022: £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 previously engaged by the charity to carry out the design and build contract for the erection of the new auditorium. The charity hired equipment from the company during the year for a fee of £4,300 (2022: £6,140)

The company owes the charity £1,943 at the year end (2022: £-556).

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 £10,058 (2022: £2,190). TRC leases premises at Freedom House from the charity, they paid rent of £16,000 (2022: £19,200). The total rent from TRC of £19,200 (2022: £19,200) 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.

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

13. Intangible fixed assets

	Trademarks
Cost or valuation	£
At 01 September 2022	4,442
Disposals	(4,442)
At 31 August 2023	-
Amortisation	
At 01 September 2022	4,442
Disposals	(4,442)
At 31 August 2023	-
Net book values	
At 31 August 2023	-
At 31 August 2022	-

14. Tangible fixed assets

	Land and Buildings	Fixtures and Fittings	Total
	£	£	£
At 01 September 2022	4,382,015	196,725	4,578,740
Additions	-	16,110	16,110
Disposals	-	(3,399)	(3,399)
At 31 August 2023	4,382,015	209,436	4,591,451
Depreciation			
At 01 September 2022	163,055	147,353	310,408
Disposals	-	(2,946)	(2,946)
Charge for year	65,440	16,264	81,704
At 31 August 2023	228,495	160,671	389,166
Net book values			
At 31 August 2023	4,153,520	48,765	4,202,285
At 31 August 2022	4,218,960	49,372	4,268,332

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

15. Debtors

	2023	2022
	£	£
Amounts due within one year:		
Amounts due by group and associated undertakings	1,944	487
Prepayments and accrued income	19,817	15,524
Other debtors	840	230
	22,601	16,241

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Loans and overdrafts	45,130	77,977
Trade creditors	2,205	1,938
Amounts due to subsidiary and associated undertakings	-	556
Other creditors		
PAYE & social security	7,178	7,348
Accruals and deferred income	46,812	36,720
	101,325	124,539

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

	2023	2022
	£	£
Loans and overdrafts	1,889,205	1,926,575
Accruals and deferred income	26,935	56,935
	1,916,140	1,983,510

18. Borrowings

	2023	2022
	£	£
Bank loans	1,934,335	2,004,552
Payable within one year	45,130	77,977
Payable after one year	1,889,205	1,926,575

The property loan from Stewardship Services (UKET) Ltd is secured on Freedom House, Lower Bristol Road, Bath, BA2 1EP and land lying west of Technology House, Lower Bristol Road, Bath, BA2 1EP. The property was remortgaged in February 2022 at an interest rate of 3.25% above the Bank of England Base Rate and is repayable over 19 years.

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

19. Deferred Income

Deferred income at 1 September 2022	86,935
Deferred income released in the year	30,000
Deferred income at 31 August 2023	56,935

In July 2019 Sound Church entered into a lease agreement for the use of its Car Parking spaces. The full amount of the agreement, £180,000, was received upfront. This was deferred and is being released over the term of the lease.

20. Company limited by guarantee

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

21. 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	-	4,202,285	(64,097)	(1,916,140)	2,222,048
Restricted funds					
Boiler / roof fund	-	-	3,349	-	3,349
	-	4,202,285	(60,748)	(1,916,140)	2,225,397

Previous year

	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

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

22. Restricted funds

	Balance at 1 Sept 2021	Incoming resources	Resources expended	Transfers	Balance at 1 Sept 2022	Incoming resources	Resources expended	Transfers	Balance at 31 Aug 2023
Fencing fund	18,890	132	782	18,890	-				-
Boiler / roofing fund						16,013	12,664		3,349
	18,890	132	782	18,890	-	16,013	12,664	-	3,349

During the year repairs were needed to the boiler and roof of Freedom House. A separate fund was created to record donations towards the repairs. Remaining funds at 31 August 2023 were utilised shortly after the year end to complete the repairs required.

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

23. Detailed Statement of Financial Activities

	2023	2022
	£	£
INCOME		
Donations and legacies		
Donations	673,114	587,807
Gift Aid	134,136	118,544
	807,250	706,351
Charitable activities		
Sales of Christian Resources	1,365	557
Cafe income	4,181	6,252
Youth & Student work income	7,618	5,812
Rental Income (Freedom House)	19,200	20,700
Other income	13,240	8,476
Church weekend away income	10,042	12,244
	55,646	54,041
Other trading activities		
Income from Letting of Car Park	30,000	30,000
	30,000	30,000
Investments		
Bank interest receivable	178	11
	178	11
Other income		
Gain / loss on disposal of assets	546	-
Job Retention Scheme Grant	-	1,481
	546	1,481
Total incoming resources	893,620	791,884
EXPENDITURE		
Charitable activities		
Staff costs - wages & salaries	(297,190)	(243,283)
Staff costs - social security costs	(21,377)	(19,321)
Staff costs - pension contributions	(8,165)	(7,426)
Pastoral expenses	(10,903)	(12,726)
Sunday catering & supplies	(10,906)	(6,235)
Youth Work	(6,924)	(8,468)
Childrens Work	(1,595)	(1,836)
Church weekend away	(9,561)	(12,896)
Events - other	(33,580)	(29,729)
Training & resources	(2,407)	(2,161)
Resources for resale & album costs	(887)	(989)
Grants to institutions	(42,228)	(31,305)
Grants to individuals	(13,571)	(8,269)
	(459,294)	(384,644)
SUPPORT COSTS		
Management		
Depreciation	(81,703)	(81,987)

Sound Church Ltd
Notes to the Financial Statements Continued
For the year ended 31 August 2023

Meetings & staff welfare	-	(13)
Garage rent & storage	-	(1,678)
Church & office equipment	(2,611)	(4,530)
Software, graphics & IT	(19,837)	(11,590)
Printing, postage & stationery	(2,320)	(1,465)
Telephone	(2,909)	(2,786)
Other office expenses (inc cleaning, H&S, website)	(22,947)	(19,850)
Utilities	(47,082)	(21,028)
Insurance	(8,425)	(8,044)
Travel & accomodation	(7,534)	(15,488)
Rates	(14,929)	(12,780)
Bank charges	(3,734)	(3,339)
Subscriptions	(4,566)	(5,363)
Loan interest	(98,596)	(70,742)
Building repairs & maintenance	(36,570)	(27,129)
Professional fees	(17,780)	(17,759)
Marketing	(1,260)	(10,722)
	(372,803)	(316,293)
Governance costs		
Wages and salaries	(27,708)	(24,790)
Accountancy fees	(10,740)	(10,781)
Audit fees	(8,315)	(8,820)
Professional fees	(2,015)	(2,508)
	(48,778)	(46,899)
Total resources expended	(880,875)	(747,836)
Net Income	12,745	44,048