

CHRISTCHURCH Banstead



ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

***Company number: 06700653
Registered charity number: 1126514***

**Registered office:
150 High Street,
Banstead,
Surrey,
SM7 2NZ**

ChristChurch Banstead

Annual Report & Financial Statements for the year ended 31 December 2020

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR 2020

1. Introduction

ChristChurch Banstead (or "the Church") was incorporated as a private company limited by guarantee (Company number 06700653) on 17th September 2008 and thereafter was registered with the Charities Commission (Charity number 1126514).

The Trustees present their report and the financial statements of the Church for the year ended 31 December 2020 ("2020"), giving an account of how the Church has fulfilled its charitable and legal obligations.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to these financial statements and comply with the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" effective from January 2019 (which complies with the provisions of Financial Reporting Standard 102) and the relevant provisions of the Companies Act 2006.

This report provides an account of activity during 2020, under the following themes:

- Achieving the Church's Purpose
- Financial Management
- Charity Management
- Governance

2. Achieving the Church's Purpose

2.1 Purpose and Aims

The Church's purpose is to advance and express the Christian faith in particular by:

- making known the Gospel of Jesus to as many people as possible;
- maintaining an undenominational gospel mission work;
- making faithful and obedient disciples of Jesus Christ;
- equipping Christians for ministry and encouraging them to use every spiritual gift provided by God in love, in accordance with the Bible;
- worshipping God in every part of personal and corporate life;
- functioning as a local church of Christian believers; and
- pursuing lifestyle, social action and community involvement consistent with Biblical teaching.

The purpose and aims of the Church are focused on bringing spiritual benefit and practical assistance to those in need, especially those within our local community. The prime spiritual benefit is to bring people into a direct relationship with the Lord Jesus Christ, while the practical benefits flow from a desire to reflect the love and truth of Christ in a needy world.

Spiritual benefits

To achieve these we engage in:

- Evangelism to all, regardless of age, sex, lifestyle, ability or ethnicity;
- Public Christian worship;
- Bible teaching to children, young people and adults;
- Discipleship to those who want to grow in the Christian faith;
- Training for those who participate in the work of the Church; and
- Support for organisations and individuals who engage in evangelism, church planting and Bible teaching across the world.

Practical benefits

To achieve these we provide in a Biblical context:

- Recreational and learning facilities for children and young people;
- Support to young families and parents;
- Pastoral and practical care to others in a variety of settings: home, hospital, nursing homes and prisons;
- Counselling and training in relationship issues; and
- Support to organisations and individuals who provide care or respond to the personal needs of others.

These two channels of the Church being a benefit to others directly flow from the teaching of Jesus Christ:

"I am the light of the world.
Whoever follows me will never walk in darkness,
but will have the light of life." (*Matthew 8.12*)

and

"Let your light shine before men,
that they may see your good deeds
and praise your Father in heaven." (*Matthew 5.16*)

The Church operates as an undenominational gospel mission work to conform with the covenant on the church premises. This is achieved through delivering all the activities of the Church in an integrated manner. Worship, teaching, training and mission are the reasons for every activity and aspect of the Church's life. This follows the Biblical pattern of church life in which there is a continuous cycle of disciple-making, disciple-equipping and disciple-sending to make more disciples of the Lord Jesus Christ - all within a framework of worship and Biblical teaching.

The Trustees take this opportunity to reaffirm their full commitment to the stated purpose and to the Church's Statement of Faith (as displayed on the church website).

2.2 Values

The Church's primary values, introduced in January 2018, are as follows:

- Jesus... it's all about him;
- The Bible... everything we need to know about everything that matters;
- The Cross... the place of forgiveness, the power for change;
- Each Other... all believers in Christ belong to God's family; and
- The World... we want to share God's good news with everyone.

2.3 Overview of 2020 and Impact of Covid-19

Our key objectives remained unchanged, reflecting the continuing purpose and aims of the Church which are to:

- 1) provide a full programme of evangelism and outreach;
- 2) maintain a firm commitment to discipleship and ministry training;
- 3) support the community within a Biblical framework; and
- 4) develop the Church as a local body of Christian believers.

Inevitably, the year (from 24th March onwards) was overshadowed by the global pandemic and the UK Government's response to it.

Together, these had an enormous impact upon churches, as they did on the whole of society. The Church responded to the restrictions placed upon it by:

- Streaming the Sunday services through YouTube. Initially this required the services to be pre-recorded until churches were allowed to stream services live. 'In person' services were resumed as soon as the Government lifted the ban on public worship. With the need for social distancing, overflow rooms were used to accommodate all wishing to attend; the livestreaming of services continued.
- Running the Sunday groups for children and young people 'online': for a short period they were also able to be run on the premises.
- Using YouTube and Zoom for running all the mid-week groups – for young families, children and young people and adults.
- Keeping the Jack and Jill Pre-School running for the entire time the Government permitted pre-schools to remain open. In doing so, we were able to provide a valuable service for parents who are 'keyworkers'.
- Maintaining contact with, and support for, our Seniors through the weekly delivery of a news sheet produced by the New Horizons team (containing a short reflection on the Sunday sermon and a quiz or puzzle). DVDs and CDs of the services were also produced and delivered to those without online access. In addition, practical support was provided to help with shopping and the like and with unforeseen emergencies.
- Continuing our support of Ridgemount Care Home by providing a recorded service on DVD each month.

Inevitably some of our events had to be cancelled, including the Church Weekend Away (now planned for October 2021), the Summer Youth Camp (replaced by activities on the church site, which were permitted at that time) and the Dads and Lads Camp.

Some of our annual events were able to take place as usual: the Holiday Bible Club (February), the Annual Play (March) and the Light Party alternative to Halloween (October).

The pandemic also prevented our Mission Partners – the Creightons (in Nigeria), the Millers (in Spain) - and Waseem Khokhar (Pakistan) from visiting Banstead. The Creightons and the Millers were able to join some of our monthly prayer gatherings.

Despite the frustrations created by the pandemic, most especially preventing the whole body gathering together to enjoy fellowship as God's people and to offer hospitality, there is much for which the Trustees give thanks to God. In particular, the viewings of our services registered on YouTube have been well in excess of our normal attendances.

The availability of Zoom also enabled us to run outreach events. One in particular, Coping With Fear, an interview with Jeremy Marshall who has terminal cancer, attracted almost 500 viewings over a period of three months. Zoom also enabled us to run an Exploring Jesus course for a small number of guests of serving members and to begin a discipleship programme, The Course of Your Life.

It was also immensely encouraging that eleven believers came into the Serving Membership, including Andrew and Mel Evans, following Andrew's appointment as Associate Minister, and Rachel Gomes following her marriage to Daniel, our Assistant Minister. The Serving Membership stood at 142 at 31st December 2020 (131 at 31st December 2019). Baptisms were planned but had to be postponed to 2021.

The livestreaming of services and the virtual meetings required the development of new skills by both the technical team responsible for managing the technology and by those preparing and recording videos. The Trustees are especially grateful to the entire staff team and to all the serving members who have willingly committed additional time beyond what would normally be required of them, in order to maintain the Church's gospel ministry to our community.

2.4 Future Plans

The objective of all future ministry is, as stated in Matthew's Gospel (chapter 28 verse 19), to go and make disciples of all nations, to baptise them in the name of the Father, Son and Holy Spirit and to teach them to obey everything our Lord has commanded.

The Church will continue to fulfil its purpose and aims through ministry which is Christ-centred, Spirit-filled, Bible-based and prayer-fuelled. This will be done by using the same four key objectives and pursuing the theme of "Go, Win, Grow".

A priority for the Trustees will be to ensure that the Church's ministry remains as effective as possible during the current restrictions on 'in-person' gatherings and as the restrictions begin to be eased, while recognising the essential need for keeping people safe.

The Trustees will continue to review the appropriateness of different formats and channels for the ongoing teaching and outreach of the Church as the restrictions are lifted, including the livestreaming of outreach events and some services and the use of online platforms for holding some meetings and activities.

The main outreach event for 2021 will be an 'Open Weekend' over 19th & 20th June, led by Glen Scrivener. In terms of discipleship, The Course of Your Life programme will continue.

The working group set up in 2020 to consider the possible next steps in the development of the site has reported to the Trustees during the first quarter of 2021. The first stage will be to look at improvements to the frontage of 150 High Street.

3. Financial Management

3.1 Financial Review

The Trustees have continued to seek the Lord's leading for the Church's ministry and mission work and are thankful to all who have given faithfully to support this work especially during this past year, notwithstanding the various pressures resulting from the Covid-19 pandemic.

Although voluntary income was overall lower at £450,618 (2019: £510,340), this was mainly due to the additional lump sum giving in 2019 associated with the refinancing of the Manse loans. Regular monthly giving was slightly higher than in 2019. Together with other income received, this fully covered the total costs of charitable activities and governance costs of the Church, and generated a surplus across all funds of £37,265 (2019: £57,377).

The undrawn portion of the Charity Bank loan facility, £25,000, was drawn down in May 2020 bringing the total mortgage to £125,000, secured on the Manse at 12 Oakley Gardens. This was undertaken to provide a buffer for the potential repayment in 2021 of the remaining Faith loan amid the uncertainty of the economic impact of the pandemic.

The Church's free reserves (defined as net current assets of the General Fund only) at 31 December 2020 increased to £213,092 (2019: £167,430), for which we thank the Lord.

Summary financials for each of the three main funds are given below. Further details can be found in the financial statements and related notes (including the definitions in Note 1).

3.2 General Fund

The total costs of the General Fund church activities were £329,277 (2019: £352,518). No staff were furloughed during 2020 as the church maintained a full range of activities through both physical, when allowed, and online platforms. However various events such as the Church weekend away, the youth summer camp and the Dads and Lads weekend had to be cancelled or were postponed, hence the relevant costs were largely deferred to 2021. Other costs such as hospitality were lower, but additional costs were incurred to provide sustainable livestreaming of services and outreach events. Some maintenance and other equipment replacement costs were deferred until 2021 so, overall, the impact of the pandemic was a significant reduction in costs.

Regular giving was largely sustained through 2020, but the total voluntary giving decreased to £351,832 (2019: £407,350), reflecting the lower level of lump sum gifts versus the prior year at £41,432 (2019: £92,977).

The net surplus after transfers for 2020 was £42,020 (2019: £38,189) after charging depreciation of £3,642 (2019: £5,782) and transferring £5,000 to the Development Fund to fund monthly repayments of the capital element of the mortgage. At the year end, General Fund cash reserves were higher at £157,430 (2019: £92,787), which was significantly greater than anticipated, but includes funds carried forward to meet expenditure deferred from 2020 and to provide a reserve should there be a decline in donations or an increase in the need to support church members financially.

3.3 Mission Fund

Mission Fund income in 2020 was higher at £78,612 (2019: £74,016) including Gift Aid received and receivable. Of this income, £8,000 was specifically a gift to Lahore Evangelical Ministries (LEM) in Pakistan for the distribution of food to the pastors and day workers who were prevented by the pandemic lockdown from going to work and so were unable to earn the money to pay for food for their families. Total Mission Fund costs including Ministry and mission staff support costs was £72,307 (2019: £74,260), including the payment of the funds to LEM. As a result, the net movement in Mission Fund funds for 2020 was an increase of £6,349 (2019: £153 decrease).

Mission Fund reserves at end-2020 increased to £40,009 (2019: £33,660), sufficient in the medium term. The Trustees will seek to increase missionary support levels going into 2022.

3.4 Development Fund

Lump sum gifts and regular giving from members during 2020 totalled £9,810 (2019: £5,120 plus £13,000 of loans forgiven and gifted). Gift Aid received and receivable on the total giving and lump sum gifts totalled £2,453 (2019: £4,530).

Total costs of £5,653 (2019: £20,387) included £NIL (2019: £7,778) depreciation charged in respect of capitalised redevelopment costs, as those were fully written off in 2019, and £4,473 interest and other costs relating to the mortgage from Charity Bank (2019: £6,751 in respect of legal and other costs associated with obtaining the mortgage).

As noted above, £5,000 was received from the General Fund to finance the cost of repaying the capital element of the monthly mortgage repayments to Charity Bank.

The total net assets of the Development Fund, being: the properties at 158 & 160/160a High Street and the Manse at 12 Oakley Gardens, together valued at £1.83 million (2019: £1.83 million), including £225,000 for the lock-up shop (investment property); other net assets of £32,874 (2019: £2,287); net of the Charity Bank Mortgage of £118,978 (2019: £100,000) and the remaining £27,000 interest bearing Faith Loan (2019: £27,000); increased in value by £11,610 (2019: £41,043) to £1.717 million (2019: £1.705 million).

3.5 Special Collections

The Christmas collection in 2020 raised funds for the Barnabas Fund. The collection raised £3,941 including £766 Gift Aid and will enable the Barnabas Fund to “provide hope and aid for the persecuted Church, from Christians, to Christians, through Christians”.

3.6 Property Valuation Review

A valuation was carried out by Siefers Harrison Limited (RICS) in April 2020 which supports the capitalised valuation of the rented 160 High Street lock-up. The development of the 158-160 High Street buildings for Church use was completed in early 2014 and they remain in very good condition. In addition, there has been development interest in the neighbouring properties which supports the valuation of Church properties.

Demand for family housing units in Banstead remains strong, and the Trustees are confident that the valuation (against which the Charity Bank mortgage was secured) remains above the purchase price at which 12 Oakley Gardens is held in the accounts.

Hence the Trustees consider no impairment charge is required as at 31 December 2020.

3.7 Going Concern Review

The impact of Covid-19 on Church finances during 2020 was minimal, for which the Trustees give thanks to God; however the impact on 2021 is unclear at this stage. There is a risk the Church loses members and others are unable (e.g., through job losses or wage reductions) to maintain or increase their regular giving from current levels, as anticipated. Hence, the Church may be called upon to provide financial and other practical assistance to members as the continuing effects of the pandemic work their way through the economy.

The various Church fund budgets prepared in early 2021 allow for an increase in benevolent funding of Church members in particular need, but indicate no overall funding requirement for 2021 and a healthy reserves position heading into 2022. The budgets include Gift Aid accruing from lump sum gifts received in 2020, and some provision for lump sum giving in 2021 (reflecting lump sum gifts received to date and a modest level of additional gifts).

The 2021 budgets also include monthly repayments of the mortgage from Charity Bank secured on the Manse at 12 Oakley Gardens, which is repayable over a maximum of 15 years, and demonstrate the Church has the capacity to repay the remaining Faith loan if required. The budgets also reflect the incurrence of deferred costs arising from the restrictions caused by the pandemic, including the Open Weekend and Church weekend away.

The Trustees will continue to monitor the regular giving and take appropriate steps to manage costs, if needed, taking into account the substantial increase in General Fund reserves in 2020. At the current time there is no indication of a reduction in giving and, in fact, several new members have begun to give.

In conclusion, the Trustees consider that, notwithstanding the uncertainties around Covid-19, it is appropriate to present the financial statements on a Going Concern basis.

4. Charity Management

4.1 Church Leadership

Leadership throughout the Church must be Biblical, prayerful, united, flexible, listening and transparent. The overall responsibility for the legal and spiritual leadership of the Church rests with the Trustees, who are the Senior Pastor, Elders and Deacons.

During 2020 they were:

| | |
|---------|---|
| Elders | Revd Kevin Newman Andrew Grimstone John Phillips |
| Deacons | Paul Atterbury Andrew Butt Stewart Foster Andrew McKenna Nigel Paget Fred Paton Shak Sulliman |

From May, Andrew Evans attended meetings as an observer.

Elders and Deacons are selected from among the serving members, usually serve for a period of three years, and can be reappointed. Before an Elder or Deacon is appointed or re-appointed, the Serving Membership is given an opportunity of indicating in writing if they are aware of any substantive reason why the person should not be appointed. The appointment of Trustees is confirmed at the annual meeting of serving members.

Newly appointed Trustees are advised of their responsibilities as a Trustee of a charitable company and the specific requirements of the Church's governance documents. They are also trained in the principles of Christian leadership. The training needs of Trustees are regularly reviewed.

The Church leadership is primarily accountable to God and is recognised by the local church. It maintains an oversight of all Church and fellowship issues. Matters of church discipline are also handled by the Trustees, but in a strictly confidential manner. The Trustees met on 20 occasions to fulfil prayerfully their responsibilities, which included maintaining spiritual oversight of the Church, agreeing plans for the fulfilment of the Church's aims and objectives and allocating resources to achieve those plans.

The Trustees are satisfied that in fulfilling their responsibilities they have complied with the duty to have due regard to the Charity Commission's guidance on delivering public benefit from the Church's activities.

4.2 Ministry and Service Structure

To fulfil the aims of the Church, the Trustees delegate responsibility for the regular ministry and service activity to approximately 40 ministry and service groups, each with a group leader. The group leader is required to maintain a Biblical approach to their leadership and to comply with the Church's operational policies (e.g. Health & Safety, Security, Safeguarding, Data Protection).

The Serving Members meet at an annual meeting to consider the Trustees' report and financial statements, and to transact other business as deemed necessary by the Trustees or determined by the Church's governance documents.

4.3 Staffing

The following comprised the staff during 2020. Those with an asterisk (*) did not receive any financial support and those shown as (P/T) were part-time:

| | |
|----------------------------|---|
| Gaynor Atterbury | Families Co-ordinator (P/T) |
| Rick and Alanna Creighton | Mission Partners in Nigeria |
| Andrew Evans | Associate Minister - from May 2020 |
| Naomi Foster | Families Worker * (P/T) |
| Stewart Foster | Facilities Coordinator * (P/T) |
| Nicola Goddard | Pastoral Secretary (P/T) |
| Daniel Gomes | Assistant Minister |
| Andrew McKenna | Associate Minister (Music and Media) |
| Terry and Christine Miller | Mission Partners in Spain |
| Fran Newman | Operations Manager (P/T) |
| Kevin Newman | Senior Pastor |
| David Parkes | Caretaker (P/T) |
| Tamaryn Pitout | Ministry Assistant (P/T) |
| David Ridal | Youth Minister |
| Caroline Scott-Evans | Pre-School Manager (P/T) |
| Lorraine Sulliman | Finance Assistant (P/T) |
| Lisa Travers | Assistant Minister (Children) |

The Jack & Jill Pre-School also pays salaries to an additional five part-time staff.

The arrangements for setting and reviewing the pay and remuneration are undertaken by a Remuneration Group of three Trustee Directors, Andrew Grimstone, Fred Paton and Andy Butt. In undertaking their role, the Group considers the comparable levels of support provided by similar churches for specific roles and responsibilities, together with individual circumstances.

5 Governance

5.1 Church Status

The Church is a charitable company, required to comply with the detailed regulatory framework for such charities. The Trustees act within the remit of the charitable company's Memorandum and Articles of Association.

The Church is an independent fellowship of worshipping and serving believers in the Lord Jesus Christ. The Church does not have any denominational affiliation.

The church site and building at 150 High Street, Banstead, are governed by a property trust created by a trust deed dated 12 June 1896. This deed requires the site and buildings on it to be used for 'undenominational gospel mission work'. The trustees of the property trust are the same as the Church trustees.

5.2 Details of Key Advisors and Service Providers:

| | |
|------------------|---|
| Principal Banker | Barclays Bank plc, 1 North End, Croydon CR9 1SX |
| Solicitors | Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES |
| Auditor | Mazars LLP, 2 nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, SM1 4FS |
| Architects | Robinson, Kenning & Gallagher, Airport House, Purley Way, Croydon, CR0 0XZ |

5.3 Organisational Affiliations

During 2020 the Church maintained its membership of:

- Evangelical Alliance, the largest UK organisation of evangelical Christians
- The South West London Gospel Partnership, a group of Bible believing churches seeking to advance the Christian gospel, although in the first quarter of 2021 the Church has switched its membership to the newly formed London Gospel Partnership (LGP). Kevin Newman has been recruited to the LGP committee.

The Church terminated its membership of Global Connections.

5.4 Beneficial Relationships

Three Trustees, Paul Atterbury, Kevin Newman and Shak Sulliman are all married to staff members who were financially supported during the year.

Two Trustees, Nigel Paget and John Phillips, are also Trustees of BeaconLight Trust, a Christian charity led by a former Senior Pastor of the Church. The Trust uses the Church premises as its registered and postal address and for the storage of archives and makes a small financial contribution to the Church.

5.5 Health and Safety and Security

The security of the premises is continually reviewed. Key aspects of this are continued vigilance by all potential users and open and clear visibility of use of all areas of the building to deter opportunists. The planned full Health and Safety review was deferred on account of Covid-19 and is now scheduled for 2021.

All essential facilities were maintained throughout the year but, again on account of Covid-19, some work was deferred. New heating was installed in the rear hall in February 2021.

In relation to food hygiene, a food safety inspection was undertaken by an environmental health inspector from Reigate and Banstead Borough Council in January 2020 and a 5/5 rating was awarded.

5.6 Safeguarding

People working directly with children, young people and vulnerable adults are subject to DBS checks, carried out via Thirtyone:eight and reviewed every three years, and receive training each year.

The Safeguarding Policy and Procedures (for Children, Young people and Vulnerable Adults) were reviewed and updated following the new statutory guidance issued by the Department of Education. The Good Practice Guidelines were updated and introduced to all appropriate groups. The Trustees were also briefed on the Policy and Procedures.

No issues were reported to the Safeguarding Officer which gave rise to concern making it necessary for any to be reported to the Trustees.

In January 2021 all group leaders were reminded of their responsibilities in the area of safeguarding. Further training and briefing sessions will be provided where needed.

5.7 Data Protection

The Data Protection Policy was reviewed with no breaches reported in the 12 month period.

5.8 Risks and Uncertainties

The Trustees reviewed and updated its Corporate Risk Register in December 2020.

5.9 Trustees' Accounting and Reporting Responsibilities

Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Church and of the results for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

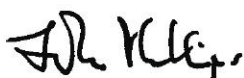
The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the charitable company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- as the directors of the charitable company we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This report is prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Trustees



John Phillips, Secretary
12 April 2021

Independent auditor's report to the members of Christchurch Banstead

Opinion

We have audited the financial statements of Christchurch Banstead (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In 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 and proper 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



David Hoose

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 14 April 2021

CHRISTCHURCH BANSTEAD

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

| | Notes | General fund 2020 | Mission fund (restricted) 2020 | Designated funds * 2020 | Endowment fund 2020 | Total 2020 | Total 2019 |
|--|-------|----------------------|--------------------------------------|----------------------------|------------------------|------------------|------------------|
| Income | | | | | | | |
| Voluntary income | 6 | 351,832 | 78,612 | 20,174 | - | 450,618 | 510,340 |
| Interest receivable | | 36 | 44 | 27 | - | 107 | 206 |
| Income from church activities | 7 | 23,780 | - | 72,380 | - | 96,160 | 126,435 |
| Total income | | 375,648 | 78,656 | 92,581 | - | 546,885 | 636,981 |
| Expenditure | | | | | | | |
| Charitable activities | | | | | | | |
| Integrated church activities | 8 | (329,277) | (55,782) | (75,070) | (21,984) | (482,113) | (560,778) |
| Grants paid and payable | 9 | - | (16,525) | (6,711) | - | (23,236) | (17,792) |
| Interest payable | | - | - | (4,271) | - | (4,271) | (1,034) |
| Total expenditure | | (329,277) | (72,307) | (86,052) | (21,984) | (509,620) | (579,604) |
| Net income/(expenditure) before transfers | | 46,371 | 6,349 | 6,529 | (21,984) | 37,265 | 57,377 |
| Transfer between funds | 14 | (4,351) | - | 4,351 | - | - | - |
| Net movement in funds | 24 | 42,020 | 6,349 | 10,880 | (21,984) | 37,265 | 57,377 |
| Funds at 1 January | | 187,482 | 33,660 | 1,732,190 | 857,376 | 2,810,708 | 2,753,331 |
| Funds at 31 December | | 229,502 | 40,009 | 1,743,070 | 835,392 | 2,847,973 | 2,810,708 |

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

All income and expenditure is derived from continuing activities.

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

* An analysis of Designated funds is set out in Note 23.

CHRISTCHURCH BANSTEAD

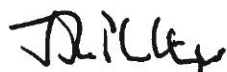
BALANCE SHEET

as at 31 December 2020

| | Notes | General fund 2020 | Mission fund (restricted) 2020 | Designated funds 2020 | Endowment fund 2020 | Total 2020 | Total 2019 |
|--|-------|-------------------------|---|-----------------------------|---------------------------|-------------------------|-------------------------|
| Fixed assets | | | | | | | |
| Tangible assets | | | | | | | |
| Land and buildings | 15 | - | - | 1,605,000 | 835,392 | 2,440,392 | 2,462,376 |
| Other tangible assets | 16 | 16,410 | - | - | - | 16,410 | 20,052 |
| Investments | | | | | | | |
| Lock up shop | 17 | - | - | 225,000 | - | 225,000 | 225,000 |
| | | <u>16,410</u> | <u>-</u> | <u>1,830,000</u> | <u>835,392</u> | <u>2,681,802</u> | <u>2,707,428</u> |
| Current assets | | | | | | | |
| Debtors and payments in advance | 18 | 73,641 | 11,392 | 12,229 | - | 97,262 | 100,087 |
| Deposit accounts | 19 | 10,288 | 16,184 | 10,100 | - | 36,572 | 36,476 |
| Cash at banks and in hand | 19 | 147,142 | 13,936 | 48,124 | - | 209,202 | 111,265 |
| | | <u>231,071</u> | <u>41,512</u> | <u>70,453</u> | <u>-</u> | <u>343,036</u> | <u>247,828</u> |
| Creditors due within one year | 20 | (17,979) | (1,503) | (45,314) | - | (64,796) | (22,603) |
| Net current assets | | <u>213,092</u> | <u>40,009</u> | <u>25,139</u> | <u>-</u> | <u>278,240</u> | <u>225,225</u> |
| Total assets less current liabilities | | 229,502 | 40,009 | 1,855,139 | 835,392 | 2,960,042 | 2,932,653 |
| Creditors due after one year | 21 | - | - | (112,069) | - | (112,069) | (121,945) |
| Net assets | | <u>229,502</u> | <u>40,009</u> | <u>1,743,070</u> | <u>835,392</u> | <u>2,847,973</u> | <u>2,810,708</u> |
| Capital and reserves | | | | | | | |
| General fund | | 229,502 | - | - | - | 229,502 | 187,482 |
| Mission fund | | - | 40,009 | - | - | 40,009 | 33,660 |
| Designated funds | 23 | - | - | 1,743,070 | - | 1,743,070 | 1,732,190 |
| Endowment capital | | - | - | - | 835,392 | 835,392 | 857,376 |
| | | <u>229,502</u> | <u>40,009</u> | <u>1,743,070</u> | <u>835,392</u> | <u>2,847,973</u> | <u>2,810,708</u> |

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees and signed on its behalf by:



John Phillips

Trustee Director

12 April 2021

CHRISTCHURCH BANSTEAD

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

| | | General fund | Mission fund (restricted) | Designated funds | Total | Total |
|--|-------|-------------------------|--|-----------------------------|-----------------|-----------------|
| | Notes | 2020 | 2020 | 2020 | 2020 | 2019 |
| Net cash flows before Gift Aid, interest and rent | 24 | (37,528) | (10,695) | 17,283 | (30,940) | (31,776) |
| Gift Aid recovered | | 79,200 | 13,841 | 5,259 | 98,300 | 95,533 |
| Net cash flows from operating activities | | 41,672 | 3,146 | 22,542 | 67,360 | 63,757 |
| Cash flows from investing activities | | | | | | |
| Rent received for 160 High Street | 7 | 16,000 | - | - | 16,000 | 16,000 |
| Interest received | | 36 | 44 | 27 | 107 | 206 |
| Cash provided by investing activities | | 16,036 | 44 | 27 | 16,107 | 16,206 |
| Cash flows from financing | | | | | | |
| New mortgage loan received | 21 | - | - | 25,000 | 25,000 | 100,000 |
| Repayment of mortgage capital/Manse loans | | - | - | (6,022) | (6,022) | (168,000) |
| Interest paid on mortgage | | - | - | (3,669) | (3,669) | - |
| Interest paid on Faith Loan | | - | - | (743) | (743) | (1,012) |
| Cash used in financing activities | | - | - | 14,566 | 14,566 | (69,012) |
| Increase in cash and cash equivalents | | 57,708 | 3,190 | 37,135 | 98,033 | 10,951 |
| Changes in interfund balances | | 6,935 | 115 | (7,050) | - | - |
| Increase in cash and cash equivalents* | | 64,643 | 3,305 | 30,085 | 98,033 | 10,951 |
| Cash and cash equivalents at 1 January* | | 92,787 | 26,815 | 28,139 | 147,741 | 136,790 |
| Cash and cash equivalents at 31 December* | | 157,430 | 30,120 | 58,224 | 245,774 | 147,741 |

* There are no cash balances or movements relating to the Endowment Fund

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1 Principal accounting policies

The financial statements are prepared in accordance with the statement of recommended practice "Accounting and Reporting by Charities" issued by the Charity Commission effective from January 2019 (which complies with the provisions of Financial Reporting Standard 102). They are also prepared under the historical cost convention, modified by the revaluation of properties and investments as described in the relevant notes, and on a going concern basis (see section 3.7 of the Annual Report) in accordance with applicable UK accounting standards and in accordance with the Companies Act 2006.

Unrestricted funds

The General Fund is used to finance the Church's work in Banstead. It receives all income not identified to a particular purpose and pays all expenses incurred in maintaining the ministry and fabric of the church buildings in Banstead.

Restricted and designated funds

Restricted funds comprise the Mission Fund, which is used to finance the work beyond Banstead in the UK and overseas and the mission related training of Christian workers.

Designated funds comprise the Development Fund, which receives and uses funds for the development of the Church premises at 158-160 High Street and the Manse at 12 Oakley Gardens; the Jack and Jill Pre-School, which operates the morning and afternoon nursery for under 5's from the Church premises; special collections; and donations to and charges for the Church organisations and specific Church activities listed in Note 23.

Endowment funds

The premises at 150 High Street, representing endowment capital, is held for the benefit of the Church as a permanent capital fund.

Recognition of income

All voluntary income, except tax recoverable under Gift Aid, and income from Church activities are accounted for as received. Tax recoverable is accounted for in the period in which the underlying gift was received. Interest receivable is accounted for in the period to which it relates. Legacies receivable are accounted for in the period in which they become certain and quantifiable.

Expenditure

All expenditure is accounted for in the period to which the expenditure relates. Church office staff costs and IT expenses are apportioned to General support costs and Governance costs on a time basis, as described in Note 12.

Governance costs (Note 13) comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice, including for the Church development. Costs include those related to the statutory audit, any trustees' expenses, professional fees and an apportionment of staff support and IT costs.

Capitalisation and revaluation of tangible fixed assets

Improvements to buildings, items of fixtures, fittings, furniture and equipment, and motor vehicles, costing £5,000 or more are capitalised. Land and buildings are valued as detailed in Note 15.

Accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are critical accounting estimates and areas of judgements to note:

- a) Investment property valuations – the investment property valuation is reviewed by the Trustees annually in detail for the purposes of the annual accounts. As explained in the annual report, the investment property valuation was last formally valued in April 2020, and the property was considered to remain at fair value at that date. The Trustees are of the opinion that the property remains at fair value, based on market information available, and therefore consider no impairment charge is required as at 31 December 2020.

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

- b) Freehold residential and office property depreciation – No depreciation is charged in respect of the Manse and the Church properties at 158 and 160 High Street which are included in the balance sheet at valuation. The properties are maintained to a good standard, with repairs and refurbishments being carried out when necessary. Therefore the Trustees consider that any depreciation charge on the properties would be immaterial in view of each property's estimated residual value and remaining useful economic life. An impairment review is carried out annually. The Trustees consider no impairment charge is required as at 31 December 2020.
- c) Depreciation of church building and fixed assets – Depreciation is charged in respect of the freehold church building included in the balance sheet at valuation since the previous valuation, calculated at an annual rate of 2% of the gross revalued amount (as at the date of the last valuation) plus improvements. Depreciation is charged in relation to capitalised development costs to write off these costs over three years. Sound and lighting equipment is depreciated over five years. Fixtures, fittings, furniture and other equipment are depreciated over ten years.

2 Trustees emoluments and expenses

| | | 2020 | 2019 |
|--------------------|---------------------------|---------|---------|
| Senior Pastor: | Taxable financial support | £40,150 | £38,206 |
| | Social security costs | £4,328 | £4,081 |
| | Pension costs | £3,212 | £3,212 |
| | Childcare vouchers | n/a | £2,060 |
| Associate Minister | Taxable financial support | £15,750 | £16,033 |
| | Social security costs | £961 | £730 |
| | Pension costs | £2,000 | £2,147 |

The Trustees are considered to be the key management personnel.

The Senior Pastor and Associate Minister were remunerated as permitted by the Church's Trusteeship Document. The Senior Pastor was reimbursed expenses of £708 (2019: £1,057) relating to conferences and Bible literature. The Associate Minister was reimbursed expenses relating to council tax, telephone, conferences and travel of £2,453 (2019: £2,845).

No other Trustee received any emolument or was reimbursed expenses.

3 Staff numbers and emoluments (including staff trustees)

| | | 2020 | 2019 |
|---------------------------|------------------------|----------|----------|
| Average number employed: | | | |
| Full time | General Fund | 5.7 | 5.3 |
| Part time | Jack & Jill Pre-School | 7.0 | 8.3 |
| | General Fund | 6.0 | 6.7 |
| Taxable financial support | | £220,039 | £222,752 |
| Social security costs | | £12,293 | £11,101 |
| Pension costs | | £13,195 | £12,717 |

No employee was paid more than £60,000 in either year. The remuneration costs above are allocated to the following expenditure heads on the basis of staff roles: General Fund staff costs (Note 8) and Jack and Jill Pre-School (Note 11).

4 Related party and connected party transactions

BeaconLight Trust has donated £1,200 (2019: £1,200) in recognition of using office space and phone services at 160a High Street. Two of the trustees of BeaconLight Trust are also Trustees of ChristChurch Banstead.

During 2020, the Church paid £7,618 (2019: £5,336) to or on behalf of the spouse of the Senior Pastor as taxable financial support and expenses. The Church also paid £12,770 (2019: £12,458) and £4,555 (2019: £3,675), respectively, to or on behalf of the spouses of two other Trustees as taxable financial support and expenses.

The total value of one-off gifts and regular donations from Trustees in 2020 was £136,666 (2019: £153,073), net of Gift Aid reclaimed/receivable.

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

5 Pensions

The Church offers an auto-enrolment scheme for staff with The People's Pension, which is independently administered and invested. The Church contributes to this scheme in respect of those employees below pensionable age for whom it is required by law to provide access to this scheme.

| | General fund | Mission fund | Designated funds | Endowment capital | Total | Total |
|---------------------------------|----------------|---------------|------------------|-------------------|----------------|----------------|
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2019 |
| 6 Voluntary income | | | | | | |
| Donations and regular offerings | 284,950 | 63,800 | 12,580 | - | 361,330 | 406,872 |
| Special collections | - | 20 | 3,175 | - | 3,195 | 4,981 |
| Tax recoverable | 66,882 | 14,792 | 3,219 | - | 84,893 | 97,287 |
| Grants receivable | - | - | 1,200 | - | 1,200 | 1,200 |
| | <u>351,832</u> | <u>78,612</u> | <u>20,174</u> | <u>-</u> | <u>450,618</u> | <u>510,340</u> |

7 Income from church activities

General Fund income comprises rental income from the leasing of the 160 High Street lock-up shop to Dignity Funerals of £16,000 (2019: £16,000) and annual rental income for weekday use of premises during term time charged to Jack & Jill Pre-School of £7,500 (2019: £7,500). Designated fund income includes the Jack & Jill Pre-School local authority grant, fees and training income, together with contributions to Church activities where an element of costs are recharged to the attendees, such as for the Church Weekend Away, Church Open Week/Weekend and Summer Youth camp. The income from such activities (and the related costs) were substantially lower in 2020 due to cancellation or deferral of events to 2021.

8 Integrated church activities

In conformity with the covenant on its land, ChristChurch Banstead operates as an undenominational gospel mission work. Worship, teaching, training and mission are the reasons for every activity and aspect of the Church's life. In advancing this integrated ministry, functional expenditure was incurred as follows:

| | | | | | | |
|--|----------------|---------------|---------------|---------------|----------------|----------------|
| Church fabric and equipment (Note 10) | 33,890 | - | - | 21,984 | 55,874 | 78,170 |
| Fellowship and outreach costs (Note 11) | 10,709 | - | 70,680 | - | 81,389 | 117,220 |
| Ministry and mission costs (including staff costs) | 271,720 | 54,200 | - | - | 325,920 | 332,621 |
| General support costs (Note 12) | 4,778 | - | 2,471 | - | 7,249 | 14,311 |
| Governance costs (Note 13) | 8,180 | 1,582 | 1,919 | - | 11,681 | 18,456 |
| | <u>329,277</u> | <u>55,782</u> | <u>75,070</u> | <u>21,984</u> | <u>482,113</u> | <u>560,778</u> |

9 Grants paid and payable

ChristChurch Banstead makes a number of grants to support Christian workers and organisations which operate independently from the Church but for which it has special concern. Grants payable in the year were:

| | | | | | | |
|--|----------|---------------|--------------|----------|---------------|---------------|
| Grants to 9 individuals in total (2019: 6 in total) | - | 14,600 | 2,770 | - | 17,370 | 10,110 |
| Grants to organisations and projects: | | | | | | |
| <i>The Barnabas Fund</i> | - | - | 3,941 | - | 3,941 | - |
| <i>Trinity Church Everton</i> | - | 1,750 | - | - | 1,750 | 2,283 |
| <i>London City Mission</i> | - | 175 | - | - | 175 | 2,699 |
| <i>Kogoro Seminary Nigeria</i> | - | - | - | - | - | 2,500 |
| <i>The Forge, Christian Outreach Event, Banstead</i> | - | - | - | - | - | 200 |
| | <u>-</u> | <u>16,525</u> | <u>6,711</u> | <u>-</u> | <u>23,236</u> | <u>17,792</u> |

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

| | General fund | Mission fund | Designated funds | Endowment capital | Total | Total |
|---|---------------|--------------|------------------|-------------------|---------------|---------------|
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2019 |
| 10 Church fabric and equipment | | | | | | |
| Utilities, insurance and cleaning | 20,286 | - | - | - | 20,286 | 20,815 |
| Ordinary repairs, maintenance and equipment | 9,962 | - | - | - | 9,962 | 17,357 |
| Repairs and refurbishment | - | - | - | - | - | 4,454 |
| Depreciation | 3,642 | - | - | 21,984 | 25,626 | 35,544 |
| | <u>33,890</u> | <u>-</u> | <u>-</u> | <u>21,984</u> | <u>55,874</u> | <u>78,170</u> |

During 2020 no substantial equipment was purchased nor repairs undertaken. In 2019 purchases included electric heaters (£4,454), a new main projector in the church (£4,077), a new wireless microphone system (£1,485) and replacement vacuum cleaners (£500).

11 Fellowship and outreach costs

| | | | | | | |
|-----------------------------|---------------|----------|---------------|----------|---------------|----------------|
| Outreach and hospitality | 6,979 | - | 949 | - | 7,928 | 12,255 |
| Open Week | - | - | - | - | - | 7,452 |
| Jack and Jill Pre-School | - | - | 68,997 | - | 68,997 | 81,136 |
| Subscriptions and donations | 1,935 | - | - | - | 1,935 | 900 |
| Literature | 212 | - | 734 | - | 946 | 2,153 |
| Youth camps | 390 | - | - | - | 390 | 12,364 |
| Ministry training | 1,193 | - | - | - | 1,193 | 960 |
| | <u>10,709</u> | <u>-</u> | <u>70,680</u> | <u>-</u> | <u>81,389</u> | <u>117,220</u> |

12 General support costs

| | | | | | | |
|--|--------------|----------|--------------|----------|--------------|---------------|
| Office and information technology expenses | 3,785 | - | 2,409 | - | 6,194 | 11,147 |
| Support training | 268 | - | 62 | - | 330 | 2,376 |
| Other items | 725 | - | - | - | 725 | 788 |
| | <u>4,778</u> | <u>-</u> | <u>2,471</u> | <u>-</u> | <u>7,249</u> | <u>14,311</u> |

General Fund church office and information technology expenses are apportioned 75% to General support costs and 25% to Governance costs (Note 13 below) based on an approximate allocation of the time of the office support staff.

13 Governance costs

| | | | | | | |
|--|--------------|--------------|--------------|----------|---------------|---------------|
| Office and information technology expenses | 1,258 | - | 301 | - | 1,559 | 2,479 |
| Professional fees | 2,223 | - | 682 | - | 2,905 | 9,140 |
| Audit fee | 4,563 | 1,503 | 600 | - | 6,666 | 6,375 |
| Other items | 136 | 79 | 336 | - | 551 | 462 |
| | <u>8,180</u> | <u>1,582</u> | <u>1,919</u> | <u>-</u> | <u>11,681</u> | <u>18,456</u> |

Professional fees in 2020 and 2019 included payroll services provided by Mazars, and 2019 also reflected the costs associated with securing the mortgage.

14 Transfers between funds

In 2019, £40,000 was transferred from the General Fund surplus to the Development Fund (included within designated funds) to enable the full repayment of the Manse loans. During 2020, a further transfer of £5,000 was made from the General Fund to the Development Fund to finance the capital element of the monthly mortgage repayments. This is shown net of a transfer to the General Fund of £649 Gift Aid incorrectly classified as designated funds in 2019.

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

| | General fund | Mission fund | Designated funds | Endowment capital | Total | Total |
|--------------------------------------|-----------------|-----------------|---------------------|----------------------|-----------|-----------|
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2019 |
| 15 Land and buildings | | | | | | |
| At cost or valuation on transfer | | | | | | |
| Church site and buildings | - | - | 1,071,675 | 1,099,200 | 2,170,875 | 2,170,875 |
| 12 Oakley Gardens | - | - | 580,000 | - | 580,000 | 580,000 |
| Accumulated depreciation | - | - | (46,675) | (241,824) | (288,499) | (258,737) |
| <i>Net book value at 1 January</i> | - | - | 1,605,000 | 857,376 | 2,462,376 | 2,492,138 |
| Depreciation in year | - | - | - | (21,984) | (21,984) | (29,762) |
| <i>Net book value at 31 December</i> | - | - | 1,605,000 | 835,392 | 2,440,392 | 2,462,376 |
| At cost or valuation on transfer | - | - | 1,651,675 | 1,099,200 | 2,750,875 | 2,750,875 |
| Accumulated depreciation | - | - | (46,675) | (263,808) | (310,483) | (288,499) |
| <i>Net book value at 31 December</i> | - | - | 1,605,000 | 835,392 | 2,440,392 | 2,462,376 |

The freehold church site held by the Endowment fund is the subject of an indenture of 1896 restricting the use of any building erected thereon to undenominational gospel mission work. The present building was erected in 1970 and extended in 1975/76. In the balance sheet the site is unvalued and the buildings are carried at their valuation derived from their insured replacement cost as at 31 December 2006.

The freehold properties at 158 & 160 High Street were acquired by Gospel Mission Trust (GMT) in 2007/08 and transferred to the Church on 31 December 2013, to be held by the Development Fund (included in Designated funds) which had collaborated with GMT on the funding and refurbishment of the properties to provide meeting rooms and offices for Church use. The land value included in this site is estimated at £400,000.

The Manse at 12 Oakley Gardens was acquired by the Development Fund in October 2014 and is included in Designated funds.

| | Fixtures Fittings Furniture & Equipment | Total | Total |
|---------------------------------------|--|----------|----------|
| | 2020 | 2020 | 2019 |
| 16 Other tangible assets | | | |
| At cost | 72,950 | 72,950 | 76,160 |
| Accumulated depreciation | (52,898) | (52,898) | (50,326) |
| <i>Net book value at 1 January</i> | 20,052 | 20,052 | 25,834 |
| Depreciation in year | (3,642) | (3,642) | (5,782) |
| <i>Net book value at 31 December</i> | 16,410 | 16,410 | 20,052 |
| At 1 January | 72,950 | 72,950 | 76,160 |
| Disposals in year - fully depreciated | - | - | (3,210) |
| Accumulated depreciation | (56,540) | (56,540) | (52,898) |
| <i>Net book value at 31 December</i> | 16,410 | 16,410 | 20,052 |

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

| | General fund | Mission fund | Designated funds | Endowment capital | Total | Total |
|--------------------------------------|--------------|--------------|------------------|-------------------|---------|---------|
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2019 |
| 17 Investments - Lock up shop | | | | | | |
| At valuation 1 January 2020 | - | - | 225,000 | - | 225,000 | 225,000 |
| At valuation 31 December 2020 | - | - | 225,000 | - | 225,000 | 225,000 |

The self-contained unit 160 High Street is treated as an investment property and rented to Dignity Funerals Limited under a 10 year lease which expires in May 2022 and which is expected to be renewed (on the basis the 5 year tenant break clause was not exercised and the rent remained unchanged).

The valuation is based on current rentals assuming the lease is renewed and a circa 14 year income stream (reflecting a 7% per annum rate of return).

| | General fund | Mission fund | Designated funds | Endowment capital | Total | Total |
|---|--------------|--------------|------------------|-------------------|--------|---------|
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2019 |
| 18 Debtors and payments in advance | | | | | | |
| Tax recoverable | 48,811 | 11,392 | 4,524 | | 64,727 | 76,410 |
| Amounts due from associated funds | - | - | 6,050 | | 6,050 | 1,115 |
| Other debtors and prepayments | 24,830 | - | 1,655 | | 26,485 | 22,562 |
| | 73,641 | 11,392 | 12,229 | | 97,262 | 100,087 |

19 Cash reserves

The cash reserves of the General Fund as at 31 December 2020 were £157,430 (2019: £92,786). The Trustees consider that circa £85,000, representing around three months' General Fund expenditure, is the minimum prudent sum to carry in reserve to cover both anticipated and unexpected fluctuations in monthly levels of income and expenditure. Reserves have been maintained at an increased level in anticipation of financial difficulties both in the level of giving and the potential need to support church members during 2021 given the likely economic impact of the Covid-19 pandemic.

The cash reserves of the Mission Fund at 31 December 2020 were £30,120 (2019: £26,815). The balance represents reserves to cover unexpected expenses relating to serving missionaries, the replacement of their vehicles, the resettlement of homecoming missionaries and routine mission activity.

20 Creditors due within one year

| | | | | | |
|-----------------------------------|--------|-------|--------|--------|--------|
| Amounts due to associated funds | 6,050 | - | - | 6,050 | 1,115 |
| Manse mortgage capital repayments | - | - | 6,909 | 6,909 | 5,055 |
| Faith loan - interest bearing | - | - | 27,000 | 27,000 | - |
| Faith Loan - interest accrual | - | - | 602 | 602 | 743 |
| Other creditors and accruals | 7,259 | 1,503 | 4,548 | 13,310 | 15,690 |
| Deferred income | 4,670 | - | 6,255 | 10,925 | - |
| | 17,979 | 1,503 | 45,314 | 64,796 | 22,603 |

The Christmas 2020 collection to support the Barnabas Fund amounted to £3,941 including Gift Aid (2019: £2,699 for London City Mission).

General Fund deferred income includes cash received towards the church weekend away at Denham Grove which has been delayed to October 2021.

Designated funds deferred income includes Benevolent Fund gifts together with related Gift Aid recoverable on them to be utilised in 2021 as required.

21 Creditors due after one year

| | | | | | |
|-------------------------------|---|---|---------|---------|---------|
| Mortgage secured on Manse | - | - | 112,069 | 112,069 | 94,945 |
| Faith loan - interest bearing | - | - | - | - | 27,000 |
| | - | - | 112,069 | 112,069 | 121,945 |

The interest bearing Faith Loan of £27,000 (2019: £27,000) is due to be repaid in 2021. Interest of £602 (2019: £743) was accrued and will be paid in 2021.

A mortgage for £100,000, secured by a charge over the Manse at 12 Oakley Gardens, was drawn down from the Charity Bank in December 2019 and used to refinance the remaining balance of Manse loans. In May 2020 the final £25,000 tranche of the mortgage facility was drawn down to provide cover for the repayment of the Faith loan in 2021. The mortgage is repayable over a period of up to 15 years. The capital element of the mortgage repayments due in 2021 is £6,909 (2019: £5,055 due in 2020) and has been included as part of Creditors due within 1 year. Interest elements of the monthly mortgage repayments are expensed as they fall due.

CHRISTCHURCH BANSTEAD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

22 Lease commitments

The Church had operating lease commitments relating to properties rented for Ministry staff of £18,800 for five properties (2019: £9,300 for five properties). The higher level of lease commitments in 2020 reflects the obligations in respect of two of the leases which were taken on during 2020. The terms of the first year of these leases commits the Church to a period before notice can be served and, as such, increases the lease commitments. Once the first year is completed, assuming we wish to continue the tenancies, the leases revert to a rolling basis and can then be terminated with the minimum notice periods in the lease agreements. Rentals are expensed as they fall due.

| | Balance at 31 December | Income | Expenditure | Transfer | Balance at 31 December | |
|--|---------------------------|---------------------|-------------------------|--------------------------|---------------------------|-----------------|
| | 2019 | 2020 | 2020 | 2020 | 2020 | |
| 23 Designated funds | | | | | | |
| Church organisations/activities: | | | | | | |
| <i>Development Fund</i> | 1,705,286 | 12,263 | (5,653) | 5,000 | 1,716,896 | |
| <i>Jack & Jill Pre-School</i> | 26,255 | 70,722 | (70,803) | - | 26,174 | |
| Special collections: | | | | | | |
| <i>Gift Aid reclaimed and reclassified</i> | 649 | - | - | (649) | - | |
| <i>Christmas Collection - The Barnabas Fund</i> | - | 3,941 | (3,941) | - | - | |
| Other income and expenditure: | | | | | | |
| <i>Benevolent Fund</i> | - | 2,770 | (2,770) | - | - | |
| <i>Grant</i> | - | 1,200 | (1,200) | - | - | |
| <i>Other specific church activities</i> | - | 1,685 | (1,685) | - | - | |
| | <u>1,732,190</u> | <u>92,581</u> | <u>(86,052)</u> | <u>4,351</u> | <u>1,743,070</u> | |
| | General fund | Mission fund | Designated funds | Endowment capital | Total | Total |
| | 2020 | 2020 | 2020 | 2020 | 2020 | 2019 |
| 24 Reconciliation of net movement in funds to net cash (outflow)/inflow from operating activities | | | | | | |
| Net movement in funds | 42,020 | 6,349 | 10,880 | (21,984) | 37,265 | 57,377 |
| Adjustments for: | | | | | | |
| Tax recoverable | (66,882) | (14,792) | (3,219) | - | (84,893) | (97,287) |
| Interest receivable | (36) | (44) | (27) | - | (107) | (206) |
| Rent receivable | (16,000) | - | - | - | (16,000) | (16,000) |
| Depreciation | 3,642 | - | - | 21,984 | 25,626 | 35,544 |
| Interest payable | - | - | 4,271 | - | 4,271 | 1,034 |
| (Increase)/decrease in other debtors and prepayments | (2,697) | 430 | (1,655) | - | (3,922) | (4,332) |
| (Decrease)/increase in other creditors and accruals | (2,245) | (2,638) | 2,503 | - | (2,380) | 910 |
| Increase/(decrease) in deferred income | 4,670 | - | 4,530 | - | 9,200 | (8,816) |
| Net cash flows before Gift Aid, interest and rent | <u>(37,528)</u> | <u>(10,695)</u> | <u>17,283</u> | <u>-</u> | <u>(30,940)</u> | <u>(31,776)</u> |