

Charity Registration No. 1129069

AVENUE BAPTIST CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

AVENUE BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S. Ekins (Secretary)	
	D. Causton	
	M. Adams	
	P. Gaff	
	P. Thompson	
	J. Kilpin	
	P. Mulligan	
	J. Rooke	
	T. Wheeler	
	C Dungey	(Appointed 27 June 2021)
	B Williams	(Appointed 27 June 2021)
Charity number	1129069	
Principal address	14 Avenue Terrace Westcliff on Sea Essex SS0 7PL	
Independent examiner	P A Stafford FCCA 457 Southchurch Road Southend on Sea Essex SS1 2PH	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Property Trustees	The Baptist Union Corporation Baptist House 129 Broadway Didcot Oxon OX11 8RT	

AVENUE BAPTIST CHURCH

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AVENUE BAPTIST CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their annual report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity is governed by an Approved Governing Document which states that the principal purpose of the charity is the advancement of the Christian faith according to the principles of the Baptist denomination, including the advancement of education, community service and other such general charitable purposes in such parts of the UK and the world as the church shall determine.

The Church occupies premises which are held by the Baptist Union Corporation Ltd, on Trusts which are entirely compatible with the above.

To achieve the principal objective, which is set out above, the church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with him as living Lord.

Central to the work and witness of the church is the provision of regular public services of Christian worship. These take place each Sunday at 10.30 am and are well attended. Worship is led by Rev Picton and Rev Kilpin. We have a variety of visiting preachers also throughout the year bringing their own insight. Preaching is solidly bible based drawing on many contemporary resources to make the word of God relevant to the congregation. There is usually sung worship helping to generate a positive, lively atmosphere on Sundays.

Before Covid-19 lockdowns, we ran groups for the under 5s on a Sunday called Beginners, one for primary aged children called Superstars and a secondary aged group called Footsteps. These provide age appropriate content in a church setting. We try as much as possible to link these with the preaching series for the adults so as to offer a coordinated message throughout all age groups.

We celebrate the major Christian festivals with special services and activities. We see these – especially at Christmas time – as an opportunity to involve the local community. These events are advertised locally and on the website at www.avenuebaptist.com. Links with the local community is an area we will be focussing on as we seek to spread the word of God throughout Southend.

Alongside Sunday worship, the church normally runs house groups for the growth of faith and discipleship. These are held in the homes of members, and details of these can be obtained from the church office, during the week or in the church on Sundays. They are an opportunity for small groups to study the Bible in more detail and to develop friendship groups in their local area. The themes usually link to the Sunday preaching but groups are free to explore their own topics.

The church hosts a Playgroup, run daily from 9.15a.m. to 12.15 p.m. during school term times. This is subject to registration and inspection by Ofsted. In addition, trustees meet regularly with the playgroup manager to ensure effective oversight. The play group is run as a separate ministry of the church and is funded by childcare vouchers with a few parents opting to pay directly for the care offered. The play group keeps its own accounts and has been very well run for a number of years having built up a surplus to cover salaries and costs in the event it needs to close down. Playgroup continued to run mainly throughout 2020 but with restrictions on numbers in line with national guidelines.

Covid has understandably taken a toll on numbers and provision of all groups and events in 2020 but we are confident that numbers will pick up to pre Covid levels during 2021.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

There is a popular group called "Seekers" comprising of adults with learning difficulties which meet regularly. Seekers provides support and discipleship to about 25 adults. It is run by volunteers with support from Rev Kilpin. They meet regularly for social events and organise annual holidays and trips. They also contribute to our regular worship once or twice a year. They are an integral part of the church family and bring a lot of joy to the wider membership. This group of people is not really specifically catered for in many other churches, so we are pleased to be able to provide a spiritual home for them offering support and encouragement.

A church member also runs a bereavement support group for parents who have lost children. This is a group open to all the community and has seen numbers grow steadily. We have seen some members of this group become part of our regular worship. It again demonstrates the positive effect we are having on people's lives.

The church usually runs events for young people weekly during term time. Our church building is also hired out or made available to outside groups ranging from the local National Trust branch, a local Family History group, a Line Dancing Group to a Child Contact Centre. The hiring is partly to raise funds for the church, but we also host groups that are in accord with our values. One example would be the Avenue Child Contact Centre. Although a separately registered and run charity we are pleased to host it as it is the only such organisation in our area and with its aim of fostering/repairing relationships between children and their non-resident parent it very much accords with our mission of transforming lives.

Through the work of the Ministers we were a presence in the local University and College campuses but this work was obviously curtailed during 2020.

The church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted via DBS, using the services of Due Diligence Checking Ltd.

The trustees have read the Charity Commission guidance on Public Benefit and are satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

Achievements and performance

The church like the rest of the country was in lockdown for the majority of 2020.

Rev. Andrew Picton completed his seventh year of Ministry in September. He has continued to lead services throughout the year with assistance from our other Minister, Rev. James Kilpin and some outside speakers. These services were online only for most of 2020 and we invested in technology to ensure that we could provide a worship resource for our congregation each Sunday.

We reopened on Sunday 20th September 2020 for a few weeks until the 3rd national lockdown closed us permanently to in person services until March 2021.

Covid restrictions continue to limit the numbers returning to church on a Sunday. However we have seen new people come to the church since reopening showing that the church is still able to fulfil a need in the local community.

The lockdown of 2020 gave many people time to reflect on their lives in general and this led Rev Picton to seek a life away from pastoral ministry and he resigned in late 2020 leaving on 31 January 2021.

Our Parish Nurse also resigned after many years of service at Avenue. Our Church Treasurer also resigned at the end of 2020 for personal reasons.

Most pre Covid activities were suspended or carried out where possible via Zoom. Some meetings of limited groups and individuals did take place throughout 2020 but in all cases in accordance with Covid restrictions in place at the time.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The main focus was on pastoral work amongst the fellowship. This was coordinated via a dedicated small group who made gifts and food parcels for the elderly and isolated in the church fellowship. There were regular phone calls from the pastoral and leadership teams to try and ensure everyone felt included.

Without doubt it was a very difficult period for many in the congregation. Sadly some passed away and we were unable to mourn them. Others felt isolated and alone, others faced financial hardships. We tried to care for people as best we could but undoubtedly fell short as we struggled with a totally unknown situation.

We took the opportunity to carry out some improvements to the buildings – mainly decorating after many years of not doing so. Our generous legacies helped in this regard. The hope is that when we do reopen fully then people will be lifted by an improvement in their surroundings.

We also invested in technology. This allowed us to livestream via YouTube and Facebook once in person services were allowed. Viewing figures indicate that these were well supported. We improved our internal communication by moving to the G-suite platform for communications as well as Mailchimp to ensure that we are able to maximise communication opportunities. Both of these powerful tools are free to use and a substantial improvement on what was in place before. The next phase of upgrading our technology saw us utilising QuickBooks for our accounting package in 2021.

It is a difficult year to list achievements for in many ways. People were involved in their own struggles with Covid and lockdown but throughout we sought to maintain a feeling of fellowship which has led to good attendances once we were able to meet again.

We look forward to the future however with optimism. Since reopening we have seen many groups start to meet again. We are seeing many groups seeking to hire our premises generating income and also interest in the church buildings as a community facility. We have had a varied and interesting array of visiting preachers who all bring something new.

We have begun the process of seeking a new minister and that in itself will mean a new beginning for the church as we seek God's leading to the right person.

The church once again sent a group to New Wine to enjoy fellowship with each other and the wider Christian community.

We have continued to open the building to the community and many groups continue to access it. In addition, we regularly host local school visits during the year to show them what being a Christian means in the modern world as part of their curriculum. Our smaller meeting space called The Venue has proved popular with smaller groups for coffee mornings and informal meetings.

As reported last year we were blessed with a substantial legacy. This has been transformative for the church and its mission. We are praying for God's leading with the stewardship of this legacy and a smaller but still sizeable one which we were advised of late in 2019. There is a sense of anticipation about God's will for us.

The legacies received from the late Peter Berwick was invested in a portfolio, invested on a mixed risk basis which is managed by Rathbones Investment Management. The object of these investments are to generate income to be used for charitable activities.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The Church has posted a deficit for 2020. This is due to a combination of factors.

The first is a decline in donations. Covid meant that regular weekly offerings and indeed the incomes of many of our congregation were affected so actual physical cash was not collected for most of 2020. In the past this had averaged around £200 per week.

Covid is only part of the reason for a decline in giving, however. Although most of the giving was by standing order and this continued unaffected through lockdowns, some larger donors either ceased giving altogether, left the church or had to decrease the amount they gave through personal circumstances.

We are thankful that we still have a number of very faithful members who give substantial amounts to the church and feel very blessed that their generosity enables the church's mission to continue.

In previous years where we were blessed with substantial and unexpected legacies which helped to fund our major refurbishment and emerge from the process debt free. We did not receive any legacies in 2020.

With giving down major expenses remained largely unchanged. We retained both ministers employed fully during 2020 to provide spiritual leadership at a time of crisis for the congregation. The constant expectations that things "would get back to normal" during mid 2020 meant that we also retained our Children and Family worker on full salary and our Caretaker rather than use the furlough scheme. We took the decision to use the furlough scheme in early 2021 when it was clear the situation was not going to change.

We had previously made a regular income of around £8,000 annually through premises hire but this dropped to almost zero in 2020 and has only started to pick up to anything again in late 2021. We do not expect it to be fully back at pre Covid levels until 2022 as some organisations struggle to return to regular meetings.

We also took the opportunity afforded by lockdown to carry out extensive redecoration of the premises. The main hall had not been redecorated since 1993 the same with the rear hall also. After a tender process – made more difficult by lockdown- we engaged a commercial firm in June 2020 for the large hall and a local firm for the smaller hall. The total cost was £21,000. We also spent £4,000 in the 2020 year in constructing a memorial garden at the side of the church which had previously been just a crazy paving area. This has improved the aspect for the surrounding community.

With the decision to provide spiritual output via live streaming we needed to upgrade our IT setup to provide this. As a result, we invested £4,000 in the relevant hardware and software licences. We were able to reach not only our own congregation but also to others – including around the world- with our output. We continue to stream most services as a matter of course now and believe that this is part of our mission in the changed world we now operate in.

Against this of course utility usage was less, and the use of consumables was also greatly reduced.

2020 has resulted in a deficit for the Church but we have been blessed with adequate resources to withstand this. After the initial impact of Covid our investments managed by Rathbones, grew to be about 25% above the initial capital investment by mid 2021. We also maintained a healthy deposit account balance of an average £150,000 with CAF Bank.

Post 2020 we have introduced a more up to date accounting package – Quick Books – which has made financial management of the charity much easier but has taken time to implement.

Our full-time minister resigned in 2020 and left at the end of January 2021. This has provided some breathing space for the cash flow position until we call a new minister which will happen in 2022.

Given the resources available the Trustees view the charity as a going concern. However, they do recognise the need to improve the cash flow position to help the charity achieve its aims. This needs to be resolved without relying too much on the legacy resources which it is intended will fund more mission and outreach in future years to better benefit the community.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

As at 31 December 2020, a total of £171,605 (£2019:£259,113) was held in the bank, while £506,421 (2019: £466,201) was held in investments with Rathbones. Of these £99,612 (2019:£97,081) is held in restricted funds for the purpose of maintaining the church facilities and £607,341 (2019:£626,925) was held in the unrestricted funds for the general needs of the church as and when they fall due.

The Trustees observed a Reserves Policy which currently means maintaining a fund of at least £50,000 (Fifty thousand pounds) in the CAF Gold account which represents approximately three months salaries and operating costs for the church.

The Trustees are aware of the deferred liability of £132,000 that they could face in respect of past members of the Baptist Minister Pension Scheme, which is in deficit and to which additional contributions beyond the payments for the existing members are paid every year.

The Coronavirus pandemic has had a major impact on the plans for 2020 and 2021. The trustees have been ensuring reserves are sufficient to continue operations and using the full range of support available from the government to ensure the Church can open its doors again when the time allows. The Church has been hosting Sunday services online, some recorded and others are held live.

Based on the forecast and projections and the healthy reserves of the charity, the trustees are of the opinion that Avenue Baptist Church has adequate resources to continue in operational existence for the foreseeable future.

Avenue Baptist Church has short to medium term investments and cash as set out in the balance sheet. The investment policy is to invest in short to medium term investments at institutional investment managers and banks with ethical products and where the risk and returns are acceptable to the membership.

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

The Trustees are ultimately responsible for the system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve the church's objectives and can only provide reasonable and not absolute assurance against material misstatement of loss. The trustees are responsible for the identification and evaluation of significant risks applicable to all areas of the church together with the design and operation of suitable controls. These risks are assessed on a continuing basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, natural catastrophe and regulatory requirements. The Church property is covered by specialist church insurance underwritten by Aviva to mitigate some of these risks.

Plans for future periods

It is the church's wish to continue to serve as a place of worship for the spiritual benefit of its congregation and as a place to support community efforts that are in line with its objectives. The church will continue to carry out current activities that support its mission and objectives.

Structure, governance and management

The charity is an unincorporated association.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who served during the year and up to the date of signature of the financial statements were:

S. Ekins (Secretary)

D. Causton

C. Onwuemena (Treasurer)

(Resigned 31 December 2020)

A. Picton

(Resigned 31 January 2021)

M. Adams

P. Gaff

P. Thompson

J. Kilpin

P. Mulligan

J. Rooke

T. Wheeler

D. Harbage

(Resigned 8 March 2020)

C Dungey

(Appointed 27 June 2021)

B Williams

(Appointed 27 June 2021)

Members of the church are accepted in accordance with the constitution which requires them to make a public profession of faith in Jesus Christ, preferably but not compulsorily through baptism by immersion.

The members' Meeting normally takes place 7 times a year including 1 Annual General Meeting and has the responsibility for the overall policy of the church. In accordance with the Constitution the members appoint up to 13 Trustees, including the Secretary and the Treasurer, who together with the Minister(s), are collectively known as the Diaconate, and are responsible for the day to day running of the church's work and witness and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Trustees are elected at the AGM of the Church. The Treasurer and Secretary are appointed annually, and Deacons are appointed from within the membership for a 3 year term. The Deacons are required to stand down for at least one year following 9 years of continuous service. Ministers are trustees by virtue of their position and remain trustees as long as they are employed by the church.

Prior to standing for the position new trustees must be nominated and seconded by church members of good standing. They are spoken to by the Minister who will underline the legal as well as spiritual side of serving in Church. New trustees are given access to Charity Commission and BUGB material to help them understand the responsibilities and expectations of the position.

All Trustees are required to pass a DBS check which is maintained up to date throughout their tenure.

The Diaconate meet monthly and the agenda is varied depending on issues that arise but also has fixed items covering Finance, Health & Safety and Safeguarding. Any matters that need urgent discussion between meetings are coordinated by the Secretary usually by email/phone call. There are separate committees for Finance, Premises and Safeguarding who have responsibility for day to day issues. They refer any matters of wider concern e.g. major fabric spend to the Diaconate and/or wider membership as appropriate.

The Diaconate refers any matters of policy or items of large expenditure to the bimonthly members meetings. The church members have the ultimate say in all but day to day/low budget matters.

No current trustees receive any remuneration from the church other than the Ministers which they receive as a function of their employment. Their remuneration is based on the annual stipend increases published by the Baptist Union of Great Britain. Trustees other than the ministers decide if and by how much their annual stipend should increase by, using the BU figures as a guide. Stipends are set taking into account the general financial situation of the church also.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

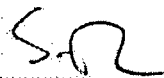
As part of the Baptist Union of Great Britain we are able to access support and practical help with all aspects of running the charity. We adopt BU policies on all matters such as GDPR, Employment and Safeguarding as a church. This ensures we are adopting best practice at all times.

We outsource very little at present. Outsourcing is limited to payroll functions where we do not have the resource or expertise in house to manage this function.

The Baptist Union Corporation is noted above as a trustee. They hold title to the church buildings – as they do for many Baptist churches in the UK. They have no role in the running of the church but are there in the event the charity ceases to exist. In that event they would step in and oversee closure of the church and disposal of assets. They would also be involved if the church decided to sell any of its properties.

The Trustees maintain a register of related party transactions and there were none concluded in 2020.

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



S. Ekins (Secretary)
Trustee

Date: 22.12.2021

AVENUE BAPTIST CHURCH

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

AVENUE BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AVENUE BAPTIST CHURCH

I report to the trustees on my examination of the financial statements of Avenue Baptist Church (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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


P A Stafford FCCA

457 Southchurch Road
Southend on Sea
Essex
SS1 2PH

Dated: 22/12/2021...

AVENUE BAPTIST CHURCH

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

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total Unrestricted funds 2020 £	Restricted funds 2019 £	Total 2019 £
Notes						
<u>Income and endowments from:</u>						
Donations and legacies	3	83,246	11,000	94,246	692,564	929,610
Charitable activities	4	5,055	796	5,851	5,614	8,706
Investments	5	19,429	-	19,429	9,686	9,686
Other income	6	1,248	-	1,248	-	-
Total income		108,978	11,796	120,774	707,864	948,002
<u>Expenditure on:</u>						
Charitable activities	7	174,973	9,409	184,382	163,649	201,432
Net gains/(losses) on investments	11	44,480	-	44,480	16,870	16,870
Net (outgoing)/incoming resources before transfers		(21,515)	2,387	(19,128)	561,085	763,440
Gross transfers between funds		(32,167)	32,167	-	-	-
Net movement in funds		(53,682)	34,554	(19,128)	561,085	763,440
Fund balances at 1 January 2020		626,925	97,081	724,006	65,840	(105,274)
Fund balances at 31 December 2020		573,243	131,635	704,878	626,925	724,006

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

All income and expenditure derive from continuing activities.

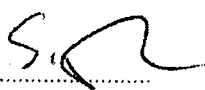
AVENUE BAPTIST CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		6,182		
Investments	13		506,421		466,201
			<u>512,603</u>		<u>466,201</u>
Current assets					
Debtors	15	32,406		18,197	
Cash at bank and in hand		171,605		259,113	
		<u>204,011</u>		<u>277,310</u>	
Creditors: amounts falling due within one year	16	(11,736)		(19,505)	
Net current assets			<u>192,275</u>		<u>257,805</u>
Total assets less current liabilities			<u>704,878</u>		<u>724,006</u>
Income funds					
Restricted funds	18		131,635		97,081
<u>Unrestricted funds</u>					
Designated funds	19	120,379		124,554	
General unrestricted funds		<u>452,864</u>		<u>502,371</u>	
			<u>573,243</u>		<u>626,925</u>
			<u>704,878</u>		<u>724,006</u>

The financial statements were approved by the Trustees on 21.12.2021


S. Ekins (Secretary)
Trustee

AVENUE BAPTIST CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(102,433)		728,421
Investing activities					
Purchase of tangible fixed assets		(8,764)		-	
Purchase of investments		(15,653)		(449,331)	
Proceeds on disposal of investments		19,913		-	
Investment income received		19,429		9,686	
Net cash generated from/(used in) investing activities			14,925		(439,645)
Financing activities					
Repayment of bank loans		-		(69,888)	
Net cash used in financing activities			-		(69,888)
Net (decrease)/increase in cash and cash equivalents			(87,508)		218,888
Cash and cash equivalents at beginning of year			259,113		40,225
Cash and cash equivalents at end of year			171,605		259,113

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Avenue Baptist Church is a charitable unincorporated association which is governed by its constitution dated 26th July 2015. This entity is a public benefit entity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

1.4 Income

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

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

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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

AVENUE BAPTIST CHURCH

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

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures and fittings	25% Reducing Balance
Computers	40% Reducing Balance

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 the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

AVENUE BAPTIST CHURCH

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

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

AVENUE BAPTIST CHURCH

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	83,246	-	83,246	110,436	2,881	113,317
Legacies receivable	-	-	-	582,128	223,165	805,293
General grants receivable	-	11,000	11,000	-	11,000	11,000
	<u>83,246</u>	<u>11,000</u>	<u>94,246</u>	<u>692,564</u>	<u>237,046</u>	<u>929,610</u>

4 Charitable activities

	2020 £	2019 £
Donations received for other organisations	796	3,092
Charitable rental income	5,055	5,614
	<u>5,851</u>	<u>8,706</u>
Analysis by fund		
Unrestricted funds	5,055	5,614
Restricted funds	796	3,092
	<u>5,851</u>	<u>8,706</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Rental income	9,600	7,761
Income from listed investments	9,662	1,298
Interest receivable	167	627
	<u>19,429</u>	<u>9,686</u>

AVENUE BAPTIST CHURCH

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

6 Other income

	Unrestricted funds	Total
	2020 £	2019 £
Government grants	1,248	-

7 Charitable activities

	2020 £	2019 £
Staff costs	81,735	80,851
Depreciation and impairment	2,582	-
Premises costs	61,009	88,173
Events, organisations and missions	2,801	11,581
Administration expenditure	8,422	6,655
Legal and professional	5,760	919
Accountancy fees	8,275	900
	<u>170,584</u>	<u>189,079</u>
Grant funding of activities (see note 8)	13,798	12,353
	<u>184,382</u>	<u>201,432</u>
Analysis by fund		
Unrestricted funds	174,973	163,649
Restricted funds	9,409	37,783
	<u>184,382</u>	<u>201,432</u>
For the year ended 31 December 2019		
Unrestricted funds	163,649	
Restricted funds	37,783	
	<u>201,432</u>	

Charitable expenditure is allocated between restricted and unrestricted funds based the direct relation of the expenditure to the purpose of the fund. As salaries and employment benefits relate to the general running of the charitable activities these are funded through unrestricted funds.

As the entity pursues a single charitable activity, expenditure does not need to be allocated between activities

AVENUE BAPTIST CHURCH

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

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Baptist Home Mission - mission support	6,000	6,000
Baptist Missionary Society - mission support	6,000	5,650
Baptist Missionary Society - gifts received by church and passed on	-	410
Changemakers - gifts received by church and passed on	-	293
Shared Space for Work - Covid 19	1,000	-
Other	798	-
	<u>13,798</u>	<u>12,353</u>

The charity has made significant grants to institutions in the year in order to support missions or to pass on gifts received by the church and passed on to institutions.

9 Trustees

None of the trustees received any remuneration or expenses for their role as a trustee.

The following trustees are employed as ministers of the church, as well as having a role in the day to day running of the church and therefore form part of key management. Their remuneration is governed by the charity's constitution.

	2020		Total
	Remuneration	Pension Contribution	
A Picton	29,172	6,610	35,782
J Kilpin	15,209	2,528	17,737

	2019		Total
	Remuneration	Pension Contribution	
A Picton	31,363	7,570	38,933
J Kilpin	13,203	2,481	15,684

10 Employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
4	4
<u>4</u>	<u>4</u>

AVENUE BAPTIST CHURCH

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

10 Employees (Continued)

Employment costs	2020 £	2019 £
Wages and salaries	71,161	66,640
Social security costs	1,216	4,089
Other pension costs	9,358	10,122
	<u>81,735</u>	<u>80,851</u>

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

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

11 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Revaluation of investments	51,095	16,870
Gain/(loss) on sale of investments	(6,615)	-
	<u>44,480</u>	<u>16,870</u>

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
Additions	6,156	2,608	8,764
At 31 December 2020	<u>6,156</u>	<u>2,608</u>	<u>8,764</u>
Depreciation and impairment			
Depreciation charged in the year	1,539	1,043	2,582
At 31 December 2020	<u>1,539</u>	<u>1,043</u>	<u>2,582</u>
Carrying amount			
At 31 December 2020	<u>4,617</u>	<u>1,565</u>	<u>6,182</u>

13 Fixed asset investments

AVENUE BAPTIST CHURCH

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

13 Fixed asset investments

(Continued)

	Unlisted investments £
Cost or valuation	
At 1 January 2020	466,201
Additions	15,653
Valuation changes	51,095
Disposals	(26,528)
At 31 December 2020	506,421
Carrying amount	
At 31 December 2020	506,421
At 31 December 2019	466,201

	2020 £	2019 £
Investments at fair value comprise:		
Listed Investments	504,147	(337,000)
Cash	2,274	(129,201)
	506,421	466,201

The book value of investments held at the year end is £437,392

14 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	506,421	466,201

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	32,406	18,197

AVENUE BAPTIST CHURCH

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

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	801	1,485
Trade creditors	209	15,700
Other creditors	51	44
Accruals and deferred income	10,675	2,276
	<u>11,736</u>	<u>19,505</u>

17 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £9,358 (2019 - £10,122).

The Church is a participating employer in the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. Since 1 January 2012, benefits have been provided through a Defined Contribution (DC) Plan.

A formal valuation of the DB Plan as at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit. The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

Under the Schedule of Contributions the church makes a monthly payment in respect of the DB scheme deficit, the annual value of these payments is £4,175 in 2020, which will increase in line with increases in Minimum Pensionable Income. The Schedule of Contributions foresees these contributions continuing until June 2026. The Trustees have designated £130,000 from legacy income to the Pension Deficit Fund in order to fund these ongoing payments and any potential liability. The Church has been advised that the estimated cost for the Church to buyout their Pension Scheme liabilities at 18th December 2020 was £74,200.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Restricted funds

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

	Balance at 1 January 2019 £	Movement in funds			Balance at 1 January 2020 £	Movement in funds			Transfers	Balance at 31 December 2020 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £			
Mission Fund	11,287	11,000	(12,310)		9,977	11,000	(8,612)		-	12,365
Building Fund	(130,667)	122,778	(24,278)		(32,167)	-	-		32,167	-
Special Purpose Fund	14,106	103,268	(492)		116,882	-	(40)		-	116,842
Donations to External Organisations	-	3,092	(703)		2,389	796	(757)		-	2,428
	<u>(105,274)</u>	<u>240,138</u>	<u>(37,783)</u>		<u>97,081</u>	<u>11,796</u>	<u>(9,409)</u>		<u>32,167</u>	<u>131,635</u>

The Mission Fund is restricted to use for outreach and mission within the community and is funded by a grant from an external organisation: The Avenue Trust. This fund is used to contribute to the salary of the minister and fund outreach events and resources.

The Building Fund as restricted for use to fund building repairs and maintenance during a refurbishment project. Unrestricted funds were used to fund the overspend on the project and have now been transferred into the fund as the project is complete.

The Special Purpose restricted fund is used to separate funds for specific one-off events from the general church funds and so is only used to fund the specific event in question.

The church collects donations for other causes which have similar or complementary objectives and this fund is used to collate those donations and ensure they they are paid out to those organisations.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Resources expended	Balance at 1 January 2020	Resources expended	Balance at 31 December 2020
	£	£	£	£
Pension deficit fund	(5,446)	124,554	(4,175)	120,379
	<u>(5,446)</u>	<u>124,554</u>	<u>(4,175)</u>	<u>120,379</u>

20 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	6,182	-	6,182	-	-	-
Investments	506,421	-	506,421	466,201	-	466,201
Current assets/ (liabilities)	60,640	131,635	192,275	160,724	97,081	257,805
	<u>573,243</u>	<u>131,635</u>	<u>704,878</u>	<u>626,925</u>	<u>97,081</u>	<u>724,006</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

22 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(19,128)	763,440
Adjustments for:		
Investment income recognised in statement of financial activities	(19,429)	(9,686)
Loss on disposal of investments	6,615	-
Fair value gains and losses on investments	(51,095)	(16,870)
Depreciation and impairment of tangible fixed assets	2,582	-
Movements in working capital:		
(Increase) in debtors	(14,209)	(13,133)
(Decrease)/increase in creditors	(7,769)	4,670
Cash (absorbed by)/generated from operations	(102,433)	728,421

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2020***

23 Analysis of changes in net funds

The charity had no debt during the year.