

TUNBRIDGE WELLS BAPTIST CHURCH

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

Registered Charity Number: 1132966

GOWER-SMITH & CO

Chartered Accountants

Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent TN1 2AZ

TUNBRIDGE WELLS BAPTIST CHURCH

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TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's deed, 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)".

OBJECTIVES AND PRINCIPAL ACTIVITIES

Principal objectives

Tunbridge Wells Baptist Church is established for the purposes of the advancement of religion and proclamation of the Christian gospel.

Activities

The charity operates from premises in Upper Grosvenor Road, Tunbridge Wells and undertakes a wide variety of activities in the furtherance of its objects. These include the provision and upkeep of the place of worship, the carrying on of services, running youth, children and families work, the training of ministers and the funding of outreach work both in the UK and overseas.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Church's aims and objectives and in setting the grant making policy for the year. The trustees have complied with s 17(5) of the Charities Act 2011.

Risk Management

The managing trustees aim to spend an away day each year examining the major strategic risks faced by the charity but this was not possible in 2020 due to the Coronavirus pandemic. Individual matters of concern and operational issues are discussed at the regular trustee meetings. No risk assessment took place in 2020 due to the Coronavirus pandemic.

Reserves Policy and Going Concern

The trustees review the reserves and resources of the charity on a regular basis and as part of the annual budgeting process. The objective is to have sufficient cash reserves to meet between three and six months operating expenditure and undertake the planned works for the maintenance and improvement of the properties from which the charity operates.

In accordance with the requirements of FRS 102, provision has been made in the Statement of Financial Activities for the deficit arising on the Church's multi-employer Baptist Union Pension Scheme. As the repayment of the pension deficit has been structured for settlement over a period ending 30 June 2026, the trustees consider it appropriate for the accounts to have been prepared on a going concern basis.

VISION AND VALUES

The vision of the Church is to be part of God's transforming work in our community, expressed through:

- Worship – Knowing and loving Jesus
- Discipleship – Becoming like Jesus
- Fellowship – Developing quality friendships
- Ministry – Playing our part; and
- Mission – Caring and sharing Jesus

Where community applies to ourselves, our friends, our town and our world.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

VISION AND VALUES (CONTINUED)

Our core values are summed up as:

- Reliable – the centrality of Jesus Christ and authority of the Bible
- Rebirth – conversion from self to God
- Renewal – Daily encountering the Lord through Word & Spirit
- Relational – caring, compassionate and generous to one another
- Reaching Out – concern for others; and
- Relevant – addressing issues that matter

REVIEW OF THE YEAR

2020 has been a year like no other in living memory for the church as it has sought to carry out its purpose as a charity during nine months of the Pandemic.

Spiritual Life of the Church Family and Friends

Within four days of the government's announcement that all churches were to close, we saw the Lord's miraculous work where we were provided with equipment and a person to enable us to prerecord a church service and put it online though You Tube. We have been able to continue providing online services throughout the rest of 2020, both on You Tube and Facebook without missing a week or having any major technical problems. There is so much for which to be thankful. We estimate about three hundred to five hundred people were watching weekly or received the CD.

We also saw God's preparation and providence where, in 2018, we had an extra emphasis on adults taking responsibilities for their spiritual welfare through regular devotions, listening and adhering to the Word. Further, the primary provider for the spiritual wellbeing of children and young people is their respective parent or parents, with the church complimenting their efforts, with the emphasis of seeking to have Christian homes in preference to having homes where there are Christians. During the Pandemic, the children's work up to school year 8 has been online with appropriate resources. Years 9 to 13 met on Zoom on Sunday morning.

Social and Mental Wellbeing

The social welfare and mental wellbeing of the church family and friends took a greater role during this time due to the stress, anxiety and loneliness for some and for those with children, exhaustion from home schooling their children and in many cases having to work. Further, a bereavement through loss of lifestyle and in some case loss of life, without the ability to visit those at the end of life or participate in their final farewell.

These issues were addressed in a number of ways, which include:

Sunday Sermons

Thirteen Small Groups which have been critical to the mutual care and support of their members, where most groups have met bi-weekly or weekly on Zoom. Also they carried out Bible studies and were able to pray for their respective situations. One group has received written material through the post and telephone calls due to lack of technology.

Throughout the Pandemic, we have sought to have been in regular contact with the vulnerable, frail and isolated. This happened in lock down primarily through telephone calls and writing cards, although a smaller number had devices which enhanced contact. This also occurred for those in residential and nursing homes.

The fifty older people, who were guests of the **Come And Meet Each Other** club that met socially, with a light lunch, every two weeks pre Covid lock down, received weekly telephone calls from three volunteers. This has helped immensely, with both reducing isolation and helping mental health, as well as deepening friendships.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

REVIEW OF THE YEAR (CONTINUED)

A further group of twelve to seventeen, called "Tea at the Manse", met weekly on Zoom for friendship and "company".

A ten week Alpha Course was conducted on Zoom and it was ran for a further three churches, with their own respective break out groups for discussions.

The Recovery course, for those who struggle with addiction, went on line nationally with those in the church both supporting it and being guests.

The Knit and Stitch community went on line "meeting" more regularly and has grown over the time. A very productive and social time.

All the work has been underpinned by prayer, which has included a weekly prayer meeting on Zoom with about ten people and a weekly prayer letter valued and received by twenty-one individuals on line. In addition, many have been praying for the church and others on their own or with their respective household or small group.

Food and Financial Support for Those with Financial Difficulties

Throughout the Pandemic, we have looked to support those who have been impacted financially by setting up a Crisis Fund. In 2020 there were forty-three individuals who contributed a total of £22,813 to the fund (including gift aid), which has been used to provide money or supermarket vouchers to families and individuals who needed it, amounting to £11,249.

With children spending more time at home in lock down, and those losing their jobs, a new ministry was born called the Community Larder. The Larder opened on 7 July 2020 to provide food for those in need. The items are given without question or qualification: the fact they have attended is indication of need. During the first six months to the 31 December 2020:

| | |
|---|--------|
| Number served (mostly representing families in the community) | 835 |
| Cost of food and equipment paid from the Crisis Fund | £5,024 |

National and International Mission

Individually and together, we continued to offer time, money and material support to our world mission partners. This includes nationally: The Baptist Union, Evangelical Alliance, CARE and Kairos Connections; and internationally: Baptist Missionary Society, People International and Hope Now.

Transformation of the Sanctuary

Once again, we saw God's hand at work when we started the renovations of the church Sanctuary when the country went into lockdown in March 2020. The project was 90% completed by the opening of the Sanctuary by the General Secretary of the Baptist Union on Sunday, 6 December 2020.

FINANCE REPORT

It is the objective of the trustees to operate within a balanced annual budget and achieve a position close to breakeven each year on the General Fund.

For the year ended 31 December 2020 the Unrestricted General Fund shows a surplus of £4,989 prior to the movement in the pension liability compared with a surplus of £16,953 in the previous year. The trustees are truly thankful to the church family for continuing to be the primary and almost sole provider of the finance for the church.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

FINANCIAL REPORT (CONTINUED)

The overall level of income to the General Fund from offerings and donations decreased by £25,687 due to the cessation of physical services for three quarters of the year due to the Covid-19 pandemic. The trustees remain grateful to all those who gave so generously during the course of the year to ensure that the ministries of the church were able to continue, reaching out to the community in which we operate.

Expenses on the General Fund decreased by £13,723 from the previous year. The work on upgrading of the Sanctuary started in April 2020 with most of the finance raised.

The Mission Fund income decreased from £28,336 in 2019 to £21,886 this year. Donations to various causes remained stable at £23,492 (2019: £23,468).

Overall the finances have remained in good shape with a surplus on unrestricted general fund reserves of £68,846 (2019: £42,856) at the year end. The trustees will continue to monitor the finances closely through careful budgeting to ensure that the ministries and activities we undertake can continue to develop. Normal operating expenditure remained within budget.

Post Year End Matters

The principal risk anticipated in 2021 is dealing with the Covid-19 pandemic. This has meant streaming services and other activities. Some members of the church family have had their livelihoods disrupted which might impact upon the level of giving received. It is recognised that returning to worship together in church will present challenges and risk management issues as the church seeks to be compliant with all health and safety requirements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Until July 2009 the Church operated under its original constitution which was adopted on 17 August 1883 and varied under the declaration of trust dated 22 November 1988.

At a Special Church Meeting on 15 July 2009 a new constitution was adopted based on the Baptist Union of Great Britain's approved governing document. The new constitution replaced the previous Church Rules, Old Constitution and all items in the Trust Deed not relating to church property. The Church was registered as a charity on 25 November 2009, number 1132966.

Trustees

The principal trustee is the Baptist Union Corporation Limited. The Church is administered by the pastors, elders and deacons who are the managing trustees of the charity. The managing trustees serving 1 January 2020 to the date of signature of this report were:

| | |
|---|------------------------------|
| Rev Duncan Threshie (Senior Pastor) | |
| Rev Rachel L Hayward (Children and Families Pastor) | |
| Rev Robert G Street | From 1 January 2021 |
| David Waller | Ceased 31 December 2020 |
| David W Hayward | |
| Barbara M O'Driscoll | |
| Bayo Akioye | |
| Dilys M Threshie | |
| Sue Willington | Ceased 31 December 2020 |
| Jenny Lewry | |
| Dan Sydee | Ceased from 31 December 2020 |

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustees (Continued)

| | |
|-------------------|---------------------|
| Abolade A Bode | From 1 January 2021 |
| Saji M Chakkumkel | From 1 January 2021 |
| Truptiben Khristi | From 1 January 2021 |
| John M Payne | From 1 January 2021 |

The managing trustees are elected by the Church members' meeting and shall serve for three years so long as they have the support of that meeting and are then eligible for re-election. Those in ministerial office are managing trustees by virtue of their office. Upon appointment new trustees are given guidance as to their responsibilities.

The leadership team of pastors, elders and deacons functions as one team with three distinct roles. The elders are primarily responsible for the spiritual direction and prayer life of the Church together with the spiritual wellbeing and pastoral care of the members. The deacons are responsible for the administration, finances, premises, staff and legal requirements of the Church. The pastors are jointly responsible as a team for the development of ministries in the Church; they also oversee the programme of Sunday and mid-week services and the spiritual development of the Church family.

The managing trustees meet regularly to discuss all aspects of the running of the Church. The full team of trustees and the elders meet monthly and the deacons normally meet ten times a year. Decisions affecting the operation of the Church are made at these meetings subject to the approval of the membership in the Church Meeting.

Reference and administrative information

| | |
|--|--|
| The Charity Commission registration number | 1132966 |
| The Registered Office address | Tunbridge Wells Baptist Church 12 Upper Grosvenor Road Tunbridge Wells Kent TN1 2EP |

Our Advisors

| | |
|----------------------|---|
| Independent Examiner | N M Gower-Smith FCA Gower-Smith & Co, <i>Chartered Accountants</i> Grosvenor Lodge 72 Grosvenor Road Tunbridge Wells Kent TN1 2AZ |
| Bankers | CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ |

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Statement of Responsibilities of the Trustees

The trustees are responsible for preparing the annual report and 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 year which give a true and fair view of the state of affairs of the Church and of the incoming resources and application of resources of the Church for that period. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Church will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 6 July 2021 and signed on their behalf by

Rev D Threshie
Senior Pastor

TUNBRIDGE WELLS BAPTIST CHURCH

REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF TUNBRIDGE WELLS BAPTIST CHURCH

I report to the trustees on my examination of the accounts of Tunbridge Wells Baptist Church ("the Charity") for the year ended 31 December 2020, which are set out on pages 8 to 18.

RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

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

INDEPENDENT EXAMINER'S STATEMENT

As the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act and I confirm that I am a qualified member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 accounts to be reached.

N M Gower-Smith, FCA
GOWER-SMITH & CO
Chartered Accountants
Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent TN1 2AZ

8 July 2021

TUNBRIDGE WELLS BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | Unrestricted Fund £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|--|----------|---------------------------|--------------------------|--------------------|--------------------|
| INCOME | 2 | | | | |
| Donations and Legacies | | 156,918 | 104,997 | 261,915 | 331,506 |
| Charitable Activities | | 6,352 | - | 6,352 | 10,560 |
| Investments | | 79 | 143 | 222 | 335 |
| Other Income | | 2,047 | - | 2,047 | - |
| | | <u>165,396</u> | <u>105,140</u> | <u>270,536</u> | <u>342,401</u> |
| EXPENDITURE | 3 | | | | |
| Charitable Activities | | <u>160,407</u> | <u>470,985</u> | <u>631,392</u> | <u>204,448</u> |
| NET INCOME AND NET MOVEMENTS IN FUNDS | | 4,989 | (365,845) | (360,856) | 137,953 |
| Movement in Pension Liability | 4 | <u>21,001</u> | <u>-</u> | <u>21,001</u> | <u>(946)</u> |
| | | 25,990 | (365,845) | (339,855) | 137,007 |
| RECONCILIATION OF FUNDS | | | | | |
| TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2020 | | <u>42,856</u> | <u>3,045,011</u> | <u>3,087,867</u> | <u>2,950,860</u> |
| TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2020 | 9 | <u>£68,846</u> | <u>£2,679,166</u> | <u>£2,748,012</u> | <u>£3,087,867</u> |

TUNBRIDGE WELLS BAPTIST CHURCH

BALANCE SHEET

AT 31 DECEMBER 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|---------------------------------------|------|----------|------------|----------|------------|
| FIXED ASSETS | | | | | |
| Tangible Assets | 5 | | 2,884,799 | | 2,840,831 |
| | | | <hr/> | | <hr/> |
| TOTAL FIXED ASSETS | | | 2,884,799 | | 2,840,831 |
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 33,958 | | 14,368 | |
| Cash at Bank | | 105,831 | | 313,084 | |
| Cash in Hand | | 152 | | 203 | |
| | | <hr/> | | <hr/> | |
| TOTAL CURRENT ASSETS | | 139,941 | | 327,655 | |
| LIABILITIES | | | | | |
| Creditors falling due within one year | 7 | (66,676) | | (18,740) | |
| | | <hr/> | | <hr/> | |
| NET CURRENT ASSETS | | | 73,265 | | 308,915 |
| | | | <hr/> | | <hr/> |
| | | | 2,958,064 | | 3,149,746 |
| LIABILITIES | | | | | |
| Creditors falling due after one year | 8 | | (210,052) | | (61,879) |
| | | | <hr/> | | <hr/> |
| NET ASSETS | | | £2,748,012 | | £3,087,867 |
| | | | <hr/> | | <hr/> |
| THE FUNDS OF THE CHARITY | | | | | |
| Unrestricted Income Fund | 9 | | 68,846 | | 42,856 |
| Restricted Income Funds | | | 2,679,166 | | 3,045,011 |
| | | | <hr/> | | <hr/> |
| TOTAL CHARITY FUNDS | | | £2,748,012 | | £3,087,867 |
| | | | <hr/> | | <hr/> |

Approved by the trustees on 6 July 2021 and signed on their behalf by

Rev D Threshie
Senior Pastor

B O'Driscoll
Treasurer

TUNBRIDGE WELLS BAPTIST CHURCH

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

1 ACCOUNTING POLICIES

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with Statement of Recommended Practice: 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value except for land and buildings, which are shown at either insurance value or estimated market value.

The accounts include all transactions, assets and liabilities for which the trustees can be held responsible. They do not include the accounts of Church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The Church constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern. The financial statements show full provision of the actuarial deficit on the multi-employer defined benefit pension scheme. In respect to the next reporting period, the year ended 31 December 2021, the most significant area of uncertainty is the level of gift and legacy income receivable. As the payments to meet the pension deficit will be made over the period until 31 December 2028, the trustees consider the Church will have a sufficient cash flow to meet the liabilities of the Church as and when they fall due.

(b) Fund structure

Unrestricted income funds comprise those funds that are not subject to any restrictions regarding their use and are available for the trustees to use for any purpose in furtherance of the charitable objects.

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by the donor or the trust deed.

(c) Income recognition

All income is recognised once the Church has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Collections are recognised when received by or on behalf of the Church. Other donations are recognised when they have been communicated or received in writing with notification of both the amount and settlement date. Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Legacies are recognised on a case by case basis following the granting of probate when the administrator or executor of the estate has communicated in writing both the legal entitlement and the amount due.

Rental income from the letting of Church premises is accounted for when due. Interest is accounted for when receivable. Other income is accounted for when due.

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Church to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants and donations payable are payments made to third parties for the furtherance of the charitable objectives of the Church. In the case of an unconditional grant offer, this is accrued once approved. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued for when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the trustees.

(e) Allocation of governance costs

Governance costs comprise all costs involving the public accountability of the trustees and their compliance with regulation and good practice. These costs include costs related to the independent examination. The allocation of governance costs is shown in note 3.

(f) Charitable activities

The expenditure on charitable activities includes the costs directly relating to the work of the Church, and includes supporting mission and mission-related activity allocated at the discretion of the Mission Group.

(g) Tangible fixed assets and depreciation

The freehold premises are included at valuations approved by the Trustees at 31 December 2010. As the market value exceeds the carrying value no depreciation charge has been provided as the estimated residual values are not less than the carrying amount of the assets.

Fixtures and equipment are depreciated on a straight line basis over their estimated useful lives at rates between 12.5% and 25% per annum. The trustees consider the condition of the assets at the year end and make any necessary adjustments for impairment. If an asset is felt to be impaired the carrying value is written down to the recoverable amount, being the higher of the net realisable value and the value in use.

Expenditure on the refurbishment of the Sanctuary other than for equipment and furniture has been charged to the Statement of Financial Activities in the year in which it is incurred.

Assets with a value of less than £500 are not capitalised.

(h) Realised and unrealised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised gains and losses are recognised when assets are disposed of.

(i) Current assets

Amounts owing to the Church at the year end date in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

TUNBRIDGE WELLS BAPTIST CHURCH

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

1 ACCOUNTING POLICIES (CONTINUED)

(j) Creditors and provisions

Creditors and provisions are recognised where the trustees have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured or estimated reliably.

(k) Pensions policy

The cost of pension contributions to the Baptist Union Pension Scheme and the National employment Savings Trust (NEST) are included within charitable activity costs and are accounted for on the basis of contributions payable in the year. The trustees have no liability beyond making contributions and paying across deductions for the employees' contributions.

The trustees have been notified of a deficit on the Baptist Union Pension Scheme which is a multi-employer defined benefit scheme. In accordance with FRS 102, provision has been made for the church's share of the actuarial losses accrued.

2 INCOME

| | Unrestricted General £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|-------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Donations and legacies | | | | |
| Offerings and Donations | 124,446 | 89,582 | 214,028 | 289,416 |
| Gift Aid Tax Refunds | 26,062 | 15,415 | 41,477 | 41,673 |
| Legacies | 6,410 | - | 6,410 | 417 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 156,918 | 104,997 | 261,915 | 331,506 |
| Charitable activities | | | | |
| Church Hall and Room Lettings | 5,192 | - | 5,192 | 8,450 |
| Fees and Other Income | 1,160 | - | 1,160 | 2,110 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 6,352 | - | 6,352 | 10,560 |
| Investments | | | | |
| Interest | | | | |
| Building for God Fund | - | 143 | 143 | 195 |
| General Fund | 79 | - | 79 | 140 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 79 | 143 | 222 | 335 |
| Other Income | | | | |
| Government Furlough Grant | 2,047 | - | 2,047 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL INCOME | <hr/> £165,396 <hr/> | <hr/> £105,140 <hr/> | <hr/> £270,536 <hr/> | <hr/> £342,401 <hr/> |

TUNBRIDGE WELLS BAPTIST CHURCH

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

3 EXPENDITURE

| | Unrestricted General Fund £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|---|-----------------------------------|--------------------------|--------------------|--------------------|
| Charitable activities | | | | |
| Grants | 40 | 16,403 | 16,443 | 503 |
| Missionary and Charitable Giving (Note 12) | 5,226 | 23,431 | 28,657 | 31,885 |
| Ministry | | | | |
| Salaries, Pensions and Allowances (Note 4) | 91,536 | - | 91,536 | 88,433 |
| Interest on Pension Liability (Note 4) | 1,098 | - | 1,098 | 1,636 |
| Visiting Preachers | 871 | - | 871 | 1,005 |
| Youth and Children's Ministry and Leadership Training | 258 | - | 258 | 1,531 |
| Church Running Costs | | | | |
| Light and Heat | 7,377 | - | 7,377 | 10,437 |
| Insurance | 4,815 | - | 4,815 | 4,596 |
| Miscellaneous | 3,282 | - | 3,282 | 265 |
| Repairs and Maintenance | 6,061 | 428,311 | 434,372 | 10,181 |
| Water | 648 | - | 648 | 1,224 |
| Equipment | - | - | - | 575 |
| Cleaning and Waste Disposal | 13,073 | - | 13,073 | 15,045 |
| Manse Running Costs | | | | |
| Light and Heat | 1,908 | - | 1,908 | 2,798 |
| Insurance | 506 | - | 506 | 482 |
| Council Tax | 2,707 | - | 2,707 | 2,603 |
| Repairs and maintenance | 1,705 | - | 1,705 | 2,576 |
| Telephone | 530 | - | 530 | 339 |
| Water and Services | 529 | - | 529 | 550 |
| Outreach | 79 | - | 79 | 1,870 |
| Training, Conferences and Courses | 1,893 | - | 1,893 | 2,281 |
| Flowers and Catering | 166 | - | 166 | 1,974 |
| Stationery and Copying | 2,429 | - | 2,429 | 2,308 |
| Computer and Office Equipment Costs | 710 | - | 710 | 1,160 |
| Depreciation | 3,028 | - | 3,028 | 4,533 |
| Telephone, Fax and Internet | 750 | - | 750 | 1,123 |
| Subscriptions and Publications | 2,764 | - | 2,764 | 2,462 |
| Travel Expenses | 292 | - | 292 | 1,371 |
| Music Licences and Expenses | 799 | - | 799 | 1,983 |
| Interest on Loan | - | 2,780 | 2,780 | - |
| Miscellaneous | 125 | 60 | 185 | 272 |
| Governance Costs | | | | |
| Independent Examiner's Fee | 3,200 | - | 3,200 | 3,200 |
| Accountancy Fees to Independent Examiner's Firm | 1,750 | - | 1,750 | 2,995 |
| Trustees' Insurance | 252 | - | 252 | 252 |
| TOTAL EXPENDITURE | £160,407 | £470,985 | £631,392 | £204,448 |

TUNBRIDGE WELLS BAPTIST CHURCH

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

4 STAFF COSTS

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Wages and Salaries | 75,648 | 69,496 |
| Social Security Costs | 1,268 | 1,805 |
| Pension Contributions | 6,636 | 6,221 |
| Housing Allowances, Expenses and Training | 7,984 | 10,911 |
| | <hr/> | <hr/> |
| | £91,536 | £88,433 |
| | <hr/> | <hr/> |

No employee received remuneration in excess of £60,000 (2019: None).

One trustee who is also an employee was provided with accommodation which is wholly owned by the Church under the terms of his employment.

Two trustees who are employees, as ministers of the Church, received remuneration during the year totalling £68,459 (2019: two trustees - £70,704) and expenses of £4,584 (2019: £7,333) were reimbursed to them.

The average monthly head-count was 5 (2019: 5) and the average monthly full-time equivalent employees (including casual and part-time staff) was 3 (2019: 3)

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers and some members of the Church staff are eligible to join the Scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva plc. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit 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. 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.

TUNBRIDGE WELLS BAPTIST CHURCH

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

4 STAFF COSTS (CONTINUED)

Actuarial Valuation at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding the deficit.

The key financial assumptions underlying the valuations were:

| Type of assumption | % per annum |
|--|-------------|
| RPI price inflation assumption | 3.20 |
| CPI price inflation assumption | 2.70 |
| Minimum Pensionable Income Increases (RPI) | 3.20 |
| Assumed investment returns | |
| - Pre-retirement | 2.95 |
| - Post-retirement | 1.70 |
| Deferred pension increases | |
| - Pre April 2009 | 3.20 |
| - Post April 2009 | 2.50 |
| Pension increases | |
| - Main Scheme pension | 2.70 |

Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustees and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet Liability

Section 28, 11a of FRS 102 requires agreed recovery deficit payments to be recognised as a liability. The movement in the provision is set out in the table below.

| Accounting date – Year ending | 31 December 2020 | 31 December 2019 |
|---|------------------|------------------|
| | £ | £ |
| Balance Sheet liability at start of the year | 67,210 | 71,559 |
| Minus Deficiency Contributions paid | (5,313) | (6,931) |
| Interest Cost – recognised in the Statement of Financial Activities | 1,097 | 1,636 |
| Remaining change to Balance Sheet Liability* | | |
| recognised in the Statement of Financial Activities | (21,001) | 946 |
| | <hr/> | <hr/> |
| Balance Sheet Liability at the year end | £41,993 | £67,210 |
| | <hr/> | <hr/> |

*Comprises any change in agreed deficit recovery plan and change in assumptions between year ends.

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

4 STAFF COSTS (CONTINUED)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

| Accounting date – 31 December | 2020 | 2019 | 2018 |
|---|------|------|------|
| Discount Rate | 0.4% | 1.7% | 2.4% |
| Future Increases to Minimum Pensionable Income | 3.0% | 3.2% | 3.3% |

Under the Pensions Act 2008, automatic enrolment was required from August 2016. The pension scheme is run by the National Employment Savings Trust (NEST). Three employees are currently members of the scheme and the church and the employees currently contribute at the minimum rate of 3% and 5% each during 2020. The cost for the year was £827 (2019: £590).

The total pension cost for the Church was £11,949, comprising £6,636 contributions for the year and £5,313 contributions for the pension fund deficit, for which provision was made in the accounts for the year ended 31 December 2018. (2019: £13,152 comprising £6,221 for the year and £6,931 for the deficit).

5 TANGIBLE ASSETS

| | Freehold Property and Buildings £ | Furniture and Equipment £ | Total £ |
|---------------------------|---|---------------------------------|------------|
| Cost or Valuation | | | |
| At 1 January 2020 | 2,832,886 | 57,828 | 2,890,714 |
| Additions in the year | - | 46,996 | 46,996 |
| Disposals in the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 2,832,886 | 104,924 | 2,937,710 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 January 2020 | - | 49,883 | 49,883 |
| Charges for the year | - | 3,028 | 3,028 |
| Depreciation on disposals | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | - | 52,911 | 52,911 |
| | <hr/> | <hr/> | <hr/> |
| Net Book Value | | | |
| 31 December 2020 | £2,832,886 | £51,913 | £2,884,799 |
| | <hr/> | <hr/> | <hr/> |
| 31 December 2019 | £2,832,886 | £7,945 | £2,840,831 |
| | <hr/> | <hr/> | <hr/> |

The freehold properties were brought into the accounts at market value at 31 December 1997 and were valued at £2,832,886 at 31 December 2010. The Trustees consider their market value to be significantly higher than the carrying value at the year-end. For this reason the properties have not been depreciated during the year.

TUNBRIDGE WELLS BAPTIST CHURCH

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

| | 2020 £ | 2019 £ | | | |
|---|------------------------------|----------------|------------------|--|--------------------------------|
| 6 DEBTORS | | | | | |
| Income Tax Recoverable | 11,223 | 11,171 | | | |
| Other Debtors | 22,646 | 2,088 | | | |
| Prepayments | 89 | 1,109 | | | |
| | <u>£33,958</u> | <u>£14,368</u> | | | |
| 7 LIABILITIES: Creditors falling due within one year | | | | | |
| Accruals and Deferred Income | 4,950 | 4,805 | | | |
| Creditors for Goods and Services | 38,305 | 7,357 | | | |
| Taxation and Social Security | 700 | 1,247 | | | |
| Bank Loans | 18,506 | - | | | |
| Obligations under Defined Benefit Pension Scheme | 4,215 | 5,331 | | | |
| | <u>£66,676</u> | <u>£18,740</u> | | | |
| 8 LIABILITIES: Creditors falling due after one year | | | | | |
| Obligations under Defined Benefit Pension Scheme | 37,778 | 61,879 | | | |
| Bank Loans | 172,274 | - | | | |
| | <u>£210,052</u> | <u>£61,879</u> | | | |
| 9 FUNDS | | | | | |
| | At 1 January 2020 £ | Income £ | Expenditure £ | Movement in Pension Fund Liability £ | At 31 December 2020 £ |
| Unrestricted Fund | | | | | |
| General Fund | 42,856 | 165,396 | (160,407) | 21,001 | 68,846 |
| Restricted Fund | | | | | |
| Property Fund | 2,832,886 | - | - | - | 2,832,886 |
| Mission Fund | 11,763 | 21,886 | (23,492) | - | 10,157 |
| Fellowship Fund | 689 | 22,813 | (16,403) | - | 7,099 |
| Building for God Fund | 199,673 | 60,441 | (431,090) | - | (170,976) |
| Total Restricted Funds | 3,045,011 | 105,140 | (470,985) | - | 2,679,166 |
| TOTAL FUNDS | £3,087,867 | £270,536 | £631,392 | £21,001 | £2,748,012 |

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

9 FUNDS (CONTINUED)

The Restricted Funds are used in accordance with specific restrictions imposed by the donors:

- Property Fund comprises the revaluation of the freehold properties at 31 December 2010.
- Mission Fund comprises donations to specified missionary and charitable causes.
- Fellowship Fund comprises donations received for grants paid at the discretion of the Pastor.
- Building for God Fund comprises donations received for the renewal and refurbishment of the Church building.

10 ANALYSIS OF NET ASSETS BY FUND

| | Unrestricted General £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|--------------------------------------|------------------------------|--------------------------|--------------------|--------------------|
| Fixed Assets | 51,913 | 2,832,886 | 2,884,799 | 2,840,831 |
| Current Assets | 69,376 | 70,565 | 139,941 | 327,655 |
| Current Liabilities | (14,665) | (52,011) | (66,676) | (18,740) |
| Creditors falling due after one year | (37,778) | (172,274) | (210,052) | (61,879) |
| | <u>£68,846</u> | <u>£2,679,166</u> | <u>£2,748,012</u> | <u>£3,087,867</u> |

11 TRANSACTIONS WITH TRUSTEES

Two trustees are employed as ministers of the Church and they received remuneration during the year totalling £68,459 (2019: Two trustees - £70,704) and expenses of £4,584 (2019: £7,333). One trustee, who is also an employee, was provided with accommodation which is wholly owned by the Church, under the terms of his employment. One of the other trustees provides administrative services for an hourly fee and another trustee is employed on a part time basis as a Pastoral Assistant and received reimbursement of expenses of £1,349 (2019: £nil). None of the other trustees received any expenses or remuneration.

The church has a trustees' indemnity insurance policy and the premium of £252 (2019: £252) has been charged in these financial statements.

12 RESTRICTED MISSION FUND GIVING

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Institutions | | |
| Baptist Missionary Society | | |
| World Mission | 4,800 | 5,000 |
| Home Mission | 4,800 | 5,000 |
| Christmas | | |
| Kenward Trust (2019: Restored) | 2,332 | 859 |
| Afghanistan (2019: Hope Now) | 2,332 | 859 |
| Church Family Gifts for Mission Activity | | - |
| People International | 2,400 | 3,000 |
| Local Mission Organisations | 1,500 | 1,250 |
| Other Gifts under £1,000 | 318 | 1,394 |
| | <u>18,482</u> | <u>17,362</u> |
| Individuals | | |
| Other Gifts for the year | 4,950 | 6,046 |
| | <u>£23,432</u> | <u>£23,408</u> |