

Charity Registration No. 1136471

Company Registration No. 07227205 (England and Wales)

**HOLLAND ROAD BAPTIST CHURCH TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



**Caladine**  
Chartered Certified Accountants

# HOLLAND ROAD BAPTIST CHURCH TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

J R W Elbourne  
D H M Treneer  
A Pop  
S Walker  
D I Collins  
L Lurcock  
O Wilson  
S Lynch

### Elders

M Bray  
J Elbourne  
J Holman  
M Lovell  
D Treneer  
T Vellacott  
M Mkandawire

### Charity number

1136471

### Company number

07227205

### Registered office

65-71 Holland Road  
Hove  
East Sussex  
BN3 1JN

### Independent examiner

John Caladine FCCA CTA FCIE  
Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

### Bankers

National Westminster Bank Plc  
56 Churchill Square  
Brighton  
East Sussex  
BN1 2ES

### Solicitors

Lawson Lewis Blakers  
11 Hyde Gardens  
Eastbourne  
East Sussex  
BN21 4PP

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# **HOLLAND ROAD BAPTIST CHURCH TRUST**

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# **HOLLAND ROAD BAPTIST CHURCH TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Trustees present their 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 Church's trust deed, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The vision statement of the Church - We believe that God has called us to be a Church that raises the next generation.

To achieve this end the Church is engaged in numerous activities from Sunday worship to weekday meetings catering for all ages. The Church has also undertaken several stepstone events to appeal directly to those outside the immediate membership, some of these in conjunction with other churches within Brighton. The ongoing caring for all connected with Holland Road remains a high priority

#### **Public Benefit**

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Church should undertake.

#### **Achievements and Performance**

##### **Introduction**

This year has been an important time of discovering afresh our vision as a Church.

God has continued to be very gracious to us in helping us to see our primary calling is for every generation to be 'Raising the Next Generation' to be FREE (Following Jesus, Reaching Out, being an Extended Family, and doing Everything in Love).

As 2020 started the Church plans were very much focused on raising the next generation by investing locally in properties that could house young people in need, continue to reinstate the stonework of the buildings, continue to enable in-person gatherings, and planning to set up more local scattered gatherings with the aim to strengthen community relationship in key areas of the city. However, some of these plans quickly required a drastic change in approach due to the COVID-19 restrictions revealed by the government since March 2020, which in turn have led to us stopping to do many things but which has also led to new beginnings and opportunities for the Church to engage, reach and meet as a community in a different ways.

It certainly has been a tough year in which although the Church doors were closed, the Church was very much still alive. That's because the Church is the people, and through its people and the different ministry areas, Holland Road continued to thrive and serve the community despite the challenges faced due to coronavirus and lockdowns.



# **HOLLAND ROAD BAPTIST CHURCH TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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Community groups had become even more important and needed to become the primary place for discipleship, and for people to live out their faith and experience the extended family in the Church. Therefore it was important to make use of what we could still do, meeting online rather than not at all, keeping in contact by various means, encouraging our leaders and praying for them.

This resulted in the emergence of 20 community groups that have been meeting across the city mostly online during this past year, with around 200 people connecting regularly with these communities, that have sometimes met outdoors when they could.

The Pastoral Team supported the communities group throughout the year by contacting those members not belonging to a Community, making over 2000 calls to help encourage people during the lockdown and connect with everyone, beyond what the communities were doing.

We've had to adjust our typical services that we would offer in person, such as Alpha - which has moved online. As a result, we have seen many new people connect with the Church, outside Brighton and Hove, and have continued seeing people come to know the Lord through these online events, getting baptised in the Church (following the government guidelines) and becoming part of the Church family through this past year.

As for most of the year, we were unable to meet in person, immediately after the lockdown was implemented, we started our live stream which enabled both Church members and those connecting with the Church locally and around the world to watch the Church services online.

A tech team was established who have worked hard to enable online services. The Church invested in new equipment. These livestream services serve us in helping everyone to stay connected to one another, help us stay connected to the Lord, help us worship God together and have unleashed a new level of creativity, giving everyone who's part of the Church family the opportunity to create videos and contribute in various ways to these online services.

Having made the transition to online services many had said the services bless them, and about 250—350 screens are receiving them weekly, totalling around 500 people watching week in week out. The goal for 2021 is to provide a hybrid gathering of in-person attendees and online viewers as lockdown restrictions ease.

Encounter has been running on a monthly basis during this academic year and slightly more sporadically in the months beforehand. Encounter tries to reach a demographic that has on the whole struggled to interact with the new way we've had to do things and as such we've tried to be quite creative in the different things we've run from Quizzes, Q&As, lots of interviews and our War of the World views series. Through this time we've encouraged people to try new things and exercise their gifts in serving the Church as we believe Encounter is a brilliant place to raise the next generation. We've had young people teaching on unity and leading communion, people serving in the worship band for the first time and a number of people exercising their speaking gifts in different ways throughout 2020. We're looking forward to when we can meet together again but we also have been blessed by seeing God work through and in the lives of young people during this time.

We've continued to support the work of Christians Against Poverty (CAP) locally. CAP Brighton has continued to help people get out of debt throughout the pandemic, with the help of some of the Church space being converted to allow for safe face to face meetings with clients requiring help.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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COVID-19 has not hampered us! Whilst no mission trips were able to take place we still saw vibrancy and passion in the Church's heart for the world.

- PRAY - an incredible online 'day of prayer for the world', from 9am – 9pm, included 120 people joining to pray, including 30 children.
- GIVE - a phenomenal Gift Day in May saw almost £50K given at a time when financial uncertainty was already a reality for many.
- GO - we started supporting two new global partners during this time (one working with students in Belgium and the other with refugees in Greece and discipling Farsi speakers online) and we continue to work closely with a Mission Partner couple on the verge of moving to France.
- In 2020 we had our first dedicated Thrive intern focussed on mission who's been helping with our social media presence and enabling a new Book Club initiative.

God is continuing to raise the next generation of pray-ers, givers and go-ers in world mission.

Despite the pandemic, the Church has continued to invest in raising the next generation through our Thrive intern programme, which has seen three interns start in September 2020. God has greatly blessed the Church through our Thrive interns this year, all who bring their unique talents and strengths to serve the Church in both paid and voluntary roles. Between them they have blessed the practicals team, mission team, worship team, kids and youth teams and are a great source of joy and energy to the wider staff team. It has been great to see them learning and growing in godliness and in skills, which we continue to pray for in 2021.

Our Practical Team, which was created in March as the first lockdown emerged, played a key role in continuing to engage the local community. The team has seen a mixture of members and people in the local community sign-up and serve the people of Brighton. Their main priorities have been to:

### 1) To serve the homeless

The Church in cooperation with the Council, St. Mungos and The Passage had been a food "hub" for about 230 homeless people placed in emergency housing across the City. The team had also helped support St. Peters with providing meals for night shelter guests relocated to The Circle in Portslade. The team had also provided equipment/furniture from member donations to those in temporary accommodation/moving into permanent accommodation.

### 2) To help address food poverty

The Church had been an emergency food source for people in food poverty. The team had also supplied drivers for St. Cuthman's and the City Mission food banks and helped some 70 individuals with budgeting (some of these later became CAP clients).

### 3) Treat bags

Another activity had been to put "treat bags" together and deliver them to people's homes and front-line staff. This had been much appreciated as good for their mental health and sense of connection with the community, despite the lockdown restrictions.

We've continued to engage with the local student community, connecting them with our online communities group and alpha, which has helped us serve them despite the lockdown restrictions, making them feel a part of our extended family even though most of them have never even been in the church building before.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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God has blessed the youth ministry during 2020 by continuing to work in the lives of our young people despite lockdown and the constraints of the pandemic. We have changed how we do things to reflect this but have continued to raise the next generation through supporting each individual young person through small group meetings, mentoring and fun youth community times. We have seen youth grow in their faith and discipleship and become more integrated into the whole life of the Church, particularly through their involvement in the livestream and God has been at work in the way the young people have supported one another during this time.

Children's ministry wasn't really designed to be online, but in this season through the help of technology and our Kids Team, the kids part of the Church and extended local community were still able to also connect through the after school club, the Hub, online. We have also seen the kids' creativity come to life through creative video contributions, dance cams during the service and finding new ways to tell bible stories through online dramas.

An important part in raising the next generation this past year was through the online parenting for faith courses led by Chris, Lucy and the team, who seek to equip and support parents during these challenging times.

### References:

- "Thanking God for the past year" by HollandRdChurch Youtube - <https://www.youtube.com/watch?v=msxBFiBXyqE>
- Church Members Minutes from 2020

### Manse

We were despite the pandemic able to sell 18 Coleman Ave (The Manse ) for net cost of £840,837 and released back and set aside the sale proceeds in General funds. A property team was formed and this is reporting to Core Leadership and the Trustees. It has the task to source and purchase two properties with a view to renting them on an affordable basis.

### Gift Days

For both the World Mission Gift Day (May) and the Love our City Gift Day (Nov) it was decided not to communicate an actual target figure to the wider Church. However internally these formed part of the budget and the Church income. In both cases Praise Him the budget figures were exceeded.

### Staff

Terry Bovington had been furloughed since March 2020 and it had become clear as the year went on that the use of the building would return only gradually, and that his cleaning and caretaking job could now be done by volunteers. After much prayer and discussion with him, it was apparent his role was redundant. He and Jenny were peaceful about it, and he would receive a redundancy package.

Terry has provided faithful and wholehearted service over many years. He had been much more than a caretaker: children would remember him for holiday club designs that transformed the hall, and his artwork on internal walls would be a legacy. Above all, Terry loved the Lord and His word, and enjoyed extended time with the Lord.

In February 2021 the redundancy process was completed and we were able to provide a memory book containing well wishes and reflections from many people past and present as well as photographs which blessed Terry and Jen.

The Church made use of the Government furlough scheme with various staff being placed in the arrangement during 2020.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Elders

Phillip Deuk had now stepped down as an Elder: David thanked him for staying on until Christmas, and Wadia for sparing him so often. Adam Dracott had also stepped down: it had been a joy to be on a team with him. Both couples had received gifts to express thanks from the Church.

A new Elder stood for affirmation, Max Mkandawire, a member now for 15 years. He had been helping lead the older youth recently, and had been their speaker a few times. David commended him warmly as a man of great faith in what God can do, and a love for God and His word and he was voted in following the May members meeting.

### Trustees

Tressa Kong stepped down because of health and work issues.

Newly nominated Trustees were Olivia Wilson and Sheridan Lynch. Olivia, a teacher at Longhill School, was faithfully serving in the Robin Hood community and the band, and mentoring some young people. She had been baptised in 2005, and a member here since 2018. Sheridan, recently retired as a lawyer, had a heart for mission and had been on mission trips and done street evangelism with David. He had been volunteering in the office two days a week, and was currently serving on the Practicals team during the pandemic. Both were voted in at the May members meeting.

### Future Plans

Our mission objectives remain unchanged. We plan to build on the Church growth a momentum in seeing people establish a personal relationship with God and grow in this relationship. This will be done by continuing new strategies for growth both through the established and existing work of the Church and new initiatives.

### Financial review

There was a surplus on the unrestricted funds for the year of £25,881 before transfers. There was a transfer of £83,950 in the year to restricted funds to cover the deficit on the Stoneworks fund. The sale proceeds of 18 Coleman Avenue, Brighton which have become unrestricted on sale have been transferred back to the General Fund. Reserves carried forward at 31 December 2020 on unrestricted funds are £1,054,820.

### Reserves policy

The majority of the Church's funds are invested in land and buildings, which are utilised to carry out the Church's purposes. It is the policy of the Church to accumulate only an adequate level of cash and readily accessible reserves deemed sufficient to meet likely and unexpected capital expenditure needs. The Church has specifically set aside the sum of £85,000 as a reserve. Subject to any donor's wishes, restricted funds are generally held to meet specific purposes or capital projects.

### Investment policy

The majority of monies are invested in deposit accounts with recognised financial institutions. The Church seeks to obtain the highest possible returns consistent with a cautious attitude to risk and short term availability of such monies.

### Risk management

The Church has a risk management policy. The Trustees are satisfied that appropriate systems are in place to mitigate the Church's exposure to such risks, to safeguard the assets of the Church and should prevent and/or detect fraud and other irregularities.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Structure, governance and management

The Trust was formed on the 19 April 2010 and commenced activities on the 1 July 2010 with the transfer of the assets and work of Holland Road Baptist Church.

The Church was founded by a trust deed dated 19 June 1889 and is now governed by its Articles of Association and a new constitution, "The Governing Document of Holland Road Baptist Church" as agreed at a Church meeting on 13 March 2013, as well as being affiliated to the Baptist Union of Great Britain (a registered charity).

The Trustees who held office during the year to 31 December 2020 were as follows:

J R W Elbourne

D H M Treneer

A Pop

S Walker

D I Collins

L Lurcock

T Choi-Kong

(Resigned 29 March 2020)

O Wilson

(Appointed 31 May 2020)

S Lynch

(Appointed 31 May 2020)

Deacons are those who serve in specific leadership roles in the church and are appointed by the Trustees as recommended by the elders.

The appointment of elders are nominated by the Pastor and voted on by the Church meeting.

Trustees are appointed by a Church meeting.

Newly appointed Trustees are provided with such induction and training as considered necessary for the role within the church which they are undertaking.

The Church is managed on a day to day basis by a core leadership team namely David Treneer and Tim Vellacott (the two Pastors) and other ministry leaders as required from time to time subject to the overall spiritual oversight of the elders. The Trustees are jointly responsible for the governance of the Church, especially for the operational, legal and financial aspects, referring some matters to a members vote as appropriate.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of Trustees



S Walker

Trustee

Dated: 13 May 2021

# **HOLLAND ROAD BAPTIST CHURCH TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Trustees, who are also the directors of Holland Road Baptist Church Trust for the purpose of company law, 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).

Company Law 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 Church and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 UK 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 Church will continue in operation.

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



# HOLLAND ROAD BAPTIST CHURCH TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF HOLLAND ROAD BAPTIST CHURCH TRUST

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I report to the Trustees on my examination of the financial statements of Holland Road Baptist Church Trust (the Church) for the year ended 31 December 2020.

#### Responsibilities and basis of report

As the Trustees of the Church (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Church are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Church's financial statements carried out under section 145 of the Charities Act 2011 (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

Since the Church's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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 Church as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.



John Caladine FCCA CTA FCIE

Chartered Certified Accountants  
Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

Dated: 13 May 2021

# HOLLAND ROAD BAPTIST CHURCH TRUST

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

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	2	454,745	5,000	459,745	523,023	56,611	579,634
Charitable activities	3	16,026	-	16,026	70,408	-	70,408
Investments	4	197	-	197	22,807	-	22,807
Other income	5	12,897	23,028	35,925	-	10,282	10,282
<b>Total income</b>		<b>483,865</b>	<b>28,028</b>	<b>511,893</b>	<b>616,238</b>	<b>66,893</b>	<b>683,131</b>
<b>Expenditure on:</b>							
Raising funds	6	-	-	-	1,603	-	1,603
Charitable activities	7	473,771	112,384	586,155	527,280	93,759	621,039
<b>Total resources expended</b>		<b>473,771</b>	<b>112,384</b>	<b>586,155</b>	<b>528,883</b>	<b>93,759</b>	<b>622,642</b>
Net gains/(losses) on investments	12	15,787	-	15,787	-	325,000	325,000
<b>Net incoming/(outgoing) resources before transfers</b>		<b>25,881</b>	<b>(84,356)</b>	<b>(58,475)</b>	<b>87,355</b>	<b>298,134</b>	<b>385,489</b>
Gross transfers between funds	20	740,644	(740,644)	-	(20,995)	20,995	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>766,525</b>	<b>(825,000)</b>	<b>(58,475)</b>	<b>66,360</b>	<b>319,129</b>	<b>385,489</b>
Fund balances at 1 January 2020		288,295	1,992,535	2,280,830	221,935	1,673,406	1,895,341
<b>Fund balances at 31 December 2020</b>		<b>1,054,820</b>	<b>1,167,535</b>	<b>2,222,355</b>	<b>288,295</b>	<b>1,992,535</b>	<b>2,280,830</b>

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

All income and expenditure derive from continuing activities.

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



# HOLLAND ROAD BAPTIST CHURCH TRUST

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Property, plant and equipment	13	1,202,541		1,201,012	
Investment properties	14	-		825,000	
		<u>1,202,541</u>		<u>2,026,012</u>	
<b>Current assets</b>					
Trade and other receivables	15	30,152		25,712	
Cash at bank and in hand		1,028,523		270,107	
		<u>1,058,675</u>		<u>295,819</u>	
<b>Current liabilities</b>	17	(8,435)		(8,214)	
Net current assets		<u>1,050,240</u>		<u>287,605</u>	
<b>Total assets less current liabilities</b>		<u>2,252,781</u>		<u>2,313,617</u>	
<b>Non-current liabilities</b>	18	(30,426)		(32,787)	
<b>Net assets</b>		<u>2,222,355</u>		<u>2,280,830</u>	
<b>Income funds</b>					
Restricted funds	20	1,167,535		1,992,535	
<u>Unrestricted funds</u>					
Designated funds	21	153,075		167,003	
		<u>153,075</u>		<u>167,003</u>	
General unrestricted funds		901,745		121,292	
		<u>1,054,820</u>		<u>288,295</u>	
		<u>2,222,355</u>		<u>2,280,830</u>	

# **HOLLAND ROAD BAPTIST CHURCH TRUST**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13 May 2021.

  
J R W Elbourne  
Trustee

**Company Registration No. 07227205**

  
S Walker  
Trustee

# HOLLAND ROAD BAPTIST CHURCH TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	26		(77,663)		35,228
<b>Investing activities</b>					
Purchase of property, plant and equipment		(2,544)		-	
Proceeds on disposal of investment property		840,787		-	
Investment income received		197		22,807	
<b>Net cash generated from investing activities</b>			838,440		22,807
<b>Financing activities</b>					
Repayment of borrowings		(2,361)		(2,098)	
<b>Net cash used in financing activities</b>			(2,361)		(2,098)
<b>Net increase in cash and cash equivalents</b>			758,416		55,937
Cash and cash equivalents at beginning of year			270,107		214,170
<b>Cash and cash equivalents at end of year</b>			1,028,523		270,107

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Holland Road Baptist Church Trust is a private company limited by guarantee incorporated in England and Wales and registered charity, number 1136471. The registered office is 71 Holland Road, Hove, East Sussex, BN3 1JN.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Church's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Church is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the date of this report, there exists uncertainty regarding the potential impact of the Coronavirus and the economic consequences, both within the U.K. and overseas, which may result from government policies to contain the spread. The duration and geographical extent of any possible lockdown or future governmental policies are unknown. Whilst we are still unable to predict what the economic consequences may be and the impact on the Churches future, we have continued to use the going concern basis as appropriate in the preparation of these accounts.

#### 1.3 Charitable funds

##### Unrestricted Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. These include donations and other incoming resources receivable or generated for the objects of the Church without further specified purposes which are available as general funds or set aside by the trustees as designated funds.

##### Restricted Funds

These funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with the appropriate management and support costs.

##### Unrestricted General

The General fund oversees the day to day work of the Church and incorporates the missionary work of the Church.

##### Designated

Legacies General - Monies from legacies not as yet allocated.

Legacies World Mission - Money set aside specifically for World Mission.

Reserve - The sum of £85,000 is set aside as a general reserve in accordance with best practice.

##### Restricted

Property Fund - The property owned by the Trust other than the Church.

Stoneworks Fund - This represents money set aside for outside remedial work to the buildings.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### 1.4 Income

Income is recognised when the Church 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 Church 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 Church 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.

#### 1.5 Expenditure

Resources expended are recognised in the period in which they are incurred and allocated to the particular cost centre to which they relate, including support costs. These costs include irrecoverable VAT.

#### 1.6 Property and equipment

Property, plant and equipment are measured at cost, net of depreciation and any impairment losses. Details of the individual properties are given below:

##### **Freehold property. Church Premises: 71 Holland Road, Hove, East Sussex**

There is no record of original cost. In the opinion of the Trustees it is impractical to place a market value on the site. The property is held on Trust by The Baptist Union Corporation as custodial Trustee.

##### **Freehold property. 65 Holland Road, Hove, East Sussex**

The Charity elected to revalue the freehold property on the date of transition to FRS 102 SORP (1 January 2015) and to use this value as the deemed cost of the property in accordance with the transitional provision contained in section 35.10 (c) of FRS102.

##### **Fixtures, fittings and equipment**

Fixtures, Fittings and Equipment costing in excess of £2,500 are capitalised. All Fixtures, Fittings and Equipment are depreciated on a straight line basis over 5 years.

##### **Depreciation**

Freehold land is not depreciated. Freehold buildings are also not depreciated as it is the policy of the Trustees that they be maintained to such a standard that their residual value is not less than the carrying value at any given time.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Investment properties

##### **Freehold property. 18 Coleman Avenue, Hove, East Sussex**

The Investment property, which was property held to earn rentals and/or for capital appreciation, was sold during the year.

#### 1.8 Impairment of non-current assets

At each reporting end date, the Church 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).

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 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 only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Basic financial assets include trade and other receivables and cash and bank balances. Basic financial liabilities including trade and other payables where trade payables are obligations to pay for goods or services that have been acquired on the ordinary course of operations from suppliers.

#### 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 Church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

The Church contribute to the defined pension contribution scheme of certain staff. The contributions payable for the year are charged in the Financial Statements as part of salaries.

#### 1.13 Grant Making Policy

The Trust supports by the provision of financial grants to Christian organisations whose own activities are in accordance with the Trust's objectives. The Church also supports long term missionary partners connected with the Church or the Baptist Union.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	454,745	-	454,745	461,593	2,500	464,093
Legacies receivable	-	5,000	5,000	61,430	54,111	115,541
	<u>454,745</u>	<u>5,000</u>	<u>459,745</u>	<u>523,023</u>	<u>56,611</u>	<u>579,634</u>
<b>Donations and gifts</b>						
Donations and gifts	385,199	-	385,199	394,126	2,500	396,626
Tax refunds	69,546	-	69,546	67,467	-	67,467
	<u>454,745</u>	<u>-</u>	<u>454,745</u>	<u>461,593</u>	<u>2,500</u>	<u>464,093</u>

### 3 Charitable activities

	2020 £	2019 £
Charitable rental income	1,070	3,225
Mission Trips Income	5,681	65,983
Cottage rental income	9,275	1,200
	<u>16,026</u>	<u>70,408</u>

For the year ended 31 December 2019

Unrestricted funds	70,408
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### 4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Rental income (Coleman Avenue)	-	22,267
Interest receivable	197	540
	<u>197</u>	<u>22,807</u>

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Other income

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2020 £	2020 £	2020 £	2019 £
Other income (Listed Place of Worship Grant Scheme)	-	23,028	23,028	10,282
Job Retention Scheme (Furlough)	12,082	-	12,082	-
Insurance Claim	815	-	815	-
	<u>12,897</u>	<u>23,028</u>	<u>35,925</u>	<u>10,282</u>

### 6 Raising funds

	2020	2019
	£	£
<u>Management Fees</u>		
Letting Fees	-	1,603
	<u>-</u>	<u>1,603</u>



# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Charitable activities

	2020	2019
	£	£
Salary costs	210,744	207,258
Depreciation	1,015	506
Pastoral expenses	2,109	4,628
Visiting speakers	25	938
Conference and delegate expenses	3,248	5,112
Premises for parking	1,320	5,381
Outreach	2,147	4,384
Music and drama	924	915
Books and purchases	609	1,323
Catering	483	1,312
Youthwork and other	5,978	13,513
Mission trips and events	8,035	40,375
Training	1,600	1,493
Group ministries	4,888	5,955
Sundries	1,624	8,512
Church equipment repairs and renewals	5,265	5,498
Electricity, Gas and Water	10,623	13,499
Insurance	8,738	8,725
Repairs and Maintenance	11,143	15,710
Small Equipment	10,322	1,692
Coleman Avenue running costs	944	3,235
Licences and Subscriptions	4,400	3,530
Stonework Projects (Building Restoration)	111,978	89,478
Welcome Cafe Equipment & Consumables	406	4,281
	<u>408,568</u>	<u>447,253</u>
Grant funding of activities (see note 8)	93,331	97,999
Share of support costs (see note 9)	77,456	69,949
Share of governance costs (see note 9)	6,800	5,838
	<u>586,155</u>	<u>621,039</u>
<b>Analysis by fund</b>		
Unrestricted funds	473,771	
Restricted funds	112,384	
	<u>586,155</u>	
<b>For the year ended 31 December 2019</b>		
Unrestricted funds		527,280
Restricted funds		93,759
		<u>621,039</u>

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Christians Against Poverty	19,775	18,500
General Gifts to organisations	7,661	13,305
Global Partners	16,416	16,616
Missionary Organisations	12,974	16,395
Missionary Partners	23,573	32,713
	<u>80,399</u>	<u>97,529</u>
Grants to individuals	12,932	470
	<u>93,331</u>	<u>97,999</u>

### 9 Support and governance costs

	Support costs £	Governance costs £	Total 2020 £	2019 £
Salary costs	61,639	-	61,639	57,322
Telephone	3,350	-	3,350	3,194
Office and Administration	12,467	-	12,467	9,433
Independent Examination	-	780	780	780
Accountancy	-	3,120	3,120	2,640
Legal and professional	-	1,286	1,286	660
Bank Charges	-	479	479	360
Loan Interest	-	1,135	1,135	1,398
	<u>77,456</u>	<u>6,800</u>	<u>84,256</u>	<u>75,787</u>
<u>Analysed between</u>				
Charitable activities	<u>77,456</u>	<u>6,800</u>	<u>84,256</u>	<u>75,787</u>

### 10 Trustees

Trustees are reimbursed any expense costs directly incurred on behalf of the Church. These are not considered material to disclose.

The aggregate donations from the Trustees to the Trust during the year was £38,619 (2019:£37,162).

See also Note 25.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Employees

The average monthly number of full and part time employees during the year was:

	2020 Number	2019 Number
Direct church activities	6	6
Support	4	4
Transformers	3	2
Total	13	12

Employment costs	2020 £	2019 £
Wages and salaries	236,364	228,269
Social security costs	14,058	15,334
Other pension costs	21,961	20,977
	272,383	264,580

### Volunteers

The Trustees extend their thanks to numerous volunteers who give so sacrificially in both time and resource into the vision of the Church.

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

### 12 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds
	2020 £	2019 £
Revaluation of investment properties	-	325,000
Gain/(loss) on sale of investment properties transferred back to the General Fund (See Note 20)	15,787	-
	15,787	325,000

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Property and equipment

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2020	1,200,000	50,000	1,250,000
Additions	-	2,544	2,544
At 31 December 2020	1,200,000	52,544	1,252,544
<b>Depreciation and impairment</b>			
At 1 January 2020	-	48,988	48,988
Depreciation charged in the year	-	1,015	1,015
At 31 December 2020	-	50,003	50,003
<b>Carrying amount</b>			
At 31 December 2020	1,200,000	2,541	1,202,541
At 31 December 2019	1,200,000	1,012	1,201,012

Substantial old fixtures and equipment replaced over the years has been eliminated from the above figures.

### 14 Investment property

	2020 £
<b>Fair value</b>	
At 1 January 2020	825,000
Disposals	(825,000)
At 31 December 2020	-

Investment property comprised of 18 Coleman Avenue, Hove, East Sussex. The property was sold in July 2020.

### 15 Trade and other receivables

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other receivables	27,151	22,682
Prepayments	3,001	3,030
	30,152	25,712

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Borrowings

		2020 £	2019 £
Baptist Union Corporation Ltd	(see note 23)	30,426	32,787
Payable after one year		30,426	32,787

### 17 Current liabilities

		2020 £	2019 £
Baptist Union Corporation Ltd (Loan)	(see note 23)	3,496	3,496
Other payables		1,039	1,058
Accruals		3,900	3,660
		8,435	8,214

### 18 Non-current liabilities

		2020 £	2019 £
Baptist Union Corporation Ltd		30,426	32,787

### 19 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was 2020: £21,961, (2019:£20,977).

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 20 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			Investments gains/losses	Balance at 1 January 2020	Movement in funds			Transfers	Balance at 31 December 2020
		Incoming resources	Resources expended	Transfers			Incoming resources	Resources expended	Transfers		
	£	£	£	£	£	£	£	£	£	£	£
Property	1,667,535	-	-	-	325,000	1,992,535	-	-	(825,000)	1,167,535	
Stonework Fund	5,871	64,393	(89,478)	19,214	-	-	28,028	(111,978)	83,950	-	
Welcome Cafe	-	2,500	(4,281)	1,781	-	-	-	(406)	406	-	
	<u>1,673,406</u>	<u>66,893</u>	<u>(93,759)</u>	<u>20,995</u>	<u>325,000</u>	<u>1,992,535</u>	<u>28,028</u>	<u>(112,384)</u>	<u>(740,644)</u>	<u>1,167,535</u>	

The Properties are stated at cost of £1,200,000 within the balance sheet. The difference of £32,465 compared to the fund balance represents money raised through unrestricted funds. The transfer of £825,000 represents the sale of 18 Coleman Avenue released to the General Fund. The property was held as a restricted fund but not on any separate trust and therefore on sale the value has been transferred back to the congregational funds of the Church General Fund.

A sum of £83,950 was transferred to the Stonework fund from the Legacy fund at 31 December to cover the deficit arising.

The Welcome Cafe is a monthly ministry serving homeless and vulnerably housed people. A transfer of £406 was made to this fund from General funds to cover costs.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 21 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:

	Movement in funds				
	Balance at 1 January 2019	Incoming resources	Balance at 1 January 2020	Resources expended	Transfers
	£	£	£	£	£
<b>Legacy Funds</b>					
General	82,003	-	82,003	-	(45,477)
World Mission	-	-	38,979	(7,430)	-
Reserve fund	85,000	-	85,000	-	-
	<u>167,003</u>	<u>-</u>	<u>205,982</u>	<u>(7,430)</u>	<u>(45,477)</u>
					<u>153,075</u>

#### Designated Funds

Legacies - General - Monies from legacies not as yet allocated. The sum of £83,950 was transferred from the Legacy Fund to the Stonework Fund. A transfer of £38,473 was made from the General fund to the Legacy Fund in the current year as past legacies were allocated to the General Fund in error. The net transfer figure is calculated £83,950 less £38,473 equalling £45,477.

Legacies - World Mission - Money set aside specifically for World Mission not previously shown separately.

Reserve - The sum of £85,000 is set aside as a general reserve in accordance with best practice.

#### 22 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2020 are represented by:			
Property and equipment	35,006	1,167,535	1,202,541
Current assets/(liabilities)	1,050,240	-	1,050,240
Long term liabilities	(30,426)	-	(30,426)
	<u>1,054,820</u>	<u>1,167,535</u>	<u>2,222,355</u>

#### 23 Baptist Pension Fund Deficit

This is a loan from the Baptist Union to enable the Church to cover its contributions for the past deficit of The Baptist Pension Fund. The loan is repaid over a 15 year term from 5 March 2018 with interest charged at 3.5% p.a.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 24 Operating lease commitments

	2020 £	2019 £
Within one year	1,867	1,867
Between two and five years	-	1,867
	<u>1,867</u>	<u>3,734</u>

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of 3 key management personnel, 2 of whom are Trustees, is as follows.

	2020 £	2019 £
Aggregate compensation	<u>126,092</u>	<u>123,629</u>

#### Trustee Remuneration

The following were trustees during the year that received salaries and pension contributions in respect of their work as employees of the Church as allowed within the Memorandum and Articles of Association.

	2020 £	2019 £
<b>Salaries</b>		
D Treneer	35,088	33,768
S Walker	<u>31,920</u>	<u>30,696</u>
<b>Employers NIC</b>		
D Treneer	2,823	2,936
S Walker	<u>2,482</u>	<u>2,578</u>
<b>Pension contributions</b>		
D Treneer	3,509	3,377
S Walker	<u>3,192</u>	<u>3,070</u>

The sum of £19,775 (2019:£18,500) was transferred to the Brighton Light Trust (registered charity No.1154869) who have common trustees to the Church and the sum of £5,476 (2019:£3,938) was received from the Brighton Light Trust for management services and included in donations.



# HOLLAND ROAD BAPTIST CHURCH TRUST

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

26	Cash generated from operations	2020	2019
		£	£
	(Deficit)/surplus for the year	(58,475)	385,489
	Adjustments for:		
	Investment income recognised in statement of financial activities	(197)	(22,807)
	Gain on disposal of investment property	(15,787)	-
	Fair value gains and losses on investment properties	-	(325,000)
	Depreciation and impairment of property, plant and equipment	1,015	506
	Movements in working capital:		
	(Increase) in trade and other receivables	(4,440)	(1,615)
	Increase/(decrease) in trade and other payables	221	(1,345)
	<b>Cash (absorbed by)/generated from operations</b>	<b>(77,663)</b>	<b>35,228</b>
27	Analysis of changes in net funds		
		At 1 January 2020	Cash flows
		£	At 31 December 2020
			£
	Cash at bank and in hand	270,107	758,416
	Loans falling due after more than one year	(32,787)	2,361
		237,320	760,777
			998,097

