

Charity registration number 1136471

Company registration number 07227205 (England and Wales)

**HOLLAND ROAD BAPTIST CHURCH TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**Caladine**

Chartered Certified Accountants

# HOLLAND ROAD BAPTIST CHURCH TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	D Collins L Lurcock S Lynch A Pop D Treneer S Walker O Wilson
<b>Elders</b>	J Holman M Lovell D Treneer T Vellacott S Whitfield
<b>Charity number</b>	1136471
<b>Company number</b>	07227205
<b>Registered office</b>	65-71 Holland Road Hove East Sussex BN3 1JN
<b>Independent examiner</b>	John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
<b>Bankers</b>	National Westminster Bank Plc 56 Churchill Square Brighton East Sussex BN1 2ES
<b>Solicitors</b>	Mayo Wynne Baxter 20 Gildridge Road Eastbourne East Sussex BN21 4RP

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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 2022**

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The Trustees present their annual report and financial statements for the year ended 31 December 2022.

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**

#### **Senior Pastors Overview**

God has continued to be gracious in bringing renewal and restoration through 2022 following the intensity of the previous years and the impact of Covid.

We started the year with a focus on 'Abiding' in the Lord. It was a year where we particularly encouraged times of refreshing and retreat in the presence of the Lord. Both of the pastors took sabbaticals at different points in the year and our first leaders gathering in 2022 was a retreat day at Centre Church in Burgess Hill. There have been significant pastoral challenges for many in the congregation in different ways. God has continued though to draw people to himself and we have had the joy of seeing people come to faith in Jesus Christ and be baptised. There have been multiple alpha courses and people have continued to return to meeting in person. We have kept live-streaming the services as a significant number of people across the city and the nation and nations are still watching online.

With the war in Ukraine and the cost of living crisis we have seen the church respond in amazing prayer and generosity with two remarkable gift days, one in May focused on the wider world and one in November for our city, the latter of which massively exceeded the target budgeted. In the later part of the year, we have been working on developing a discipleship pathway to help create a more intentional discipleship culture in the church. Our second leaders gathering focused on this.

In all of these joys and challenges, we continue praise God for His faithfulness and unfailing love.

#### **World Mission**

2022 was a more 'normal' year after Covid times, and one where we experienced for the first time the benefits of having both 'in person' and 'online' World Mission events – rather than just one or the other. At our annual World Weeks in May it was great to be joined by Brother Ranjan visiting from Sri Lanka, and the Cutting family over from France, as well as to host an event by Middle East Media. As well as to have multiple Zoom prayer times with partners in Ethiopia and several places in the UK.

Our Gift Day total reached over £42.5K and from there we were able to respond to the deeply saddening situation in Ukraine, making two emergency gifts to Operation Mobilisation working on the ground there. We also continued to support those working amongst the poorest of the poor in Ethiopia and India.

We were able to travel again in 2022 and a small team went on a pastoral visit to our newest overseas partners in Paris. We were also able to resume our partnership mission in the valleys of Wales, encouraging local churches and working with them in their outreach to schools and kids clubs.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### The Practical Team

The team continued to offer love hope and practical assistance to the people in our City. The main priorities in 2022 continued to be:

#### **1) To serve those experiencing or in danger of being homeless**

The Church has continued its Monday Lunch club throughout the year. How this works and impacts our guests can be viewed on the The Practical Team page of the church website

-check out Carols Story <https://www.hrbc.org.uk/practical-team>. This has become a real community hub and an opportunity to add value by signposting guests to other organisations including our own CAP centre. We have also seen guests sign up for Alpha.

The team also has continued providing Starter Home Packs for St Mungos Housing First Clients moving into their new homes. We continue to offer work for volunteers put forward by the agencies and other churches we work with in the City.

We've also been pleased to make our site/spaces available for frontline charities working with the homeless and their key workers. This included the No Second Night Out team for a term.

#### **2) To help address food poverty**

The church continues to be an emergency food (and household items) source. This is a non-referral/in-case-of-need service. We are able to supplement the standard food bank fare with cooked meals made and frozen in batches by a range of volunteer cooks. We have been so thankful to the Brighton Food Partnership who have helped keep our foodbank well stocked.

#### **3) Collaboration**

The Practical Team continues to network with other organisations in the City that try to support those in need and try to share best practices and resources to prevent unnecessary waste and duplication.

The Team continues to be active in the support of Christian Action Brighton <https://www.christianactionbrighton.org.uk/>, which has held 2 events in 2022. We remain, supporters of Street Support, <https://streetsupport.net/brighton-and-hove/>.

For updates on the team, you can check out our Facebook page <https://www.facebook.com/groups/practicalteam>.

### **Communities**

Our communities are a vital place for teaching, pastoral care and discipleship within the church. Through 2022 we saw two new groups start although owing to the natural ebb and flow of church life with people arriving and leaving, our overall numbers engaged stayed largely the same. We continued to invest in our community leaders and our coaches, who oversee the leaders by offering training courses and resources to support them in this vital work.

### **Children's Work Report**

2022 was a busy year for the Children's Ministry, especially given the lack of activity we were able to provide during the pandemic. It was a relief to get back to some sort of 'normal' meeting together again, without Covid restrictions in place.

#### **Sundays**

We have been able to run Children's Activities on Sundays alongside the service and we have averaged 25-30 children coming along in Primary School. We continue to offer the Early Years Room for ages 2-4, and have had about 6-9 children coming along. We also have the Family Room open for those with children under 2 years old to watch the service and have tea and coffee in a more relaxed setting with toys.

#### **Holiday Club**

The first thing we were able to do on a larger scale for primary school children was a Holiday Club in February half term. This was the first in-person Holiday Club we were able to run since 2019. We had a Spy Academy theme and our intern, Robbie, was able to help with this too. We had a strong team with lots of children signed up, and we tried a slightly different format which included longer sessions but less days, so include time for lunch with the children. Unfortunately, there was a red weather warning on the first day of Holiday Club which meant we were unable to run, leaving us with just Saturday and Sunday sessions. About 60 children in total came along and we had a very busy lunch on the Sunday with families, children and team staying to celebrate together.

# **HOLLAND ROAD BAPTIST CHURCH TRUST**

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **The Hub**

We were able to run a few Hub sessions following on from the Holiday Club, and we ran fortnightly due to the provision of team and the amount of work that it takes to plan and organise a weekly session. We had a few children from Holiday Club consistently come along to these sessions which ran on Tuesday afternoons and included a meal. We ran from March – July 2022, with an average of 20 children coming along per week, sometimes nearly 30 children came!

### **Kids' Club Wales**

Amanda led a team of young people from our church to join up with the American team from New Hope Baptist Church to run school assemblies in Welsh schools and also some afterschool clubs in the local churches. It was wonderful to be on mission in this way and to experience running these activities in a different setting.

### **Carroty Wood Residential**

We took away 17 children in Years 5+6 to Carroty Wood for a residential weekend in September 2022. This was a mix of children who regularly come to church and those who are friends of these children, or those who are on the fringe of our church. Our theme was the armour of God and we had teaching sessions to explore these in greater depth, as well as lots of fun activities like swimming, high ropes, games and meals together to enable the children to get to know each other better.

### **Light Party**

We ran a Light Party as an alternative to Halloween on Friday, 28 th October 2022. It was a Glow in the Dark theme with lots of different craft and game options, a disco, a meal together, and a talk about Jesus being the Light. We had about 60 children attend.

### **Kids' Choir Plus**

We ran a few sessions in the run-up to Christmas to allow primary school children the opportunity to learn the song that they would perform at the Candlelight Service. As part of these sessions, we also included either a game, craft or baking activity. We had 15 children come along to these sessions.

### **Christmas Extravaganza**

We put on a family-friendly Christmas event, the first time we have done something like this! It was a chance to invite the community to come and experience Christmas in a more accessible way. We had different craft and game options, a Christmas café, carol singing and we also had a dramatized Nativity in bite-sized chunks that allowed those present to hear the real Christmas story. We estimate that about 120 people attended.

### **Fledglings**

We continued to run our Toddler Group, with Amanda taking over the leadership of it once Becky went on maternity in September 2022. This has proven to be a popular group and has on average 15-20 families attending each week, with some regulars and also some new people each time.

### **Messy Easter and Messy Christmas**

We ran two special events, especially for parents with children under 5, which allowed them to engage with the Easter and Christmas stories in an interactive way. We offer a variety of crafts and activities, a chance to hear the real Easter and Christmas story, and we always provide food at the end. These are very popular and we always have a good amount of people coming along.

### **Youth**

#### **Sundays**

During the first half of the year, we averaged 13 young people on a Sunday. Since September the average rose to 17 per week. We have mostly followed the main church series in youth, but in the Autumn term, we followed the prayer course. There were 6 youth leaders and 4 young leaders helping on a Sunday morning.

#### **HRV**

We had on average 16 young people attending HRV (Holland Road Youth) each week during 2022. Our programme remains varied with most evenings happening in the hall but some evenings doing events out of the church.

In particular, we held a joint youth event with five other churches where we went to a trampolining park and 75 young people came from four other churches as well as our Own.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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Our team is about 6 leaders helping to run HRY during this year and 5 young leaders. Summer Camp This year we were able to attend Satellites, the new youth camp run by Youthscape, in Peterborough. 12 young people and 7 leaders went away together. Some of our tents were damaged by a freak gust of wind carrying a nearby marquee right into the middle of our camp. Fortunately, the church responsible paid the damages. It was great to go away together again and meet with so many other young Christians.

### Older Youth/Encounter

In the first half of the year older youth was meeting at least once a month with between four and eight young people coming. Since September Older Youth hasn't been running but Encounter has run and young people have been involved in the various aspects of it. Youth Band. Towards the middle of 2022 a church member offered to start a youth band. This now meets every other week and contains about 6 young people who have grown in skill and unity as they worship together.

### Mentoring

12 young people were in mentoring relationships with various church members during this year. Mentors meet with a couple of young people every 4-6 weeks to chat, pray and study the Bible together.

### Training

Helen Wheeler attended a national youth training weekend with 1 other youth leader from our church, one church member and one youth leader from another church. I also complete the first year of the CYM Mission and Ministry course and began the second year. I have been working on an additional placement with the local council to gain wider youth experience.

### Wider Youth Events

As well as the trampolining event, Amanda & I have organised a couple of events for youth and children's workers in the city. It has been encouraging to meet and pray together about once a term.

### Thrive ( Internship Programme)

We were grateful to have Robbie as a Thrive intern in the first half of 2022. Due to a lack of applications we did not run this programme starting September 2022 and due to budget constraints we are not able to run this in its current form from September 2023. We hope to explore how we can have a programme that is financially viable and sustainable going forward.

### May Road

We relet the property via Kenndricks for another academic year. We continue the quest to partner with an organisation/council to make the property available as a source of affordable housing via a medium-term lease agreement.

### Financial review

There was a surplus on the unrestricted funds for the year of £46,389 before transfers. This left unrestricted funds of £1,071,146 at the end of the 2022 financial year.

### 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 2022

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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 2022 were as follows:

D Collins  
J Elbourne (Resigned 8 January 2023)  
L Lurcock  
S Lynch  
A Pop  
D Treneer  
S Walker  
O Wilson

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



13 July 2023



# **HOLLAND ROAD BAPTIST CHURCH TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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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 2022.

#### 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.

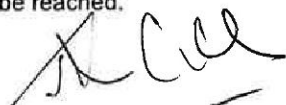
#### Independent examiner's statement

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 July 2023

# HOLLAND ROAD BAPTIST CHURCH TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>							
Donations and legacies	2	459,236	-	459,236	460,333	-	460,333
Charitable activities	3	15,066	-	15,066	13,791	-	13,791
Investments	4	26,218	-	26,218	7,837	-	7,837
<b>Total income</b>		<b>500,520</b>	<b>-</b>	<b>500,520</b>	<b>481,961</b>	<b>-</b>	<b>481,961</b>
<b>Expenditure on:</b>							
Charitable activities	5	482,095	-	482,095	512,024	-	512,024
Net gains/(losses) on investments	10	27,964	-	27,964	-	-	-
<b>Net income/(expenditure) for the year/</b>							
<b>Net movement in funds</b>		<b>46,389</b>	<b>-</b>	<b>46,389</b>	<b>(30,063)</b>	<b>-</b>	<b>(30,063)</b>
Fund balances at 1 January 2022		1,024,757	1,167,535	2,192,292	1,054,820	1,167,535	2,222,355
<b>Fund balances at 31 December 2022</b>		<b>1,071,146</b>	<b>1,167,535</b>	<b>2,238,681</b>	<b>1,024,757</b>	<b>1,167,535</b>	<b>2,192,292</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 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Property, plant and equipment	12	1,201,017		1,201,526	
Investment property	13	450,000		422,036	
		<u>1,651,017</u>		<u>1,623,562</u>	
<b>Current assets</b>					
Trade and other receivables	14	26,835		25,385	
Cash at bank and in hand		599,038		585,703	
		<u>625,873</u>		<u>611,088</u>	
<b>Current liabilities</b>	15	(13,377)		(14,415)	
Net current assets			612,496		596,673
<b>Total assets less current liabilities</b>			2,263,513		2,220,235
<b>Non-current liabilities</b>	16		(24,832)		(27,943)
<b>Net assets</b>			<u>2,238,681</u>		<u>2,192,292</u>
<b>Income funds</b>					
Restricted funds	19	1,167,535		1,167,535	
<u>Unrestricted funds</u>					
Designated funds:					
Designated funds		145,658		147,758	
		<u>145,658</u>		<u>147,758</u>	
General unrestricted funds	20	925,488		876,999	
			<u>1,071,146</u>		<u>1,024,757</u>
			<u>2,238,681</u>		<u>2,192,292</u>

# **HOLLAND ROAD BAPTIST CHURCH TRUST**

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

**AS AT 31 DECEMBER 2022**

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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 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 July 2023

D Treneer  
Trustee



S Walker  
Trustee



Company registration number 07227205

# HOLLAND ROAD BAPTIST CHURCH TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(9,772)		(26,138)
<b>Investing activities</b>					
Purchase of investment property		-		(422,036)	
Investment income received		26,218		7,837	
<b>Net cash generated from/(used in) investing activities</b>			26,218		(414,199)
<b>Financing activities</b>					
Repayment of borrowings		(3,111)		(2,483)	
<b>Net cash used in financing activities</b>			(3,111)		(2,483)
<b>Net increase/(decrease) in cash and cash equivalents</b>			13,335		(442,820)
Cash and cash equivalents at beginning of year			585,703		1,028,523
<b>Cash and cash equivalents at end of year</b>			599,038		585,703

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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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. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Charitable funds

##### Unrestricted Funds

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

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.

##### Funds

##### Unrestricted

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

##### General

##### 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.

#### 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.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies (Continued)

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 the statement of financial activities.

#### 1.7 Investment properties

A freehold investment residential property in May Road, Brighton was purchased in 2021 to earn rental income and/or capital appreciation.

#### 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 2022**

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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 2022

### 2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	459,236	460,250
Legacies receivable	-	83
	<u>459,236</u>	<u>460,333</u>
<b>Donations and gifts</b>		
Donations and gifts	386,506	388,478
Tax refunds	72,730	71,772
	<u>459,236</u>	<u>460,250</u>

### 3 Charitable activities

	2022	2021
	£	£
Lettings income	1,149	1,230
Mission Trips Income	4,917	4,736
Cottage rental income	9,000	7,825
	<u>15,066</u>	<u>13,791</u>
<b>For the year ended 31 December 2021</b>		
Unrestricted funds		<u>13,791</u>

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	24,014	7,623
Interest receivable	2,204	214
	<u>26,218</u>	<u>7,837</u>

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Charitable activities

	2022	2021
	£	£
Salary costs	232,541	215,400
Depreciation	509	1,015
Pastoral expenses	2,837	3,232
Conference and delegate expenses	1,708	1,820
Premises for parking	3,746	125
Outreach	718	3,347
Music and drama	2,053	1,868
Books and purchases	658	793
Catering	1,480	138
Youthwork and other	10,724	8,391
Mission trips and events	2,204	6,448
Training	1,856	1,208
Group ministries	1,349	1,674
Sundries	5,227	7,097
Church equipment repairs and renewals	5,547	8,942
Electricity, Gas and Water	12,215	15,931
Insurance	9,771	8,591
Repairs and Maintenance	22,519	20,040
Small Equipment	1,797	2,936
Licences and Subscriptions	2,269	2,191
Legacy expenditure	800	-
	<u>322,528</u>	<u>311,187</u>
Grant funding of activities (see note 6)	88,062	111,030
Share of support costs (see note 7)	65,505	81,794
Share of governance costs (see note 7)	6,000	8,013
	<u>482,095</u>	<u>512,024</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>482,095</u>	
<b>For the year ended 31 December 2021</b>		
Unrestricted funds		<u>512,024</u>

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Grants payable

	2022 £	2021 £
Grants to institutions:		
Christians Against Poverty	19,781	19,775
General Gifts to organisations	4,000	5,839
Global Partners	14,307	14,708
Missionary Organisations	15,954	13,670
Missionary Partners	7,096	32,037
	<u>61,138</u>	<u>86,029</u>
Grants to individuals	26,924	25,001
	<u>88,062</u>	<u>111,030</u>

### 7 Support and governance costs

	Support costs £	Governance costs £	Total 2022 £	2021 £
Salary costs	47,067	-	47,067	65,653
Telephone	4,142	-	4,142	3,567
Office and Administration	14,296	-	14,296	12,574
Independent Examination	-	780	780	780
Accountancy	-	3,120	3,120	3,120
Legal and professional	-	990	990	2,633
Bank Charges	-	437	437	466
Loan Interest	-	673	673	1,014
	<u>65,505</u>	<u>6,000</u>	<u>71,505</u>	<u>89,807</u>
<u>Analysed between</u>				
Charitable activities	<u>65,505</u>	<u>6,000</u>	<u>71,505</u>	<u>89,807</u>

### 8 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 £38,860 (2021:£29,600).

See also Note 23.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 9 Employees

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

	2022 Number	2021 Number
Direct church activities	9	8
Support	2	3
Thrivers	1	2
Total	12	13

Employment costs	2022 £	2021 £
Wages and salaries	240,648	244,450
Social security costs	15,273	14,265
Other pension costs	23,687	22,338
	279,608	281,053

#### 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 more than £60,000.

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

	Unrestricted funds	Total
	2022 £	2021 £
Revaluation of investment properties	27,964	-

### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Property and equipment

	Land and buildings £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2022	1,200,000	52,544	1,252,544
At 31 December 2022	1,200,000	52,544	1,252,544
<b>Depreciation and impairment</b>			
At 1 January 2022	-	51,018	51,018
Depreciation charged in the year	-	509	509
At 31 December 2022	-	51,527	51,527
<b>Carrying amount</b>			
At 31 December 2022	1,200,000	1,017	1,201,017
At 31 December 2021	1,200,000	1,526	1,201,526

### 13 Investment property

	2022 £
<b>Fair value</b>	
At 1 January 2022	422,036
Net gains or losses through fair value adjustments	27,964
At 31 December 2022	450,000

Investment property comprises of the May Road property, Brighton, East Sussex. It was revalued by Kendrick Property Services in March 2023.

### 14 Trade and other receivables

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other receivables	23,457	22,065
Prepayments	3,378	3,320
	26,835	25,385

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 15 Current liabilities

	2022 £	2021 £
Other taxation and social security	4,334	-
Baptist Union Corporation Ltd (Loan)	3,709	3,496
Other payables	1,434	7,019
Accruals	3,900	3,900
	<u>13,377</u>	<u>14,415</u>

### 16 Non-current liabilities

	2022 £	2021 £
Baptist Union Corporation Ltd	<u>24,832</u>	<u>27,943</u>

### 17 Borrowings (see note 21)

	2022 £	2021 £
Payable within one year (see note 14)	3,709	3,496
Payable after one year (see note 15)	<u>24,832</u>	<u>27,943</u>
	<u>28,541</u>	<u>31,439</u>

### 18 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 2022: £19,607, (2021:£17,359).

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19 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 2021	Movement in funds Incoming resources	Balance at 1 January 2022	Movement in funds Incoming resources	Balance at 31 December 2022
	£	£	£	£	£
Property	1,167,535	-	1,167,535	-	1,167,535

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.

#### 20 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:

	Balance at 1 January 2021	Movement in funds Incoming resources	Resources expended	Balance at 1 January 2022	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£
Legacies General	36,526	83	-	36,609	-	36,609
Reserve fund	85,000	-	-	85,000	-	85,000
Legacies World Mission	31,549	-	(5,400)	26,149	(2,100)	24,049
	153,075	83	(5,400)	147,758	(2,100)	145,658

#### 21 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total Unrestricted funds 2022	Restricted funds 2021	Total
	£	£	£	£	£
Fund balances are represented by:					
Property, plant and equipment	1,201,017	-	1,201,017	33,991	1,201,526
Investment properties	(717,535)	1,167,535	450,000	422,036	422,036
Current assets/(liabilities)	612,496	-	612,496	596,673	596,673
Long term liabilities	(24,832)	-	(24,832)	(27,943)	(27,943)
	1,071,146	1,167,535	2,238,681	1,024,757	2,192,292



# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **22 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.

### **23 Operating lease commitments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	3,892	3,892
Between two and five years	5,838	9,730
	<u>9,730</u>	<u>13,622</u>

# HOLLAND ROAD BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 24 Related party transactions

#### Remuneration of key management personnel

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

	2022 £	2021 £
Aggregate compensation	141,133	130,829

#### 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.

	2022 £	2021 £
<b>Salaries</b>		
D Treneer	42,048	38,646
S Walker	33,216	32,244
<b>Employers NIC</b>		
D Treneer	4,796	4,107
S Walker	3,513	3,231
<b>Pension contributions</b>		
D Treneer	4,205	2,858
S Walker	3,322	3,224

The sum of £19,811 (2021:£19,775) was transferred to the Brighton Light Trust (registered charity No.1154869) who have common trustees to the Church and the sum of £5,176 (2021:£5,476) 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 2022

25	Cash generated from operations	2022	2021	
		£	£	
	Surplus/(deficit) for the year	46,389	(30,063)	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(26,218)	(7,837)	
	Fair value gains and losses on investment properties	(27,964)	-	
	Depreciation and impairment of property, plant and equipment	509	1,015	
	Movements in working capital:			
	(Increase)/decrease in trade and other receivables	(1,450)	4,767	
	(Decrease)/increase in trade and other payables	(1,038)	5,980	
	Cash absorbed by operations	(9,772)	(26,138)	
	26	Analysis of changes in net funds		
		At 1 January 2022	Cash flows	At 31 December 2022
		£	£	£
Cash at bank and in hand		585,703	13,335	599,038
Loans falling due after more than one year		(27,943)	3,111	(24,832)
	557,760	16,446	574,206	