

Charity number: 1136980
Registered number: 7211801

TONBRIDGE BAPTIST CHURCH

**TRUSTEES REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees, and advisers	1
Trustees' report	2 - 8
Independent examiners' report	9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES
AND ADVISERS**
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

C. Farrar (resigned 16 October 2022)
P. Gonsalves (appointed 20 June 2021)
J.M. Marsh
A.J. Martin
P.J. Martin, Chairman (resigned 30 June 2021)
A.G. Matheson, Chairman
L.J. Miller

Company secretary

A.J. Martin (appointed 1 July 2021)
P.J. Martin (resigned 20 July 2021)

Company registered number

7211801

Charity registered number

1136980

Registered office

Darenth Avenue, Tonbridge, Kent, TN10 3HZ

Senior management team

Rev. N. Durling, Lead Minister
Rev. D. Hitchcock, Operations Minister
R.A. Blundell, Treasurer

Independent Examiner

Tina Clay FCA, Foot Davson Ltd, 17 Church Road, Tunbridge Wells, Kent, TN1 1LG

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued) ***FOR THE YEAR ENDED 31 DECEMBER 2021***

The Trustees present their annual report together with the financial statements of Tonbridge Baptist Church for the 1 January 2021 to 31 December 2021.

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Public Benefit

The Church provides public benefit to its members, regular attendees, and the wider community. This is achieved, in addition to Sunday services, through programmes of activities catering for children (including community holiday club), youth (including one of the biggest Girls and Boys Brigades in the country), young adults (including mentoring relationships), men and women (including a twice weekly drop-in centre); Sustain (a food and fuel voucher bank incorporating fresh food distribution in partnership with local supermarkets and second hand clothes exchange), and senior citizens (including day care centre). The Church gives a proportion of its income to support other likeminded charitable concerns in the UK and overseas. In addition, the Church operates in conjunction with Crosslight providing debt advisory services, and with Tonbridge Counselling Service providing therapeutic counselling.

Objectives and Activities

a. Policies and objectives

The high-level policy objective of the Church (its "Mission, ethos and values") is consistent with the Objects contained in the Articles. The policy objective is documented in the Trustees' Policy Manual. (See "Constitution", below).

b. Strategies for achieving objectives

The process for establishing and reviewing the mission, ethos and values of the Church involves the Lead Minister and Leadership Team as visionaries, the Church Members as stakeholders, and Trustees as stewards of Church resources in a governance capacity as the charity's trustees in law. The Trustees' role is to safeguard the mission, ethos and values agreed by Church Members, and hold the Leadership Team accountable for their delivery. Over time, the mission, ethos, and values are expected to develop in line with the Church's vision.

The Lead Minister and Leadership Team are encouraged to pursue the mission, ethos, and values by any means, provided they remain within the policies and limitations set and monitored by the Trustees.

c. Activities for achieving objectives

Our mission is to see lives being transformed:

We believe positive transformation comes from the infinite love of God, seen in the uniqueness of Jesus and experienced through the power of the Holy Spirit

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued) *FOR THE YEAR ENDED 31 DECEMBER 2021*

Therefore, our vision of church is a family with:

- Everyone **welcome** just as they are
- Everyone **involved** in the transformation of themselves and each other
- Everyone **celebrating** the presence of God in the everyday

This vision to be delivered adhering to the following values:

- **Generosity** - Always leaning towards our TN10 community and beyond as we offer Jesus with no strings attached
- **Expectancy** - Of God working in ways beyond our understanding
- **Empowering** - Investing in partnerships as we serve and learn from our TN10 community and beyond

d. Grant making policies

Although the Church is not a grant making body as such, it provides through its general funds for gifts to support a variety of Christian missionary organisations and individuals with which the Church is involved, and through which the Church meets its objectives. In addition, the Church supports local community organisations and activities through financial gifts and use of premises. From time to time, appeals are made to offer financial assistance in response to natural disasters and other special needs. In addition, an annual Gift Day provides an opportunity for many local, national, and international charities to be supported at the discretion of the TBC's small groups. This in line with TBC's value of 'generosity' as noted above.

e. Volunteers

The Church maintains a small paid staff (both full and part time) comprising of ministers, team leaders which together form the Weekly Management Team all of whom are supported by the support services team of administrators and the premises team. However, volunteers undertake the vast majority of activity. This includes the Trustees, Elected Elders, and ministry leaders. TBC ministries include, but are not limited to, children and youth work, community and family support, finance and administration, pastoral care and small groups, music, worship and technical support, premises, evangelism, prayer, mission support, and much more.

Achievements and performance

a. Key financial performance indicators

The Church produces a detailed budget of cash income and expenditure each year which is built up from objects serving plans of teams and departments, and projections of expected income growth, and which is voted on by Church Members as stakeholders and primary income givers. Both cash income and cash expenditure are monitored and reported on to the Leadership Team and Trustees on a quarterly basis. Since the majority of the Church's income is provided by voluntary giving, and the Church has no endowment funds on which to draw, the key financial performance indicator is that the Church is living within its financial resources. This means that forecast accumulated cash expenditure for the year is covered by forecast accumulated cash income for the year plus available unrestricted reserves.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

b. Review of activities

The year continued as 2020 had ended, with significant restrictions in place due to the Covid-19 pandemic. Periods of lockdown were followed by a gradual easing of restrictions, with a final short lock down curtailing Christmas celebrations once again. The Church's activities in the year reflected this; all staff eventually returned from furlough mid-year; services re-commenced with appropriate social distancing and mid-week and evening activities restarted.

The food bank, and from late 2021, the "fuel bank" was very busy, serving up to 120 families per week.

The Church actively seeks to be responsive to the needs of the local community evidenced in many of the regular activities such as Open House, food bank and the Derwent Day Centre. Bespoke services to those in particular need remain at the centre of Church life: local families benefitting from 'contact' visits, the provision of financial advice sessions via Crosslight (a specialist debt counselling agency) and attendees at addiction help meetings via Recovery Two (a specialist charity). As noted, food features throughout the Church programme both internally in terms of hospitality but also beyond the Church walls in the distribution of food parcels as well as Christmas hampers.

Young people continue to play a key part in the life of the Church. The youth programme remains a useful vehicle for the physical, mental, emotional, and spiritual development of young people.

Within the confines of UK Covid restrictions, the Church continued to work in close partnership with Crosslight whose activities contribute to the Church meeting its objects. This partnership sits alongside others including Tonbridge Counselling Service (TCS) and other local Churches, voluntary and statutory bodies working in TN10 and the wider town community.

The Church's partnerships were and are not limited to the UK but extend around the globe expressed in tangible support for 7 likeminded agencies serving communities in Europe, Africa, and Asia.

c. Fundraising activities/income generation

The Church's income is provided by voluntary giving of its members and others in the congregation. The Derwent Day Centre receives an annual support through commissioning via a managing agent on behalf of Kent County Council.

Crosslight and Tonbridge Counselling Service use the Church's premises but are constitutionally and financially independent.

d. Investment policy and performance

The Church does not hold any long-term investments. Cash reserves are held in interest-bearing deposit accounts.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued) **FOR THE YEAR ENDED 31 DECEMBER 2021**

b. Reserves policy

The Church maintains a reserves policy which is included in the finance policy manual. The current policy is to maintain cash reserves equal to three months committed expenditure. Trustees review the reserves policy on an annual basis. At 31st December 2021, balances held in interest earning deposit accounts for unrestricted funds totalled £181,000 (2020: £235,000) which exceeds the reserve policy.

c. Financial activity for the year

2021 has been another extraordinary year, with the Church been closed either fully or partially for 9 months. Whilst core premises, mission and salary costs continued, activity costs were much lower.

Regular monthly giving held up despite being closed, however less was received from Sunday offerings and use of premises by third parties.

During the year, the Church received £579,000 (2020: £652,000) in general giving, gift aid, JRS grants and contributions for use of premises and spent £539,000 (2020: £560,000) on its general activities.

Due to the significant period of time the Church was closed, many of the staff team were furloughed. The Church was in receipt of JRS Grants totalling £25,000 (2020: £72,000) for those furloughed positions. As of September 2021, almost all staff were back for their full hours.

Expenditure of £109,000 (2020: £100,000) on fixed assets was transferred to the designated fixed asset reserve. Significant expenditure totalling £86,000 was incurred on improvements to the flat roofs. In 2020 a significant proportion of the capital costs were funded from specific fundraising and gifts in that year.

The main reason for the unrestricted funds deficit is the depreciation of the major improvements to the buildings undertaken in 2000/01, written off over 25 years.

d. Material investments policy

The Church does not hold long-term investments.

Structure, governance, and management

a. Constitution

The Church is legally constituted as a charitable company limited by guarantee, number 07211801, and was set up by a Memorandum and Articles of Association on 1st April 2010. The Articles were amended on 14 January 2019.

The charity is a registered charity number 1136980.

Under powers in the Articles of Association, the Trustees:

- in conjunction with Church Members, maintain Church Rules which provide a Constitution for Church Members' proceedings to include Church affiliations, Church Membership, Leadership, and Church Members' meetings; and
- maintain a Trustee Policy Manual which sets out written policies by which the Trustees exercise their governance duties in accordance with charity law.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued) *FOR THE YEAR ENDED 31 DECEMBER 2021*

The principal object of the charity is the advancement of the Christian faith.

The management of the charity is the responsibility of the Trustees who are elected under the terms of the Articles of Association. The organisational structure and decision-making process is described below.

b. Method of appointment or election of Trustees

Under the Church Rules, Trustees are nominated by Church Members and appointed following a resolution at a Special Church Members meeting. Trustees are appointed as Charity Trustees under charity law, and to represent Church Members as stewards in a governance capacity. Trustees also serve as members and directors of the company limited by guarantee for the purposes of the Companies Act.

c. Policies adopted for the induction and training of Trustees

Trustee policies include maintaining a system of induction for new Trustees and ensuring that they are adequately trained and have access to professional advice. To this end, following appointment, Trustees undergo a process of induction training covering the principles underlying the constitution, the requirements of charity law, the role of Trustees and their mode of operation.

Trustee policies also include seeking ongoing education on governance matters, challenging Trustees' own performance through processes that include self-assessment and seeking feedback from others, inducting new Trustees and debriefing retiring Trustees on the completion of their term of service.

d. Pay policy for senior staff

All staff work under a written contract of employment. The Church operates a policy whereby staff set objectives and are appraised on an annual cycle. The Lead Minister is appraised by the Trustees. The results of this appraisal feed into the annual review of salaries which is included in the annual budget. The Church does not discriminate on grounds of sex or physical disability and aims to pay at a market rate for its size and geographical location.

e. Organisational structure and decision making

Under the Church's congregational approach, Church Members retain ultimate authority under God in matters of church life. They express this by nominating and appointing Trustees to act as stewards on their behalf and voting on the Lead Minister and Leadership Team appointments.

Trustees act as a governance group which does not 'do' but sees that 'things are done.' They exercise their governance function through the application of written policies contained in a Trustee Policy Manual which includes: the Trustees' own process by which they are equipped and conduct their business; the working relationship between the Trustees and the Lead Minister as leader of the Leadership Team; the 'mission, ethos and values' of the Church which the Trustees safeguard on behalf of Church Members, and which the Lead Minister is charged with pursuing; and the limitations imposed on the Lead Minister by the Trustees as Charity Trustees as he or she pursues that mission. Trustees also encourage and provide personal support to the Lead Minister.

The Lead Minister is spiritual leader and chief executive. The Lead Minister is empowered to lead the Church in its mission through his role as leader of the Leadership Team. The Lead Minister is accountable to Church Members through the Trustees as a body.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued) ***FOR THE YEAR ENDED 31 DECEMBER 2021***

The Leadership Team comprises the Lead Minister as team leader, the Operations minister who oversees day to day operations, and Elected Elders. The Leadership Team are the spiritual leadership of the Church. They are empowered to appoint Team Leaders to lead the Church's ministries. The Leadership Team are accountable to the Lead Minister.

f. Related party relationships

The Church is affiliated to the Baptist Union of Great Britain and is a member of the South Eastern Baptist Association and the Evangelical Alliance. However, neither affiliation nor membership of these bodies represent any constitutional relationship.

The Baptist Union Corporation Limited is custodian Trustee of the land and premises at Darenth Avenue, Tonbridge. The Church has the benefit of using the property and replacing and enhancing parts of it.

In compliance with the Articles, Trustees maintain a Register of Trustee interests, and declare their interest in any business. Trustee policy includes a requirement for Trustees to be independent of any relationship that would pose a conflict of interest. To that end, a Trustee may not also be the Lead Minister, member of the Leadership Team or member of staff.

g. Risk management

The Operations Minister manages the process of identifying and reviewing the major risks to which the Church is exposed and establishing systems and procedures to manage those risks. To that end, detailed Policy manuals are maintained for finance, human resources, safeguarding, vulnerable adults, data protection and health and safety. The Trustees review the manuals and monitor compliance at least on an annual basis.

Future developments

Since the year end Covid-19 has ceased to be an immediate threat to the day to day running of the church. Numbers in church services and in mid-week activities are increasing towards pre-pandemic levels.

A significant review of the 2022 budget and beyond led to a redundancy process at the start of 2022. Three members of staff were, sadly, made redundant. As a result, the outcome for 2022 is likely to be a lower deficit than forecast, and the budget for 2023 is balanced.

The war in Ukraine, and the resultant cost of living crisis will see pressure on costs and on levels of giving, and this is being closely monitored. There has been an up-surge in the use of the food and fuel bank, and this is expected to continue through into 2023.

Trustees' responsibilities statement

The Trustees (who are also directors of Tonbridge Baptist Church for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the income and expenditure, for that period.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

TRUSTEES' REPORT (continued) ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This report was approved by the Trustees and signed on their behalf by:



Andrew Martin - Trustee

Date: 30/11/2022

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF TONBRIDGE BAPTIST CHURCH

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021, which are set out on pages 10 to 22.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company 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 your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company'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 Institute of Chartered Accountants in England and Wales, 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 Company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts 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 accounts 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 accounts to be reached.

Signed:

Tina Clay

Name:

TINA CLAY

Qualification:

F.C.A.

Address:

FOOT DAVEN LTD, 17 CHURCH ROAD, TONBRIDGE WELLS, TN11 1LQ.

Date:

1/12/2022

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	587,880	134,595	722,475	831,747
Charitable activities	3	-	51,326	51,326	83,412
Investments	4	32	-	32	235
Total income		<u>587,912</u>	<u>185,921</u>	<u>773,833</u>	<u>915,394</u>
Expenditure on:					
Charitable activities	6	<u>(646,490)</u>	<u>(171,236)</u>	<u>(817,726)</u>	<u>(953,683)</u>
Total expenditure		(646,490)	(171,236)	(817,726)	(953,683)
Net gains/(losses) on investments		-	-	-	-
Net income/(expenditure) before transfers		(58,578)	14,685	(43,893)	(38,289)
Transfer between funds		8,582	(8,582)	-	-
Net income/(expenditure)		(49,996)	6,103	(43,893)	(38,289)
Reconciliation of funds:					
Total funds brought forward		768,421	378,369	1,146,790	1,185,079
Total funds carried forward		<u>718,425</u>	<u>384,472</u>	<u>1,102,897</u>	<u>1,146,790</u>

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

The notes on pages 13 to 22 form part of these financial statements

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

BALANCE SHEET AS AT 31 DECEMBER 2021

COMPANY NUMBER 7211801

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	10	537,857		533,369	
Investment property	11	<u>225,000</u>		<u>225,000</u>	
Total tangible assets			762,857		758,369
Current assets					
Debtors	12	23,604		33,800	
Cash at bank and in hand		<u>329,984</u>		<u>375,241</u>	
		353,588		409,041	
Creditors: amounts falling due within one year	13	<u>(13,548)</u>		<u>(20,620)</u>	
Net current assets			<u>340,040</u>		<u>388,421</u>
Net assets			<u>1,102,897</u>		<u>1,146,790</u>
Charity Funds					
Restricted funds	14		384,472		378,369
Unrestricted funds	14		<u>718,425</u>		<u>768,421</u>
Total funds			<u>1,102,897</u>		<u>1,146,790</u>

The directors are satisfied that the charitable company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit in accordance with section 476 of the Act. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard 102.

The financial statements were approved by the Trustees on 30/11/2022 and signed on their behalf, by:



Andrew Martin - Trustee

The notes on pages 13 to 22 form part of these financial statements.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash (used in)/provided by operating activities	15	<u>63,252</u>	<u>204,855</u>
Cash flows from investing activities			
Interest income		32	234
Purchase of tangible fixed assets		<u>(108,541)</u>	<u>(100,205)</u>
Cash used in investing activities		<u>(108,509)</u>	<u>(99,971)</u>
Increase/(decrease) in cash and cash equivalents		(45,257)	104,884
Cash and cash equivalents at the beginning of the year		<u>375,241</u>	<u>270,357</u>
Cash and cash equivalents at the end of the year	16	<u><u>329,984</u></u>	<u><u>375,241</u></u>

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The financial statements are presented in sterling, the functional currency, rounded to the nearest £1.

Tonbridge Baptist Church meets the definition of a public benefit entity under FRS 102. The financial statements are prepared on a going concern basis, assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Company status

Tonbridge Baptist Church is a charitable company registered in England and Wales and limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Church being wound up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given on page 1.

The nature of the charity's operations and principal activities are detailed in the trustees' report.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are held separately from unrestricted and are to only be applied for the purpose of the original gift received, for example a disaster appeal.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified, and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold Property	-	4% straight line
Equipment	-	15% straight line
Furniture, fixtures & fittings	-	7.5% 10% straight line
Computer equipment	-	33.33% straight line
Musical instruments	-	7.5% straight line
Motor vehicles	-	20% straight line

Any gain or loss on disposal of a fixed asset is recognised in the Statement of Financial Activity in the year of disposal.

1.7 Investment properties

Investment property is carried at fair value determined annually by the trustees derived from current market value for the type, location, and condition of the property. No depreciation is provided. Changes in fair value are recognised in the Statement of financial Activity.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1.8 Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 except for bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	506,944	111,142	618,086
Residentials, subs, events, and other income	55,922	23,453	79,375
Covid 19 – CJRS grants	25,014	-	25,014
	<hr/>	<hr/>	<hr/>
Total donations and legacies	<u>587,880</u>	<u>134,595</u>	<u>722,475</u>

In 2020, of the total income from donations and legacies, £667,274 was to unrestricted funds and £164,473 was to restricted funds.

3. Income from charitable activities

In 2021, grants were received totalling £51,326 (2020: £83,412) – restricted and £nil (2020: £nil) unrestricted.

4. Investment income

In 2021, of the total investment income, interest of £32 (2020: £207) was to unrestricted funds and £nil (2020: £28) was to restricted funds.

There was an increase in the church's interest in the Manse of £nil (2020: £nil).

5. Expenditure

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Direct costs	380,579	171,236	551,815
Support costs	262,951	-	262,951
Governance costs	2,960	-	2,960
	<hr/>	<hr/>	<hr/>
Total expenditure	<u>646,490</u>	<u>171,236</u>	<u>817,726</u>

In 2020, of total expenditure, £818,090 was from unrestricted funds and £135,593 from restricted funds.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Direct costs

	Christian ministry £	Gifts to others £	Total 2021 £	Total 2020 £
Christian ministry	103,011	134,215	237,226	389,418
Wages and salaries	278,255	-	278,255	268,495
National insurance	19,558	-	19,558	18,153
Pension cost	16,775	-	16,775	15,102
At 31 December 2021	<u>417,600</u>	<u>134,215</u>	<u>551,815</u>	<u>691,168</u>

In 2020, the charity incurred the following Direct costs:

£384,538 in respect of Christian ministry

£306,630 in respect of Gifts to others

7. Support costs

	Christian ministry £	Total 2021 £	Total 2020 £
Christian ministry	57,200	57,200	72,397
Wages and salaries	93,704	93,704	93,290
National insurance	5,826	5,826	5,653
Pension cost	2,168	2,168	2,122
Depreciation and asset written off	104,053	104,053	86,653
At 31 December 2021	<u>262,951</u>	<u>262,951</u>	<u>260,115</u>

Support costs – continued

During the year ended 31 December 2021, the charity incurred the following Governance costs:

£2,960 (2020 £2,400) in respect of Christian ministry.

£NIL (2020 £NIL) in respect of Gifts to others.

In 2020, the charity incurred the following Support costs:

£260,115 in respect of Christian ministry

£NIL in respect of Gifts to others

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Net incoming resources / (resources expended)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	97,975	86,653
Pension costs	<u>18,943</u>	<u>17,224</u>

During the current and prior year, no Trustees received any remuneration, benefits in kind or reimbursement of expenses.

9. Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	371,959	361,785
Social security costs	25,384	23,806
Other pension costs	18,943	17,224
	<u>416,287</u>	<u>402,815</u>

The average number of persons employed by the charity during the year was as follows:

	2021 No.	2020 No.
Ministers and frontline staff	14	11
Support staff	<u>6</u>	<u>6</u>
	<u>20</u>	<u>17</u>

No employee received remuneration amounting to more than £60,000 in either year.
No trustees received any expenses in the current or prior year.

Total key management remuneration totalled £91,511 (2020: £91,511)

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Tangible fixed assets

	Freehold property £	Plant & machinery £	Equipment & vehicles £	Total £
Cost				
At 1 January 2021	1,548,800	169,929	179,779	1,898,508
Additions	86,410	19,856	2,275	108,541
Disposals	<u>(6,906)</u>	<u>-</u>	<u>(4,527)</u>	<u>(11,433)</u>
At 31 December 2021	<u>1,628,304</u>	<u>189,785</u>	<u>177,527</u>	<u>1,995,616</u>
Depreciation				
At 1 January 2021	1,157,908	118,299	88,932	1,365,139
Charge for the year	65,132	12,863	19,980	97,975
On disposals	<u>(828)</u>	<u>-</u>	<u>(4,527)</u>	<u>(5,355)</u>
At 31 December 2021	<u>1,222,212</u>	<u>131,162</u>	<u>104,385</u>	<u>1,457,759</u>
Net book value				
At 31 December 2021	<u>406,092</u>	<u>58,623</u>	<u>73,142</u>	<u>537,857</u>
At 31 December 2020	<u>390,892</u>	<u>51,630</u>	<u>90,847</u>	<u>533,369</u>

The property is held in Trust with the Baptist Union Corporation Limited.

11. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	225,000
Revaluation	-
Disposal	<u>-</u>
At 31 December 2021	<u>225,000</u>

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Debtors

	2021	2020
	£	£
Other debtors	6,721	14,753
Prepayments and accrued income	16,883	19,047
	<u>23,604</u>	<u>33,800</u>

13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	6,078	6,726
Other creditors	-	4,050
Accruals and deferred income	7,470	9,844
	<u>13,548</u>	<u>20,620</u>

14. Statement of funds

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Designated funds					
Designated Funds all funds	645,346	8,308	(107,263)	103,350	649,741
General funds					
General Fund	123,075	579,604	(539,227)	(94,768)	68,684
Total Unrestricted funds	<u>768,421</u>	<u>587,912</u>	<u>(646,490)</u>	<u>8,582</u>	<u>718,425</u>
Restricted funds					
Restricted Funds all funds	378,369	185,921	(171,236)	(8,582)	384,472
Total of funds	<u>1,146,790</u>	<u>773,833</u>	<u>(817,726)</u>	<u>-</u>	<u>1,102,897</u>

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(43,893)	(38,289)
Adjustment for:		
Depreciation charges	97,975	86,653
Dividends, interest, and rents from investments	(32)	(234)
Disposal of tangible fixed assets	6,078	-
Decrease in debtors	10,196	5,585
Decrease in creditors	(7,072)	(3,860)
Non-cash gift to Tonbridge Counselling Service	-	155,000
Net cash provided by operating activities	<u>63,252</u>	<u>204,855</u>

16. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>329,984</u>	<u>375,241</u>

17. Pension commitments

The Church contributes to the pension scheme operated by the Baptist Union for its Ministers. The Church has accounted for this as a defined contribution scheme. The Baptist Union operates as sponsoring employer for the scheme. The assets of the scheme are held separately from those of the Church in an independently administered fund.

In addition, the Church contributes to pension schemes of other staff members.

The pension cost charge represents contributions payable by the Church and amounted to £18,943 (2020 £17,224).

Over the years, several TBC ministers have been members of the Baptist Union Ministers' Pension Scheme. At the present time, one serving minister is a member of the scheme in respect of which the church makes pension contributions. In recent years, the BU Pension Trustee has increased the level of contribution to include an element to meet the pension scheme deficit in respect of past service of current and retired Ministers.

In 2021, The BU approved a "Family solution" whereby it has contributed £33m to the pension scheme. This has reduced the overall obligation for employer churches, including TBC and has shortened the period over which additional contributions have to be paid from 2039 back to 2029.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Pension commitments – continued

A subsequent valuation of the fund in 2022 saw the deficit fall to £nil and therefore no potential liability for the Church. The additional monthly contribution is now £1.

18. Operating lease commitments

At 31 December 2021, the total of the charity's future minimum lease payments under noncancellable operating leases was:

	2021	2020
	£	£
Amounts payable:		
Less than 1 year	<u> -</u>	<u> -</u>

In addition to the above, the Church leases the ministers' premises at around market rent. The total annual cost was £11,000 (2020 £11,000). The leases are cancellable on cessation of their employment.

19. Related party transactions

There were no related party transactions in 2021.

In 2020, the property, Gilbert House, was gifted to Tonbridge Counselling Service, a charity with connections to TBC. The brought forward deferred rental income was also released as part of the agreed transfer, meaning the total net value of the gift was £155,000.

20. Controlling party

The Church is controlled by the Trustees as directed by the Church members.