

Charity number: 1136980
Registered number: 7211801

TONBRIDGE BAPTIST CHURCH

**TRUSTEES REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2022**

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES
AND ADVISERS**
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

R.J. Barr (appointed 21 May 2023)
C. Farrar (resigned 16 October 2022)
P. Gonsalves
J.M. Marsh
A.J. Martin
A.G. Matheson, Chairman
L.J. Miller

Company secretary

A.J. Martin

Company registered number

7211801

Charity registered number

1136980

Registered office

Darenth Avenue, Tonbridge, Kent, TN10 3HZ

Lead Minister

Rev. N. Durling

Treasurer

R.A. Blundell

Independent Examiner

J.P. van der Merwe ACA, Foot Davson Ltd, Lonsdale Gate, Lonsdale Gardens, Tunbridge Wells, Kent, TN1 1NU

TONBRIDGE BAPTIST CHURCH

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the financial statements of Tonbridge Baptist Church for the 1 January 2022 to 31 December 2022.

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 Strategic 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 Strategic 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 Strategic 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.

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FOR THE YEAR ENDED 31 DECEMBER 2022

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 Strategic Leadership 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 Strategic 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.

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FOR THE YEAR ENDED 31 DECEMBER 2022

b. Review of activities

This has been the first full year of activities without any Covid restrictions, since 2019. The first few months were characterised by a slow return to normalised activities in all areas of ministry.

The Sustain food and fuel banks have been very busy, serving up to 120 families per week. The cost-of-living crisis has seen an increase in demand as well as increased financial support.

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 and fuel banks 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.

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. The food and fuel banks receive a combination of grants and donations.

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, balances held in interest earning deposit accounts for unrestricted funds totalled £145,000 (2021: £171,000) which exceeds the reserve policy.

c. Financial activity for the year

A full year of activity, sadly commenced with a round of redundancies. There was a recognition that in the medium term there was a need to operate within a balanced budget for the unrestricted general fund. With expected income remaining at similar levels and expected increased costs, there was no option but to restructure the team and reduce the overall staff cost of the church.

During the year, the Church received £535,000 (2021: £579,000) in general giving, gift aid, JRS grants and contributions for use of premises and spent £544,000 (2021: £539,000) on its general activities.

Expenditure of £16,000 (2021: £109,000) on fixed assets was transferred to the designated fixed asset reserve.

The cost-of-living crisis has seen a large increase in the use of the food and fuel banks. TBC has received significant grants and restricted gifts in the support of the work in this area. The impact of this has been the change in the proportion of income and expenditure between unrestricted and restricted, with more received as restricted income.

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 2020.

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, Elders, Strategic Leadership Team, 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.

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

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FOR THE YEAR ENDED 31 DECEMBER 2022

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, Eldership and Strategic 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 Strategic 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 Strategic Leadership Team. The Lead Minister is accountable to Church Members through the Trustees as a body.

The Strategic Leadership Team comprises the Lead Minister as team leader, and the heads Youth & Children, Community and Everyday Discipleship teams. The Elected Elders are the spiritual leadership of the Church. The Strategic Leadership Team and Elders are accountable to the Lead Minister.

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FOR THE YEAR ENDED 31 DECEMBER 2022

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 Strategic Leadership Team, Eldership or member of staff.

g. Risk management

The Lead Minister is responsible for 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

At the Church meeting on 12 March 2023, the members voted to appoint a new Treasurer, Gareth Allen.

The Church's year end will be changed to 31 August 2023 to better reflect the cycle of activity of the church.

The war in Ukraine, and the resultant cost of living crisis will continue to see pressure on costs and on levels of giving, and this is being closely monitored. The high level of use of the food and fuel bank is expected to continue through into 2023 and beyond.

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.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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: 02/09/2023

TONBRIDGE BAPTIST CHURCH

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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 2022, 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: 

Name: **J.P. van der Merwe**

Qualification: **ACA**

Address: **Lonsdale Gate, Lonsdale Gardens, Tunbridge Wells, Kent TN1 1NU**

Date: **4 September 2023**

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	2	545,382	239,687	785,069	722,475
Charitable activities	3	-	147,973	147,973	51,326
Investments	4	640	84	724	32
Total income		<u>546,022</u>	<u>387,744</u>	<u>933,766</u>	<u>773,833</u>
Expenditure on:					
Charitable activities	6	<u>(654,235)</u>	<u>(326,220)</u>	<u>(980,455)</u>	<u>(817,726)</u>
Total expenditure		<u>(654,235)</u>	<u>(326,220)</u>	<u>(980,455)</u>	<u>(817,726)</u>
Net gains/(losses) on investments	4	-	34,000	34,000	-
Net income/(expenditure) before transfers		<u>(108,213)</u>	<u>95,524</u>	<u>(12,689)</u>	<u>(43,893)</u>
Transfer between funds		-	-	-	-
Net income/(expenditure)		<u>(108,213)</u>	<u>95,524</u>	<u>(12,689)</u>	<u>(43,893)</u>
Reconciliation of funds:					
Total funds brought forward		718,425	384,472	1,102,897	1,146,790
Total funds carried forward		<u>610,212</u>	<u>479,996</u>	<u>1,090,208</u>	<u>1,102,897</u>

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

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BALANCE SHEET AS AT 31 DECEMBER 2022

COMPANY NUMBER 7211801

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	10	456,980		537,857	
Investment property	11	259,000		225,000	
Total tangible assets			715,980		762,857
Current assets					
Debtors	12	21,897		23,604	
Cash at bank and in hand		366,247		329,984	
		388,144		353,588	
Creditors: amounts falling due within one year	13	(13,916)		(13,548)	
Net current assets			374,228		340,040
Net assets			1,090,208		1,102,897
Charity Funds					
Restricted funds	14		479,996		384,472
Unrestricted funds	14		610,212		718,425
Total funds			1,090,208		1,102,897

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 02/09/2023 and signed on their behalf, by:



Andrew Martin - Trustee

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

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STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash (used in)/provided by operating activities	15	<u>51,734</u>	<u>63,252</u>
Cash flows from investing activities			
Interest income		724	32
Purchase of tangible fixed assets		<u>(16,195)</u>	<u>(108,541)</u>
Cash used in investing activities		<u>(15,471)</u>	<u>(108,509)</u>
Increase/(decrease) in cash and cash equivalents		36,263	(45,257)
Cash and cash equivalents at the beginning of the year		<u>329,984</u>	<u>375,241</u>
Cash and cash equivalents at the end of the year	16	<u><u>366,247</u></u>	<u><u>329,984</u></u>

TONBRIDGE BAPTIST CHURCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2020, 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 charity's operations, including support costs and costs relating to the governance of the charity 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1.8 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.

1.9 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.

1.10 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.

1.11 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	486,116	191,915	678,031
Residentials, subs, events, and other income	59,266	47,772	107,038
	<hr/>	<hr/>	<hr/>
Total donations and legacies	<u>545,382</u>	<u>239,687</u>	<u>785,069</u>

In 2021, of the total income from donations and legacies, £587,880 was to unrestricted funds and £134,595 was to restricted funds.

3. Income from charitable activities

In 2022, grants were received totalling £147,973 (2021: £51,326) – restricted and £nil (2021: £nil) unrestricted.

4. Investment income

In 2022, of the total investment income, interest of £640 (2021: £32) was to unrestricted funds and £84 (2021: £nil) was to restricted funds.

There was an increase in the church's interest in the Manse of £34,000 (2021: £nil).

5. Expenditure

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Direct costs	380,913	326,220	707,133
Support costs	270,682	-	270,682
Governance costs	2,640	-	2,640
	<hr/>	<hr/>	<hr/>
Total expenditure	<u>654,235</u>	<u>326,220</u>	<u>980,455</u>

In 2021, of total expenditure, £646,490 was from unrestricted funds and £171,236 from restricted funds.

TONBRIDGE BAPTIST CHURCH

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Direct costs

	Christian ministry £	Gifts to others £	Total 2022 £	Total 2021 £
Christian ministry	219,251	174,378	393,629	236,077
Wages and salaries	284,422	-	284,422	278,255
National insurance	16,350	-	16,350	19,558
Pension cost	12,732	-	12,732	16,775
At 31 December 2022	<u>532,755</u>	<u>174,378</u>	<u>707,133</u>	<u>551,815</u>

In 2021, the charity incurred the following Direct costs:

£417,600 in respect of Christian ministry

£134,215 in respect of Gifts to others

7. Support costs

	Christian ministry £	Total 2022 £	Total 2021 £
Christian ministry	77,849	77,849	57,200
Wages and salaries	88,728	88,728	93,704
National insurance	5,314	5,314	5,826
Pension cost	1,719	1,719	2,168
Depreciation and asset written off	97,072	97,072	104,053
At 31 December 2022	<u>270,682</u>	<u>270,682</u>	<u>262,951</u>

Support costs – continued

During the year ended 31 December 2022, the charity incurred the following Governance costs:

£2,640 (2021 £2,920) in respect of Christian ministry.

£NIL (2021 £NIL) in respect of Gifts to others.

In 2021, the charity incurred the following Support costs:

£262,951 in respect of Christian ministry

£NIL in respect of Gifts to others

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Net incoming resources / (resources expended)

This is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	97,072	97,975
Revaluation of the Manse	34,000	-
Pension costs	<u>14,451</u>	<u>18,943</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:

	2022	2021
	£	£
Wages and salaries	373,150	371,959
Social security costs	21,664	25,384
Other pension costs	14,451	18,943
	<u>409,265</u>	<u>416,287</u>

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

	2022	2021
	No.	No.
Ministers and frontline staff	12	14
Support staff	<u>5</u>	<u>6</u>
	<u>17</u>	<u>20</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 £139,088 (2021: £91,511)

The Key management remuneration includes the whole of the Strategic Leadership Team for the first time this year.

Included in wages and salaries is £44,000 of redundancy payments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Tangible fixed assets

	Freehold property £	Plant & machinery £	Equipment & vehicles £	Total £
Cost				
At 1 January 2022	1,628,304	189,785	177,527	1,995,616
Additions	7,356	9,089	-	16,445
Disposals	-	(9,594)	(5,796)	(15,390)
At 31 December 2022	<u>1,635,660</u>	<u>189,280</u>	<u>171,731</u>	<u>1,996,671</u>
Depreciation				
At 1 January 2022	1,222,212	131,162	104,385	1,457,759
Charge for the year	65,426	12,834	18,812	97,072
On disposals	-	(9,594)	(5,546)	(15,390)
At 31 December 2022	<u>1,287,638</u>	<u>134,402</u>	<u>117,651</u>	<u>1,539,691</u>
Net book value				
At 31 December 2022	<u>348,022</u>	<u>54,878</u>	<u>54,080</u>	<u>456,980</u>
At 31 December 2021	<u>406,092</u>	<u>58,623</u>	<u>73,142</u>	<u>537,857</u>

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

11. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	225,000
Revaluation	34,000
Disposal	-
At 31 December 2022	<u>259,000</u>

The Manse was revalued by the Trustees with reference to Housing market indices

TONBRIDGE BAPTIST CHURCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Debtors

	2022	2021
	£	£
Other debtors	7,438	6,721
Prepayments and accrued income	14,459	16,833
	<u>21,897</u>	<u>23,604</u>

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	5,215	6,078
Accruals and deferred income	8,701	7,470
	<u>13,916</u>	<u>13,548</u>

14. Statement of funds

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Designated funds					
Designated Funds all funds	649,741	11,212	(109,789)	16,195	567,359
General funds					
General Fund	68,684	534,810	(544,446)	(16,195)	42,853
Total Unrestricted funds	<u>718,425</u>	<u>546,022</u>	<u>(654,235)</u>	<u>-</u>	<u>610,212</u>
Restricted funds					
Restricted Funds all funds	384,472	421,744	(326,220)	-	479,996
Total of funds	<u>1,102,897</u>	<u>967,766</u>	<u>(980,455)</u>	<u>-</u>	<u>1,090,208</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(12,689)	(43,893)
Adjustment for:		
Depreciation charges	97,072	97,975
Dividends, interest, and rents from investments	(724)	(32)
Revaluation/Write down in the year	(34,000)	6,078
Decrease in debtors	1,707	10,196
Increase/(Decrease) in creditors	368	(7,072)
	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>51,734</u>	<u>63,252</u>

16. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	<u>366,247</u>	<u>329,984</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 £14,451 (2021 £18,943).

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, the total of the charity's future minimum lease payments under noncancellable operating leases was:

	2022	2021
	£	£
Amounts payable:		
Less than 1 year	=====	=====

In addition to the above, the Church leases the ministers' premises at around market rent. The total annual cost was £11,000 (2021 £11,000). The leases are cancellable on cessation of their employment.

19. Related party transactions

There were no related party transactions in 2022.

20. Controlling party

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