

TOTNES UNITED FREE CHURCH

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

TOTNES UNITED FREE CHURCH
FINANCIAL STATEMENTS
for the year ended 31 December 2020

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TOTNES UNITED FREE CHURCH
LEGAL AND ADMINISTRATIVE INFORMATION

Charity No: 1147962

Trustees who served in the year: David Eaton (Chair)
Ade Gascoyne
Peter Gray (Treasurer)
Rebecca Sadler
John Phipps
Rosemary Temple

Minister who served in year: Ade Gasgoyne

Independent Examiner: A P Jopson
Tony Jopson & Co Ltd
Chartered Accountants
246 Peverell Park Road
Plymouth
PL3 4QG

Bankers: Lloyds Bank plc
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

TOTNES UNITED FREE CHURCH
TRUSTEES' REPORT
For the year ended 31 December 2020

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2020. Legal and administrative information set out on page 3 forms part of this report.

Structure, Governance and Management

Governing Document

Totnes United Free Church is an independent church. It is governed by a constitution and is a registered charity in its own right reference 1147962.

Appointment of trustees

The trustees serving during the year and since the year end up to the date these accounts are signed off are listed on page 3.

Trustees are nominated from within the membership and elected at the Annual General Meeting. Usually 2 or 3 Trustees (depending on the size of the team) stand down each year. All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

Trustees must be members of the church baptised by full immersion.

Trustee induction and training

New Trustees are provided with an orientation pack to brief them on their legal obligations under charity law, the content of the church rules and decision making processes, and recent financial performance of the church and other important documents which are contained in an induction pack. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, currently called the Leadership Team (including a Secretary and a Treasurer), administers the church. The board normally meets monthly. A minister is appointed by the church to manage its day to day operations.

Objectives and activities

The church exists to proclaim the gospel of Jesus Christ and to make Him known.

Our objectives are achieved in the following ways:

Staff

At the year end the church employed a full time minister, a part time operations manager and a part time youth worker..

Regular activities

With the onset of the COVID-19 pandemic in March the regular activity of the church has been significantly affected. The style of corporate worship for the church is such that the whole church has not met together en masse for the majority of the year.

From difficult beginnings a Sunday worship and teaching time has been established via Zoom which is attended by the majority of the congregation.

The church has also established the ability to put on Drive In Church when regulations allow. This was run during October and November.

Mid week Mission Community groups have continued to meet on line via Zoom which has become vital for many.

The majority of youth work and children's work has been on line with a few socially distanced meetings when regulations made this possible.

Training

Training has been severely curtailed although there was significant time and effort put into Safeguarding training early in the year.

Developments over the last year

The key developments during 2020 can be summarised as follows:

- Membership at 31 December 2020 totalled 83

Financial Review

Totnes United Free Church has an operational deficit in 2020 of £7,267 (2019 £6,595). The overall net asset position of the church stands at £53,908 at 31.12.20 (2019 £61,175).

Reserves Policy

The Trustees believe that the church should hold financial reserves (the Emergency Operating Reserve - EOR) to protect against fluctuations in funding and to have the ability to maintain its activities in the short term if funding is uncertain.

The trustees believe that the minimum level of the EOR should be the equivalent of 2 months of annual operating costs calculated and reviewed annually and built up to the desired level in stages in accordance with the church's overall financial position and its need to maintain its activities.

Risk Review

The Trustees identify and discuss risks on a monthly basis at team meetings.

One key risk identified is the church's dependency on income sources in a recessionary economic climate and it is acknowledged that close monitoring needs to be maintained on finances and ways of improving income streams explored.

The Trustees are developing a comprehensive risk management strategy, which will comprise:

- an annual review of the risks the church may face;
- the establishment of systems and procedures to mitigate those risks identified and
- the implementation of procedures designed to minimise any potential impact on the church should those risks materialise.

Related Parties

Trustees and management of the charity are required to disclose connections with any organisation applying to the church for funding or being considered as a supplier. In such circumstances, the relevant individual takes no part in the related decision making process.

Trustees' responsibilities in relation to the financial statements

Charity law requires the trustees to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice that give a true and fair view of the state of the affairs of the church at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the church will continue its operations.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Statement of Recommended Practice (SORP) issued by the Charity Commission. The trustees are responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

There is no relevant audit information of which the church's independent examiner is unaware.

We as trustees have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the independent examiner is aware of that information.

Independent Examiner

A resolution was proposed at the Annual General Meeting that Mr A P Jopson of Tony Jopson & Co Ltd, Chartered Accountant be appointed as independent examiner for the ensuing year.

Approved by the trustees on

and signed on its behalf by:

Trustee

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF TOTNES UNITED FREE CHURCH

I report on the accounts of Totnes United Free Church for the year ended 31 December 2020, which are set out on pages 9 to 14 below.

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
.....
A P Jopson

.....
Date

Member of Association of Institute of Chartered Accountants in England &
Wales
Tony Jopson & Co, 246 Peverell Park Road, Plymouth, PL3 4QG

TOTNES UNITED FREE CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)**

for the year ended 31 December 2020

Notes	Unrestricted Funds	Restricted Funds	2020 £	2019 £	Total £	Total £
Incoming resources						
Incoming resources from generated funds						
Voluntary Income	2		65,658		800	72,280
Investment income	3		562		0	391
Incoming resources from charitable activities						
Other activities	3		19,495		2,000	30,632
Total incoming resources			85,715		2,800	88,515
Resources expended						
Charitable activities	4		95,042		2,740	109,898
Total resources expended			95,042		2,740	95,782
Net incoming resources			(7,327)		60	(6,595)
Prior year adjustment (*)				0	0	3,837
Total funds at 1 January				61,175	0	63,933
Total funds at 31 December			53,848		60	53,908

*The prior year adjustment is due to some creditors appearing in the 31.12.18 accounts that were not due

TOTNES UNITED FREE CHURCH

BALANCE SHEET

at 31 December

2020				2019
Notes	£	£	£	£
FIXED ASSETS				
Tangible assets	8		24,717	12,442
CURRENT ASSETS				
Debtors	9	6,263		8,289
Cash at bank and in hand		23,778		41,196
	<u>30,041</u>	<u> </u>	49,485	
CREDITORS: amounts falling due within one year	10			
Creditors			(650)	
Accruals	(552)		(200)	
	<u>(850)</u>	<u> </u>		(752)
Net current assets			29,191	48,733
NET ASSETS		<u> </u>	53,908	61,175
		<u> </u>	<u> </u>	<u> </u>
Unrestricted funds			53,908	61,175
TOTAL FUNDS		<u> </u>	53,908	61,175
		<u> </u>	<u> </u>	<u> </u>

These accounts have been prepared in accordance with the financial provisions applicable to companies subject to the small companies regime and in accordance with FRS102 SORP.

The financial statements on pages 9 to 14 were approved by the Trustees on and signed on their behalf by:-

P Bray
Treasurer

The notes on pages 11 to 14 form part of the financial statements

TOTNES UNITED FREE CHURCH

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)

Going concern

The accounts have been prepared on the going concern basis.

Income recognition from grants

Income from grants is included in incoming resources when the church is legally entitled to the income and the amount can be quantified with reasonable accuracy. If the grants are received as an "up front" payment for which the conditions of payments have yet to be met then this income is deferred until the conditions are met.

Fund accounting

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is shown in the notes to the financial statements.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost on a straight line basis at the following percentage rates:-

Equipment 20% straight line

Basis of allocation of expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

2. Voluntary income

Unrestricted 2020	Restricted 2020	Total 2020	Total 2019	
£	£	£	£	
Committed giving / offerings	65,658	800	66,458	72,280
65,658	800	66,458	72,280	

TOTNES UNITED FREE CHURCH
NOTES ON FINANCIAL STATEMENTS
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3. Charitable Activities - Other activities income

	Unrestricted 2020	Restricted 2020	Total 2020	Total 2019	
	£	£	£	£	
Building room hire		630	0	630	1,850
Grants		0	2,000	2,000	0
Lee Abbey		0	0	0	2,825
Gift Aid Recovered		16,686	0	16,686	19,252
Totnes Christian / Brite Festival		260	0	260	6,070
Other income		1,919	0	1,919	635
	19,495	2,000	21,495	30,632	
Investment & bank interest		562 0	562391		
TOTAL INCOME		85,715	2,800	88,515	103,303

4. Charitable activities - resources expended

	Unrestricted 2020	Restricted 2020	Total 2020	Total 2019	
	£	£	£	£	
Staff costs		52,723	0	52,723	39,303
Totnes / Brite Christian Festival		0	0	0	8,083
Outreach, training, fund raising		3,633	0	3,633	7,121
Premises hire costs during lockdown		1,455	0	1,455	0
Lee Abbey		0	0	0	12,601
Designated giving - mission		15,366	740	16,106	17,071
Motor expenses		893	0	893	0
Establishment costs`		3,820	2,000	5,840	10,528
Repairs & maintenance		2,856	0	2,856	2,478
Manse costs		4,410	0	4,410	5,406
Coffee bar expenses		222	0	222	778
Printing postage & stationery		305	0	305	295
Subscriptions		877	0	877	3,073
Legal & professional		1,160	0	1,160	1,446
Telephone & website		2,082	0	2,082	0
Resources		444	0	444	0
Bank charges		170	0	170	(126)
Depreciation		2,826	0	2,826	1,463
Accounts & book keeping		0	0	0	178
Independent Examiner's fee		200	0	200	200
TOTAL RESOURCES EXPENDED		93,042	2,740	95,782	109,898

TOTNES UNITED FREE CHURCH
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2020

6. Trustees and related parties

The trustees received remuneration during the year totalling £19,827 (2019: £19,827).

There were no other transactions with related parties, which are required to be disclosed in these accounts.

7. Staff costs

	2020	2019	
	£	£	
Wages & salaries	<u> </u>	<u>52,723</u>	39,303
	<u>52,723</u>	<u>39,303</u>	

No employee emoluments amounted to over £60,000 in the year (2019: nil).

The average number of employees, calculated on a full time equivalent basis, analysed by function was:-

	2020	2019	
	No.	No.	
Furtherance of objectives, including support		2.0	1.5

TOTNES UNITED FREE CHURCH
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

8. Tangible fixed assets

	Vehicles	Equipment	TOTAL	
	£	£	£	
Cost				
At 1 January 2020		0	33,736	33,736
Additions		4,794	10,307	15,101
Disposal		0	0	0
At 31 December 2020		4,794	44,043	48,837
Depreciation				
At 1 January 2020		0	21,294	21,294
Charge for year		0	2,826	2,826
Disposal		0	0	0
At 31 December 2020		0	24,120	24,120
Net book amount				
As at 31 December 2020		4,794	19,923	24,717
As at 31 December 2019		0	12,442	12,442

9. Debtors & Prepayments

	2020	2019
	£	
Gift Aid Debtor	6,263	8,139
Other debtors	0	150
	6,263	8,289

10. Creditors: amounts falling due within one year

	2020	2019
	£	
Trade creditors	22	0
HMRC	385	552
Pension	243	0
Accruals & deferred income	200	200
Total creditors & provisions	850	752