

Charity registration number: 1154422

# Freedom Church Romsey

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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## **Freedom Church Romsey**

### **Reference and Administrative Details**

**Registered Charity number:** 1154422

**Principal Office Address:** Freedom Church Romsey  
Unit 20  
Greatbridge Industrial Estate  
Romsey  
Hampshire  
SO51 0HR

**Trustees:**

Mr A Cowan (Chair)	appointed November 2014
Mr R Kirkland	appointed January 2014
Mr F Long	appointed July 2019
Mrs A Maxwell	appointed May 2015
Mr F Norbury	appointed April 2017

**Independent examiner:** KARE Financial Management Consultancy  
10 Gatcombe Gardens  
West End  
Hampshire  
SO18 3NA.

**Bankers:** HSBC Plc  
55 Above Bar Street  
Southampton  
Hampshire  
SO14 7DS

## **Trustees' Report**

### **STRUCTURE, GOVERNANCE AND ORGANISATION**

#### **Vision and Values:**

The Vision for Freedom Church is to "lead people in the pursuit of Jesus, to see lives and communities transformed". Freedom Church achieves this by creating opportunities for people to Encounter God, Gather Together, Grow Stronger and Influence Change.

This is currently done though reaching out to our community with the love of Christ through weekly gatherings (currently Church Online), social justice activities (Freedom Matters) and small group gatherings in the community (Connect Groups).

#### **Charitable Objects:**

The Charitable Objects of Freedom Church are:

1. Advancement of Christian faith for the benefit of the public by any means whatsoever including (but not by way of limitation) the preaching and proclamation of the Christian Gospel, the teaching of Christian doctrine and principles, pastoral care of those in need, weekly worship services, public celebrations of Christian Festivals and distribution of the Bible and Christian literature.
2. The relief of persons who are in conditions of need, poverty, hardship or distress or who are sick, elderly or bereft.
3. The advancement of education on the basis of Christian principles and without prejudice to the generality of the foregoing of the provision of such education in any educational establishments for the general education of children or adults on the basis of such Christian principles, contributing to both their spiritual and moral development.

#### **Governing document:**

The Charity is controlled by its Governing Document, a declaration of trust dated 31 October 2013, and constitutes a Charitable Incorporated Organisation. It commenced operating as a Charity on 1st January 2014 when it took over the previous charity of New Life Church Romsey (Charity Number: 293591).

#### **Organisation:**

The primary responsibility for ensuring that Freedom Church fulfils its mission has been delegated by the Charity Trustees to the Leadership Team. The Trustees are not on the Leadership Team, but hold the Leadership to account on all legal, governance, risk management and charitable matters. The Leadership Team are supported by a Spiritual Oversight Team, responsible for holding the Leadership to account, and supporting the Leadership, in spiritual direction.

The Trustee Board meet four times a year. The Leadership and Oversight Team meets ten times a year. The Senior Leader is responsible for the day to day running of the Church. Under the oversight for the Trustees and Spiritual Oversight Team, the day-to-day responsibilities for running much of the church activities and ministries are further delegated to the Leadership Team, led by the Senior Leader.

**Risk Management:**

The Trustees have responsibility for the management of risk across the Charity. Risk is predominately managed through the adoption of policies which mitigate key risks. The Charity Trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

Freedom Church Romsey has the following policies established which remained in place during the year; expenses policy, annual leave policy, family friendly policy, sickness and absence policy, whistleblowing policy, complaints policy, privacy policy, lone working policy, resolving concerns at work policy, fixed asset policy, safeguarding policy and a scheme of delegation. These policies are reviewed periodically by the Trustee Board.

In the next year the Trustee Board will adopt a Risk Management Register to further enhance the management, mitigation and report of risks.

**Public Benefit:**

The Trustees consider the Charity Commission on guidance on public benefit and consider that the activities of the Charity meet its objectives and provide a benefit to the public.

**ACHIEVEMENTS, PERFORMANCE AND FUTURE DEVELOPMENTS****Achievements and performance in 2020:**

The achievements, activity and performance of Freedom Church has, like so many charities, businesses and individuals, been significantly impacted by the Covid-19 Pandemic.

In the first quarter of 2020, Freedom Church continued to hold weekly meetings both on Sundays and during the week, for worship, teaching and fellowship. All Sunday meetings were open to the general public and held in public buildings, usually The Romsey School. From Mothering Sunday (the first Sunday of the first national lockdown) Freedom Church launched "Church Online" – broadcasting a service (which had similar content to in-person services) from a studio environment by live stream over Facebook, YouTube and the Church Online Platform. Similarly, all Connect Groups moved online to become virtual communities. Because of the Covid-19 Pandemic, much of the usual activity of Freedom Church had to be cancelled or postponed. Equally, the activity which could still be delivered became more important and received greater resourcing. The Church community has regularly gathered online for prayer, in the form of 8:30am prayers and Daily Freedom videos.

Church Online has developed content and involved many volunteers in the delivery of the programme. Connect Groups have continued to thrive, with highlights being a "Parenting for Faith" course which was very well attended and reviewed, and the continued roll out of Kintsugi Hope Groups. Attendance in Connect Groups continues to grow. The Pastoral Team and Leadership Team have worked hard to support the Church Community, through initiatives such as praying for frontline workers, Zoom communion, Zoom prayer meetings, regular phone calls with the more isolated members of the community and the sending out of cards and gifts. Freedom Kids moved to an online TV show which has been well received by families within the Church. Freedom Youth have done a mixture of remote support, in-person gatherings (when restrictions allowed) and mentoring throughout the year. Freedom Church is still hoping to formalise a partnership with 24/7 Prayer, but this process has been slowed down by Covid-19 too.

Freedom Matters, the social action collective of Freedom Church, has continued to meet the needs of the local community, and has become central to the life and activity of

Freedom Church. In 2020 the CAP Debt Centre saw seven individuals become completely debt free, as well as helping many more who are still working on their debt plans. The CAP Debt Centre has continued to become a more joint venture thanks to the continuing involvement of Romsey Baptist Church. The CAP Debt Centre have launched a CAP Job Club, largely made possible by a NET DCMS Grant from Hampshire and Isle of Wight Community Fund which allowed us to appoint a CAP Job Club Manager. Romsey Foodbank saw a huge increase in demand for emergency food, whilst at the same time having to establish a completely new way of working to include social distancing, a reduction in available volunteers and not bringing clients into the Freedom Centre. Foodbank has met these challenges head on and continued to improve its offer, most recently appointing a CAB worker using funds from a Trussell Trust Grant. Freedom Church hoped to be delivering Early Years Intervention in local schools in partnership with TLG, but these plans have been delayed significantly due to Covid. Freedom Church is still committed to this partnership and will continue to pursue this when the situation in schools allows this to be realistic. Freedom Church continues to be actively involved in "Churches Together in Romsey". A local school was rented during the first quarter. The Church Office at Unit 20, Romsey Industrial Estate, has continued to house the Romsey Foodbank and, as staff moved to working from home, became a studio environment. The studio has now been relocated to more suitable premises in Ampfield.

The Charity continued to employ Sim Dendy in the role of Senior Leader. The Staff Team has remained largely unchanged although our Youth Team Leader has taken on additional work in the role of CAP Job Club Manager, Our Foodbank Administrator completed their fixed term appointment as Foodbank Administrator and is no longer employed by the charity, and we recruited further administration support on a fixed term maternity cover basis.

The charity has provided care, and sometimes financial or other material support, to those in need in Romsey. In addition, support has also been extended to individuals for training and for travel to attend conferences and seminars throughout the year. Through the "Freedom Fund" the Church made numerous gifts to works/missions /AID projects both in the UK and overseas, which is in line with the target set by trustees and is detailed further in the Financial Review of this report.

The pursuit of the vision to build a permanent home for Freedom Church and its associated activities continues. Further feasibility work has established that the parcel of land which the Charity had secured an "option agreement" on would be very unlikely to be deliverable, for a number of reasons. When a smaller parcel of land became available nearby, the decision was taken to pursue this instead. The Church purchased the site, as doing so was deemed a relatively low risk was of securing it as a future option. Working with Freedom Church Developments Limited (the company wholly owned by Freedom Church Romsey Charity), feasibility has now commenced on this second site. Fundraising has continued in earnest so that we are able to start developing on the land or a different site if a better option becomes available. The site was opened up for a Prayer Day (when restrictions allowed) which was a highlight of the year.

### **Future Developments:**

Freedom Church Romsey is looking to engage the local community further in the vision for a more suitable permanent premises. Freedom Church will deliver a scheme which is led by the wider community and is actively partnering with the local council. If further consultation reveals a more suitable site or premises, than the land currently secured, then Freedom Church would pursue this instead. Looking forward, Freedom Church will need to reimagine its future, considering how a blended approach of both in-person and online Church can be delivered in a way which serves the community, as well as continuing to increase the impact of Freedom Matters and expand the reach of these services. This will likely require an increase in staffing to deliver and increasing complex and growing programme of activity. There is a quiet determination that Freedom Church

will be stronger, simpler, and more effective post Covid, through the reflection on key learnings that have taken place during the pandemic.

## **FINANCIAL REVIEW**

Full accounts are shown below. The trustees were satisfied with the year-end position.

### **Income and Donations**

In 2020, income was higher than anticipated. Total income, including donations, gift aid, payments, grants and interest income, across all projects, was £444,737. Expenditure was lower than anticipated, and total expenditure was £251,928. The majority of surplus generated is restricted funds, specifically saving for long term high capital projects, including the Building Fund. General fund unrestricted donations (tithes and offerings) were also higher than anticipated, with a number of new givers choosing to start giving to Freedom Church.

### **Balance Sheet and Reserves Policy**

The Year End Balance Sheet shows £202,037 of Fixed Assets and £463,468 Cash at bank and in hand. It is the charity's policy to maintain sufficient reserves should any unexpected fall in finance occur. This is calculated as a figure equivalent to 3 times average monthly expenditure less a month and a half of average income. Allocated reserves as at 31 December 2020 were £76,825, and, hence, the reserves are deemed adequate.

### **Grant Funding and Government Grants**

During 2020 Freedom Church Romsey received grant funding from Hampshire and Isle of Wight Community Fund, The Trussell Trust, The Cinnamon Trust and Test Valley Borough Council. Freedom Church also received a Central Government Small Business Covid Grant and claimed a total of £188.91 from the Coronavirus Job Retention Scheme.

### **Investment Policy**

Due to the relatively short time period between the receipt of funds and their expenditure, all funds are held in cash.

### **Fixed Assets Policy**

During the year the Trustee Board adopted a Fixed Asset Policy. The policy states that purchases over £1,000 will be capitalised if they are intended to last longer than 12 months. All depreciation is calculated on a straight-line basis. A fixed asset register is maintained and presented to the accountants each year.

### **The Freedom Fund**

Freedom Church supports organisations and individuals (both domestic and foreign) and gifts are considered by a panel constituting the Executive Leader, a Trustee, an Oversight Team member and one other member of the congregation who sits on neither the Board or the Oversight Team. An application form is submitted for each gift. The Trustee Board monitor the budget of the Freedom Fund throughout the year. Gifts are awarded on the basis of need whilst ensuring that the charity's objectives are met. There are no upper or lower limits of support, but gifts are reviewed and agreed upon by the

Freedom Fund Team in line with the Freedom Fund Guidance Notes, subject to budgetary control and adequate reporting.

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### **Principal funding sources**

Regular giving into the charity is encouraged, with the majority of funds being gifted via Bank Standing Orders, Direct Debits and Card Payments through the Church Suite Platform. Tax reclamation using Gift Aid is also encouraged where appropriate and it was noted that during the year £43,189 of tax was reclaimed.

### **Ring Fenced Funds**

The balance of restricted funds has decreased during the year. The majority of restricted funds are in the Building Fund, which continues to raise funds in anticipation of creating a permanent, fit for the future premises for all the church activities, as well as in the Foodbank, CAP and Freedom Matters funds, which have raised significant funds which will be used strategically to ensure the medium-term sustainability, viability and growth of these projects. The capital cost of purchasing the land using the Building Fund has reduced restricted funds significantly, meaning that the total amount of restricted funds currently held is £294,020 which consists of Building Fund (£199,359), Foodbank Fund (£75,461) and Freedom Matters (£19,200).

### **Volunteers**

Pre-Covid it was estimated that over 60% of regular church attenders supported the ministry through volunteering. Covid has reduced the number of volunteers needed (or safely accommodated) so volunteer numbers have dropped. There are currently over 60 regular volunteers involved in the life of the organisation.



## **Statement of Trustees' Responsibilities**


The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 3 April 2021 and signed on its behalf by:

  
.....  
Andrew Cowan  
Trustee

## **Independent Examiner's Report to the trustees of Freedom Church Romsey**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 8 to 14.

### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Freedom Church Romsey you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Freedom Church Romsey's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

Since Freedom Church Romsey'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 Chartered Institute of Management Accountants UK, which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 Freedom Church Romsey as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



.....  
Kolade Andrew Alli ACMA

KARE Financial Management Consultants Ltd  
10 Gatcombe Gardens  
West End  
Hampshire  
SO18 3NA

3 April 2021

## Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>					
Charitable activities		260,261	183,995	444,256	416,254
Investment income	3	70	411	481	750
Total income		260,331	184,406	444,737	417,004
<b>Expenditure on:</b>					
Charitable activities		(215,000)	(61,318)	(276,318)	(269,020)
Total expenditure		(215,000)	(61,318)	(276,318)	(269,020)
Net movement in funds		45,331	123,088	168,419	147,984
<b>Reconciliation of funds</b>					
Total funds brought forward		125,388	368,357	493,745	345,761
Total funds carried forward	10	170,719	491,445	662,164	493,745


All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 10.

**(Registration number: 1154422)**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6	202,037	-
<b>Current assets</b>			
Debtors	7	-	711
Cash at bank and in hand	8	463,468	497,297
		463,468	498,008
<b>Creditors: Amounts falling due within one year</b>	9	(3,341)	(4,263)
<b>Net current assets</b>		460,127	493,745
<b>Net assets</b>		662,164	493,745
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		491,445	368,321
<b>Unrestricted income funds</b>			
Unrestricted funds		170,719	125,424
<b>Total funds</b>	10	662,164	493,745

The financial statements on pages 8 to 14 were approved by the trustees, and authorised for issue on 3 April 2021 and signed on their behalf by:

  
 .....  
 Andrew Cowan  
 Trustee

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **1 Accounting policies**

#### **Statement of compliance**

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### **Basis of preparation**

Freedom Church Romsey meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Notes to the Financial Statements for the Year Ended 31 December 2020

### Tangible fixed assets

Fixed Asset Depreciation Policy are:

- The management of Fixed Assets should be in accordance with HMRC and Charity Commission Guidance
- The Trustee Board are responsible for the correct management of, and account for, all Fixed Assets.
- For Fixtures and Fittings, and Equipment, only purchases costing over £1,000 are to be capitalised.
- For Fixtures and Fittings, and Equipment, only purchases intended to last longer than 12 months are to be referred to as fixed assets.
- The Terms "fixed assets" and "capital expenditure" are interchangeable.

Depreciation Rates

Land: No Depreciation

Buildings: 50 years

Fixtures and Fittings: 5 - 25 years depending on item

Equipment: 3-5 years depending on item

All depreciation will be calculated on a straight line (not diminishing) basis.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## 2 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Charitable Activities	260,261	183,995	444,256	416,254

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 3 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Interest receivable and similar income;				
Interest receivable on bank deposits	70	411	481	750

### 4 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2020 £	Total 2019 £
Charitable Activities	215,000	61,318	276,318	269,020

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 5 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 6 Tangible fixed assets

	Land and buildings £	Total £
<b>Cost</b>		
Additions	202,037	202,037
At 31 December 2020	202,037	202,037
<b>Depreciation</b>		
At 31 December 2020	-	-
<b>Net book value</b>		
At 31 December 2020	202,037	202,037

### 7 Debtors

	2020 £	2019 £
Other debtors	-	711

### 8 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	463,468	497,297

### 9 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	2,341	-
Other creditors	-	3,263
Accruals	1,000	1,000
	3,341	4,263



**Notes to the Financial Statements for the Year Ended 31  
December 2020**

**10 Funds**

	<b>Balance at 1 January 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 December 2020 £</b>
<b>Unrestricted funds</b>				
<i><b>General</b></i>				
General	125,388	260,331	(215,000)	170,719
<b>Restricted funds</b>				
Building Fund	347,035	78,751	(24,390)	401,396
Foodbank	21,322	80,843	(26,703)	75,462
CAP	-	3,316	(7,929)	(4,613)
Freedom Matters	-	21,497	(2,297)	19,200
<b>Total restricted funds</b>	<u>368,357</u>	<u>184,407</u>	<u>(61,319)</u>	<u>491,445</u>
<b>Total funds</b>	<u>493,745</u>	<u>444,738</u>	<u>(276,319)</u>	<u>662,164</u>