

Charity Registration No. 209084

Company Registration No. 00071778 (England and Wales)

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

tc accounts • tax • legal • financial planning

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THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

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THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

LEGAL AND ADMINISTRATIVE INFORMATION

Executives	J Butler L Pain A Goodwin D Cutler P Hoyle D Alton L C M Fernand T Fernand
Secretary	T Fernand
Charity number	209084
Company number	00071778
Principal address	3 Stourcliffe Avenue Southbourne Bournemouth Dorset BH6 3PT
Registered office	3 Stourcliffe Avenue Southbourne Bournemouth Dorset BH6 3PT
Auditor	TC Group 10 Bridge Street Christchurch Dorset BH23 1EF

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

EXECUTIVES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Executives present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The company is a charity, and exists to promote spiritual life, and moral and physical improvement in the district, and to provide residential accommodation where persons in need thereof may receive guidance and care.

The Executives have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake. The Executive have had regard to the Charity Commissions guidance on public benefit. The Executive confirm that the charitable company meets the criteria for public benefit in providing residential accommodation, care and guidance for needy persons. However, the charitable company is small and maximises its human resources by providing funds to further its objectives by facilitating work of many other organisations in need within the Bournemouth/Poole area in line with its Christian ethos. Consideration continues to be given by the council to the identifying of charitable causes meriting support. The charity makes grants on strict adherence to its Memorandum and Articles of Association, these governing documents in turn set tight restrictions on the use of free reserves. The Memorandum and Articles of Association were updated on 15th February 2017.

Achievements and performance

The net incoming resources for the year, relating to the provision of residential accommodation, but excluding governance costs, totalled £2,443 (2021: £75,552), see note 4 and 7.

Charitable grants made during the year totalled £43,840 (2021: £71,900), (note 8). In 2021 due to the University Chaplaincy ceasing in the year we were refunded £9,960 of unexpended grants given previously.

Overall there was a deficit of £49,386 (2021: surplus £7,495) which included depreciation of fixed assets of £28,728. A further £20,259 was expended on capitalised costs in the year (note 13).

Total reserves now stand at £1,401,643 (2021: £1,451,029) of which £1,327 (2021: £1,327) is restricted and £872,633 (2021: £881,102) relates to the book value of fixed assets. Free reserves, those funds not tied up in fixed assets or restricted funds now stand at £527,683 (2021: £568,600).

Advice and Information

Vacancies continued to occur during the year in the residential accommodation available for letting and these vacancies were filled as soon as possible under the circumstances. Care was given to the maintenance and safety of the buildings.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

EXECUTIVES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

Reserves & investment policies

The expense of maintaining the three properties presently owned is considerable. Some is regular or recurring and some one off or emergency. During the 2021/22 year, expense on the latter has included redecoration, refurbishment of more bathrooms and testing and remedial work required to secure the certification of electrical installations to comply with recent legislation. Further substantial expense was incurred on repairing damage to the roadway, fences and garden caused by renewed badger infestation. There is a continuing need for substantial sums to be reserved for other repair purposes in the future.

Other than the freehold properties, the assets of the charitable company are regarded as fugitive monies. They are held a) for maintenance purposes, as mentioned above and b) for distribution to charitable projects. An appropriate policy is to retain funds on a short term risk free basis, with sufficient income to counter inflation. To that end, short term deposits and notice accounts are held with Lloyds, United Trust, Hampshire Trust and Shawbrook Banks and the Nationwide Building Society.

On 1 April 2020 rents were increased by 5.7% over those set in April 2018 (using an independent rent valuation commissioned in the year ended 31 March 2012 as a reference point). On 1 April 2022 rents were increased by 4.7% over those set in April 2020 on the same basis. The next rent review will be implemented with effect from 1 April 2024.

Risk management

The major risk associated with the Incorporated Bournemouth Free Church Council relates to the freehold properties. Our insurers advise us on the level of cover. That cover relates not only to the buildings themselves but also to landlords' liabilities to the tenants in the event of destruction of the properties. Any other risks arising from time to time are considered and dealt with through the meetings of the sub-committee of the Executive.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

EXECUTIVES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

The charitable company is a company limited by guarantee, incorporated on 1 October 1901, and registered as a charity on 4 October 1951.

The charitable company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. Under those Articles, the members of the Executive are elected at the Annual General Meeting, and are subject to ratification at each annual general meeting.

On the advice of the charitable company's solicitors revised Articles of Association were adopted at an extraordinary meeting called for that purpose on 15th February 2017. These have been submitted to the Charity Commission and Companies House.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

EXECUTIVES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Members of the Executive

The Executives, who are also the directors for the purpose of company law, trustees for the purpose of charity law and who served during the year and up to the date of signature of the financial statements were:

A Burns	(Resigned 19 November 2021)
J Butler	
P Ackerman	(Resigned 18 March 2022)
L Pain	
A Goodwin	
D Cutler	
M Forster	(Resigned 18 March 2022)
P Hoyle	
D Alton	
L C M Fernand	
T Fernand	

None of the Executives has any beneficial interest in the company. All of the Executives are members of the company and guarantee to contribute £1 in the event of a winding up.

Membership of the Council

Members of the Council are those persons so entitled in accordance with the membership provisions of the charitable company's Articles of Association.

Organisation

The Executive is the charitable company's board of directors and trustees and the sub-committee is its delegate. The Executive and sub-committee meet several times annually to discuss major issues of the charity.

Tenant contributions

Some tenants contribute to the administration of the residential accommodation and care; their service is recognised by way of a discounted rent, see note 4.

Training and induction of the Executive

The Executive has considered the need for ensuring new members are fully aware of their responsibilities, both personal and collective, in the governance of the affairs of the council. Every new member shall be supplied with a personal copy of the constitution (Memorandum and Articles of Association of the charitable company), together with printed information about the duties of a charitable trustee (e.g. the Charity Commission's booklet "Responsibilities of Charity Trustees").

Furthermore, members of the sub committee shall ensure that, on a one to one basis, every new member shall be advised by the General Secretary, or in his or her absence an existing member, of the nature and scope of the affairs of the Council, and of the part the new member will be expected to play in those affairs.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

EXECUTIVES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of Executives' responsibilities

The Executives, who are also the directors of The Incorporated Bournemouth Free Church Council for the purpose of company law, are responsible for preparing the Executives' 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 Executives to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Executives 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Executives are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that TC Group be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Executives has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Executives' report was approved by the Board of Executives.

T Fernand

Trustee

Dated: 18 November 2022

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

Opinion

We have audited the financial statements of The Incorporated Bournemouth Free Church Council (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the executives' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the executives with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the executives annual report, other than the financial statements and our auditor's report thereon. The executives are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Executives' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Executives' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Executives' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Executives were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Executives' report and from the requirement to prepare a strategic report.

Responsibilities of Executives

As explained more fully in the statement of Executives' responsibilities, the Executives, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executives determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executives are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executives either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- 1) We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the executives and other management (as required by auditing standards), and discussed with the executives and other management, the policies and procedures regarding compliance with laws and regulations;
- 2) We focused on specific laws and regulations which we consider may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102), Charity SORP, taxation legislation, data protection, anti-bribery, employment, health and safety legislation, and any other specific compliance measures.
- 3) We assessed the extent of compliance with the laws and regulations identified above through making enquires of management and inspecting legal correspondence.
- 4) Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- 5) We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those procedures and controls.

To address the risk of fraud through management bias and override of controls, we;

- a) performed analytical procedures to identify any unusual or unexpected relationships
- b) tested journal entries to identify unusual transactions
- c) assessed whether judgement and assumptions made in determining the accounting estimates set out in financial statements were indicative of potential bias
- d) investigated the rationale behind significant or unusual transactions

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

In response to the risk of irregularities and non-compliance with laws and regulations, we designed proceeds which included, but were not limited to;

- a) agreeing financial statement disclosure to underlying supporting documentation
- b) reading the minutes of meetings of those charged with governance
- c) enquiring of management as to actual and potential litigation and claims
- d) reviewing correspondence with HMRC, relevant regulator and the company's legal advisors as considered necessary.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Filer FCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor
Office: Christchurch

20 December 2022

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	40	-	40	-
Charitable activities	4	174,476	-	174,476	175,582
Investments	5	2,692	-	2,692	4,322
Other income	6	-	-	-	9,960
Total income		177,208	-	177,208	189,864
<u>Expenditure on:</u>					
Charitable activities	7	226,594	-	226,594	182,369
Net (expenditure)/income for the year/ Net movement in funds		(49,386)	-	(49,386)	7,495
Fund balances at 1 April 2021		1,449,702	1,327	1,451,029	1,443,534
Fund balances at 31 March 2022		1,400,316	1,327	1,401,643	1,451,029

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		872,633		881,102
Current assets					
Debtors	14	3,446		4,144	
Investments	15	530,009		561,112	
Cash at bank and in hand		9,002		15,661	
		542,457		580,917	
Creditors: amounts falling due within one year	16	(13,447)		(10,990)	
Net current assets			529,010		569,927
Total assets less current liabilities			1,401,643		1,451,029
Income funds					
Restricted funds	17		1,327		1,327
<u>Unrestricted funds</u>					
Designated funds:					
Fair value reserve		658,598		658,598	
	18	658,598		658,598	
General unrestricted funds		741,718		791,104	
			1,400,316		1,449,702
			1,401,643		1,451,029

The financial statements were approved by the Executives on 18 November 2022

D Alton
Trustee

Company Registration No. 00071778

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The Incorporated Bournemouth Free Church Council is a private company limited by guarantee incorporated in England and Wales. The registered office is 3 Stourcliffe Avenue, Southbourne, Bournemouth, Dorset, BH6 3PT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Executives in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance etc which supports the charity's activities. All support costs are deemed to relate to the Provision of Residential Accommodation charitable activity, any costs related to other income methods are deemed to be immaterial. Governance cost are those support costs incurred to meet the statutory and constitutional requirements of the charitable company.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	at varying rates on cost
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Component Accounting

Freehold housing properties are split between the structure and those major components which require periodic replacement. Replacement or restoration of such major components are capitalised and depreciated over the average estimated useful life of each component. Where components are replaced before the end of their useful economic lives an additional depreciation charge is made to reduce the net book value to nil before the asset and accumulated depreciation is written off.

The carrying value of property represents the last valuation undertaken in 2001 and under transitional provisions provided by previous accounting standards a policy not to make further revaluations was adopted. This valuation has been used as deemed cost on implementation of FRS 102, amended for the replacement of component parts. The Executive has undertaken an impairment review, and have concluded that the assets have not been impaired in the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Short term highly liquid investments with a variety of maturities not exceeding one year from the date of acquisition or opening of the deposit or similar account.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Executives are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The annual depreciation charge is considered with reference to the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually.

There were no other key sources of estimation uncertainty or judgements.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Total
	2022 £	2021 £
Donations	40	-
	<u> </u>	<u> </u>

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	11 St Albans Avenue 2022 £	3 Arcadia Avenue 2022 £	5 Arcadia Avenue 2022 £	General estate - Garage 2022 £	General estate - Parking 2022 £	General estate - Laundry 2022 £	Total 2022 £	Total 2021 £
Charitable rental income	129,111	18,660	21,760	1,200	720	3,025	174,476	175,582

Rents receivable is stated gross of £4,350 (2021: £4,200) discounts given to tenants who acted as house leaders in the year.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Investments

	Unrestricted funds	Total
	2022 £	2021 £
Interest receivable	2,692	4,322
	=====	=====

6 Other income

	Unrestricted funds	Total
	2022 £	2021 £
Refunded charitable grants	-	9,960
	=====	=====

In the prior year this related to grant funding made to Bournemouth University Chaplaincy over the previous two years. The post of University Chaplain ceased and therefore the unexpended grant income was returned.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7	Charitable activities	11 St Albans Avenue 2022 £	3 Arcadia Avenue 2022 £	5 Arcadia Avenue 2022 £	General estate expenses 2022 £	Charitable Grants 2022 £	Total 2022 £	Total 2021 £
	Light, heat, rates & water	9,047	2,172	2,335	90	-	13,644	12,653
	Insurance	3,098	358	475	1,764	-	5,695	5,554
	Lift maintenance	1,457	-	-	-	-	1,457	1,417
	Repairs & maintenance	39,120	3,879	5,971	2,435	-	51,405	21,249
	Gardening	-	-	-	18,310	-	18,310	14,369
	Estate expenses	-	-	-	47,345	-	47,345	5,643
	Flat co-ordinator expenses	-	-	-	63	-	63	95
	House leaders rent discounts	3,600	300	425	-	-	4,325	4,200
	Legal and professional fees	-	-	-	1,440	-	1,440	-
	Provision for bad debts	-	-	-	(379)	-	(379)	92
	Depreciation of freehold property	22,907	2,819	1,943	1,059	-	28,728	34,758
	Grant funding of activities (see note 8)	79,229	9,528	11,149	72,127	-	172,033	100,030
	Share of support costs (see note 9)	-	-	-	-	43,840	43,840	71,900
	Share of governance costs (see note 9)	-	-	-	5,101	-	5,101	4,979
		-	-	-	5,620	-	5,620	5,460
		79,229	9,528	11,149	82,848	43,840	226,594	182,369

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

	Charitable Grants 2022 £	Charitable Grants 2021 £
Grants to institutions:		
Bournemouth Foodbank	-	15,000
Bournemouth University Chaplaincy	-	3,500
Cherry Tree Nursery	4,000	4,000
Faithworks	10,000	10,000
Fernheath Play	8,000	6,000
Health Bus	6,520	6,250
Hope FM	-	11,000
Immanuel Church Community Cinema	-	6,400
Mind Pokesdown Club Group	8,320	7,750
NOW (Bournemouth Nightclub Chaplaincy)	-	2,000
Prima Life	3,000	-
Bournemouth Methodists	4,000	-
	<hr/>	<hr/>
	43,840	71,900
	<hr/>	<hr/>

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THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
General secretary honorarium	3,600	-	3,600	3,600
General secretary expenses	741	-	741	493
President expenses	75	-	75	75
Finance Officer expenses	-	-	-	142
Liability insurance	335	-	335	369
Sundry	350	-	350	300
Audit fees	-	5,500	5,500	5,400
Audit certificate fees	-	120	120	60
	<u>5,101</u>	<u>5,620</u>	<u>10,721</u>	<u>10,439</u>
Analysed between				
Charitable activities	<u>5,101</u>	<u>5,620</u>	<u>10,721</u>	<u>10,439</u>

10 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,400
Depreciation of owned tangible fixed assets	<u>28,728</u>	<u>34,758</u>

11 Executives

Executive remuneration

Tony Fernand, General Secretary, was paid an honorarium of £3,600 (2021: £3,600) in the year.

Other than this the charity has no payroll therefore no staff being paid more than £60,000.

Trustees' expenses

Expenses totaling £1,112 were reimbursed to 3 members of the Executive in the year (2021: £1,529 to 3 members of the Executive) for postage, stationery, phone, travel, repairs, renewals and computer costs.

12 Employees

There were no employees during the year.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2021	1,267,817	29,072	1,296,889
Additions	19,763	496	20,259
Disposals	(9,103)	-	(9,103)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,278,477	29,568	1,308,045
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 April 2021	396,809	18,978	415,787
Depreciation charged in the year	27,669	1,059	28,728
Eliminated in respect of disposals	(9,103)	-	(9,103)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	415,375	20,037	435,412
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2022	863,102	9,531	872,633
	<hr/>	<hr/>	<hr/>
At 31 March 2021	871,008	10,094	881,102
	<hr/>	<hr/>	<hr/>

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	281	734
Prepayments and accrued income	3,165	3,410
	<hr/>	<hr/>
	3,446	4,144
	<hr/>	<hr/>

15 Current asset investments

	2022	2021
	£	£
Unlisted investments	530,009	561,112
	<hr/>	<hr/>

Current asset investments relate to cash held in several fixed term deposit and notice accounts all of which are of less than one year duration.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,572	3,924
Accruals and deferred income	9,875	7,066
	<u>13,447</u>	<u>10,990</u>

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		
	Balance at 1 April 2021	Incoming resources	Balance at 31 March 2022
	£	£	£
Tenant financial hardship fund	1,327	-	1,327
	<u>1,327</u>	<u>-</u>	<u>1,327</u>

The Tenant Financial Hardship Fund represents donations received to provide extra assistance to tenants.

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		
	Balance at 1 April 2021	Incoming resources	Balance at 31 March 2022
	£	£	£
Fair value reserve	658,598	-	658,598
	<u>658,598</u>	<u>-</u>	<u>658,598</u>

Unrestricted funds include an amount of £658,598 derived from previous revaluations of the freehold properties.

THE INCORPORATED BOURNEMOUTH FREE CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Analysis of net assets between funds

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:				
Tangible assets	872,633	-	872,633	881,102
Current assets/(liabilities)	527,683	1,327	529,010	569,927
	<u>1,400,316</u>	<u>1,327</u>	<u>1,401,643</u>	<u>1,451,029</u>

20 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).