

**TUNBRIDGE WELLS BAPTIST CHURCH**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

Registered Charity Number: 1132966

**GOWER-SMITH & CO**  
*Chartered Accountants*  
Grosvenor Lodge  
72 Grosvenor Road  
Tunbridge Wells  
Kent TN1 2AZ

# **TUNBRIDGE WELLS BAPTIST CHURCH**

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# **TUNBRIDGE WELLS BAPTIST CHURCH**

## **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019**

The managing trustees present their annual report together with the financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's deed, the Charities Act 2011, 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)".

### **OBJECTIVES AND PRINCIPAL ACTIVITIES**

#### **Principal objectives**

Tunbridge Wells Baptist Church is established for the purposes of the advancement of religion and proclamation of the Christian gospel.

#### **Activities**

The charity operates from premises in Upper Grosvenor Road, Tunbridge Wells and undertakes a wide variety of activities in the furtherance of its objects. These include the provision and upkeep of the place of worship, the carrying on of services, running youth, children and families work, the training of ministers and the funding of outreach work both in the UK and overseas.

#### **Public Benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Church's aims and objectives and in setting the grant making policy for the year. The trustees have complied with s 17(5) of the Charities Act 2011.

#### **Risk Management**

The managing trustees spend an away day each year examining the major strategic risks faced by the charity. Individual matters of concern and operational issues are discussed at the regular trustee meetings. A full risk assessment of the premises was undertaken in September 2019 and has been adopted by the trustees.

#### **Reserves Policy and Going Concern**

The trustees review the reserves and resources of the charity on a regular basis and as part of the annual budgeting process. The objective is to have sufficient cash reserves to meet between three and six months operating expenditure and undertake the planned works for the maintenance and improvement of the properties from which the charity operates.

In accordance with the requirements of FRS 102, provision has been made in the Statement of Financial Activities for the deficit arising on the Church's multi-employer Baptist Union Pension Scheme. As the repayment of the pension deficit has been structured for settlement over a period ending 31 December 2028, the trustees consider it appropriate for the accounts to have been prepared on a going concern basis.

### **VISION AND VALUES**

The vision of the Church is to be part of God's transforming work in our community, expressed through:

- Worship – Knowing and loving Jesus
- Discipleship – Becoming like Jesus
- Fellowship – Developing quality friendships
- Ministry – Playing our part; and
- Mission – Caring and sharing Jesus

Where community applies to ourselves, our friends, our town and our world.

# TUNBRIDGE WELLS BAPTIST CHURCH

## ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### VISION AND VALUES (CONTINUED)

Our core values are summed up as:

- Reliable – the centrality of Jesus Christ and authority of the Bible
- Rebirth – conversion from self to God
- Renewal – Daily encountering the Lord through Word & Spirit
- Relational – caring, compassionate and generous to one another
- Reaching Out – concern for others; and
- Relevant – addressing issues that matter

### REVIEW OF THE YEAR

It is good to give thanks to the Lord for the way he has sustained and been with us as a Church over the last twelve months. We have sought to be faithful to our calling and to work with others in the ongoing transformation of the lives of those who live in Tunbridge Wells.

Most of the work carried out is done through the giving of time, talents and finances of the church family.

#### Spiritual Development for all Ages

The distinctive, as of any church, has been the spiritual wellbeing of all those who wish to grow and develop in this area in Tunbridge Wells.

TWBC main strategy during the year has been, first and foremost, providing teaching, courses and coming along side others in empowering and training them to self-care for their spiritual wellbeing throughout the week. This was boosted with weekly Sunday Services where we cater for all ages from babies to those in their nineties. There is a children's and a youth department where they engage at an appropriate level for their respective age. During the last year the children and families community has grown with the parents and children engaging with God and with one another with activities held once a month, children and parents together, to give parents greater confidence in helping their own children grow spiritually. The children with their parent(s) have also had two camping experiences - a weekend nearby to help those not used to camping to gain some skills, confidence and experience and then a week at the beginning of the summer holidays where they joined with about 11,000 other people at New Wine. Unfortunately this year they had to leave early due to high winds/gales near the end of the week.

The elderly have an opportunity to attend a traditional Sunday Service twice a month which is shorter with a more specific sermon and draws on the hymns they value and have known for many years. Those who are from other countries and those who have a heart for new people coming into the town also worship once a month on a Sunday in a home to emphasise all being welcome. This has been increasingly important as sadly not all feel welcomed in our town.

During the year we offered a ten week exploration course on Christianity with a meal, called Alpha, Participants both enjoyed and gained benefit from the course.

#### The wellbeing of those in Tunbridge Wells

There are a number of pathways and activities for all ages which are open to all who want to benefit from them. These include:

**Home/Small Groups.** There are a number of midweek groups of eight to twelve people who mutually support, encourage and socialise together. This is also where pastoral care, prayer for one another and Bible studies happen. Most of the groups have a particular mission that they engage in together.

**Communities.** These are larger groups, comprising 15 - 70 people, most of which are made up of two or three home groups with a common purpose.

# **TUNBRIDGE WELLS BAPTIST CHURCH**

## **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

### **REVIEW OF THE YEAR (CONTINUED)**

**The Children and Families Community** have been mentioned above and also include two toddler groups which both meet once a week. They draw people from a broad cross section of the community and have a waiting list as they are so popular.

**The Home from Home International community** which worships together and has a couple of small groups also served Lunch with foods from different parts of the world on six occasions.

**Knit and Stitch** for ladies is our newest community which meets monthly for a very productive and social time.

**The Peace and Justice Community** continues to work with others in the town to promote Fairtrade as well as highlighting injustices going on globally.

**The 20/30 Community** is relatively new and has grown as a place to socialise and spiritually grow in a town where there is no university and many who go to university do not return.

**The Seniors Community** has a flourishing bi weekly social with lunch run by a dedicated team.

**The Cupboard of Love** has grown in the last year where those who need food can take some from the cupboard whilst others, who can spare it, put food in.

### **Working with others to improve life**

Throughout 2019 members of the church continued to work with those from other churches in charities that we are a part of. These range from Debt Advice; Street Pastors; The Recovery Course (for those struggling with addictions and those closest to them who are affected by it); to falls prevention classes and help for the elderly isolated at home. We were thankful to Crossways for providing a training morning on Mental Health Awareness.

### **Leadership development**

The church has continued to invest in the training of Leaders, where we want to empower and release them in their callings in life, both within the church and in their working world.

For the first time fifteen leaders within the church went on the two day Global Leadership Network Conference where 250,000 worldwide listened to world leaders in their respective field from the business, charitable and ecclesiastical worlds.

TWBC has been hosting a two year Community of Practice for our own leaders and the leaders of five other churches to enable them to serve in their respective communities, through mission and discipleship, based on a love for God and one's neighbour.

### **National and International Mission**

Individually and together we continued to offer time, money and material support to our world mission partners. Nationally, these include the Baptist Union, Evangelical Alliance, CARE and Kairos Connections. Internationally, our partners include the Baptist Missionary Society, People International and Hope Now.

### **Transformation of the Sanctuary**

We have spent about ten years upgrading the Church premises including a new and extended kitchen, repairing or replacing nine roofs, new toilets with disability and nappy changing facilities, rewiring, asbestos removal, new windows and interior decorating. 2019 was the main year to raise £200,000 cash and sufficient promises of regular giving to support a loan for another £200,000 from the Baptist Union, for the renovation of the Church Sanctuary. By the end of the year we were well within reach of the amount needed and so grateful to how so many not only gave towards this but also to the day to day running of the church where we remained in the black at the end of the year. Building work is scheduled to start in April 2020.

# **TUNBRIDGE WELLS BAPTIST CHURCH**

## **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

### **FINANCE REPORT**

For the year ended 31 December 2019 the Unrestricted General Fund shows a surplus of £16,953 prior to the movement in the pension liability compared with a surplus of £646 in the previous year. It is the objective of the trustees to operate within a balanced annual budget and achieve a position close to breakeven each year on the General Fund.

The overall level of offerings and donations income to the General Fund increased by £4,546. We remain grateful to those who gave so generously during the course of the year to ensure that the ministries of the church were able to continue, reaching out to the community in which we operate.

Expenses on the General Fund decreased by £21,477 from the previous year. Plans for the upgrading of the rest of the Sanctuary were developed and by the end of the year a plan was in place to start work in April 2020 with most of the finance raised.

The Mission Fund income increased from £19,502 in 2018 to £28,336 this year. Donations to various causes increased from £23,056 to £23,468.

Overall the finances have remained in good shape with a surplus on unrestricted general fund reserves of £42,856 (2018: £26,849) at the year end. The trustees will continue to monitor the finances closely through careful budgeting to ensure that the ministries and activities we undertake can continue to develop. Normal operating expenditure remained within budget.

### **Post Year end Matters**

The principal risk anticipated in 2020 is dealing with the Covid-19 pandemic. This has meant streaming services and other activities. Some members of the church family have had their livelihoods disrupted which might impact upon the level of giving received. It is recognised that returning to worship together in church will present challenges and risk management issues as the church seeks to be compliant with all health and safety requirements.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Until July 2009 the Church operated under its original constitution which was adopted on 17 August 1883 and varied under the declaration of trust dated 22 November 1988.

At a Special Church Meeting on 15 July 2009 a new constitution was adopted based on the Baptist Union of Great Britain's approved governing document. The new constitution replaced the previous Church Rules, Old Constitution and all items in the Trust Deed not relating to church property. The Church was registered as a charity on 25 November 2009, number 1132966.

#### **Trustees**

The principal trustee is the Baptist Union Corporation Limited. The Church is administered by the pastors, elders and deacons who are the managing trustees of the charity. The managing trustees serving 1 January 2019 to the date of signature of this report were:

Rev Duncan Threshie (Senior Pastor)  
David Waller  
Barbara M O'Driscoll  
Dilys M Threshie  
Jenny Lewry  
Emma Starsmore (Resigned 17 May 2019)

Rev Rachel L Hayward (Children and Families Pastor)  
David W Hayward  
Bayo Akioye  
Sue Willington  
Dan Sydee

# **TUNBRIDGE WELLS BAPTIST CHURCH**

## **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

The managing trustees are elected by the Church members' meeting and shall serve for three years so long as they have the support of that meeting and are then eligible for re-election. Those in ministerial office are managing trustees by virtue of their office. Upon appointment new trustees are given guidance as to their responsibilities.

The leadership team of pastors, elders and deacons functions as one team with three distinct roles. The elders are primarily responsible for the spiritual direction and prayer life of the Church together with the spiritual wellbeing and pastoral care of the members. The deacons are responsible for the administration, finances, premises, staff and legal requirements of the Church. The pastors are jointly responsible as a team for the development of ministries in the Church; they also oversee the programme of Sunday and mid-week services and the spiritual development of the Church family.

The managing trustees meet regularly to discuss all aspects of the running of the Church. The full team of trustees and the elders meet monthly and the deacons normally meet ten times a year. Decisions affecting the operation of the Church are made at these meetings subject to the approval of the membership in the Church Meeting.

#### **Reference and administrative information**

The Charity Commission registration number	1132966
The Registered Office address	Tunbridge Wells Baptist Church 12 Upper Grosvenor Road Tunbridge Wells Kent TN1 2EP

#### **Our Advisors**

Independent Examiner	N M Gower-Smith FCA Gower-Smith & Co <i>Chartered Accountants</i> Grosvenor Lodge 72 Grosvenor Road Tunbridge Wells Kent TN1 2AZ
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ



# **TUNBRIDGE WELLS BAPTIST CHURCH**

## **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

#### **Statement of Responsibilities of the Trustees**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Church will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and to 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 Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 9 September 2020 and signed on their behalf by

Rev D Threshie  
Senior Pastor



# **TUNBRIDGE WELLS BAPTIST CHURCH**

## **REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF TUNBRIDGE WELLS BAPTIST CHURCH**

I report to the trustees on my examination of the accounts of Tunbridge Wells Baptist Church ("the Charity") for the year ended 31 December 2019, which are set out on pages 8 to 18.

### **RESPONSIBILITIES AND BASIS OF REPORT**

As the charity's trustees, 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 Charity'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**

As the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act and I confirm that I am a qualified 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 material matters have come to my attention in connection with the examination which give me cause to believe that in, any material respect:

- 1 the accounting records were not kept in accordance with section 130 of the Act; or
- 2 the accounts did not accord with the accounting records; or
- 3 the accounts did not comply with the applicable 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.

N M Gower-Smith, FCA  
GOWER-SMITH & CO  
*Chartered Accountants*  
Grosvenor Lodge  
72 Grosvenor Road  
Tunbridge Wells  
Kent TN1 2AZ

10 September 2020

# TUNBRIDGE WELLS BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Fund £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>INCOME</b>	<b>2</b>				
Donations and Legacies		180,383	151,123	331,506	284,346
Charitable Activities		10,560	-	10,560	11,555
Investments		140	195	335	95
		<u>191,083</u>	<u>151,318</u>	<u>342,401</u>	<u>295,996</u>
<b>EXPENDITURE</b>	<b>3</b>				
Charitable Activities		<u>174,130</u>	<u>30,318</u>	<u>204,448</u>	<u>255,623</u>
<b>NET INCOME AND NET MOVEMENTS IN FUNDS</b>					
		16,953	121,000	137,953	40,373
Movement in Pension Liability	4	<u>(946)</u>	<u>-</u>	<u>(946)</u>	<u>50,588</u>
		16,007	121,000	137,007	90,961
<b>RECONCILIATION OF FUNDS</b>					
TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2019		<u>26,849</u>	<u>2,924,011</u>	<u>2,950,860</u>	<u>2,859,899</u>
<b>TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2019</b>	<b>9</b>	<u>£42,856</u>	<u>£3,045,011</u>	<u>£3,087,867</u>	<u>£2,950,860</u>

# TUNBRIDGE WELLS BAPTIST CHURCH

## BALANCE SHEET AT 31 DECEMBER 2019

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible Assets	5		2,840,831		2,841,124
TOTAL FIXED ASSETS			2,840,831		2,841,124
<b>CURRENT ASSETS</b>					
Debtors	6	14,368		18,158	
Cash at Bank		313,084		172,460	
Cash in Hand		203		1,253	
TOTAL CURRENT ASSETS		327,655		191,871	
<b>LIABILITIES</b>					
Creditors falling due within one year	7	(18,740)		(14,809)	
NET CURRENT ASSETS			308,915		177,062
			3,149,746		3,018,186
<b>LIABILITIES</b>					
Creditors falling due after one year	8		(61,879)		(67,326)
NET ASSETS			£3,087,867		£2,950,860
<b>THE FUNDS OF THE CHARITY</b>					
	9				
Unrestricted Income Fund			42,856		26,849
Restricted Income Funds			3,045,011		2,924,011
TOTAL CHARITY FUNDS			£3,087,867		£2,950,860

Approved by the trustees on 9 September 2020 and signed on their behalf by

Rev D Threshie  
Senior Pastor

B O'Driscoll  
Treasurer

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 ACCOUNTING POLICIES

#### (a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value except for land and buildings, which are shown at either insurance value or estimated market value.

The accounts include all transactions, assets and liabilities for which the trustees can be held responsible. They do not include the accounts of Church groups that owe their main affiliation to another body nor those that are informal gatherings of Church members.

The Church constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern. The financial statements show full provision of the actuarial deficit on the multi-employer defined benefit pension scheme. In respect to the next reporting period, the year ended 31 December 2020, the most significant area of uncertainty is the level of gift and legacy income receivable. As the payments to meet the pension deficit will be made over the period until 31 December 2028, the trustees consider the Church will have a sufficient cash flow to meet the liabilities of the Church as and when they fall due.

#### (b) Fund structure

Unrestricted income funds comprise those funds that are not subject to any restrictions regarding their use and are available for the trustees to use for any purpose in furtherance of the charitable objects.

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by the donor or the trust deed.

#### (c) Income recognition

All income is recognised once the Church has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Collections are recognised when received by or on behalf of the Church. Other donations are recognised when they have been communicated or received in writing with notification of both the amount and settlement date. Income tax recoverable on Gift Aid donations is recognised when the income is recognised.

Legacies are recognised on a case by case basis following the granting of probate when the administrator or executor of the estate has communicated in writing both the legal entitlement and the amount due.

Rental income from the letting of Church premises is accounted for when due. Interest is accounted for when receivable. Other income is accounted for when due.

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Church to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants and donations payable are payments made to third parties for the furtherance of the charitable objectives of the Church. In the case of an unconditional grant offer, this is accrued once approved. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued for when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the trustees.

#### (e) Allocation of governance costs

Governance costs comprise all costs involving the public accountability of the trustees and their compliance with regulation and good practice. These costs include costs related to the independent examination. The allocation of governance costs is shown in note 3.

#### (f) Charitable activities

The expenditure on charitable activities includes the costs directly relating to the work of the Church, and includes supporting mission and mission-related activity allocated at the discretion of the Mission Group.

#### (g) Tangible fixed assets and depreciation

The freehold premises are included at valuations approved by the Trustees at 31 December 2010. As the market value exceeds the carrying value no depreciation charge has been provided as the estimated residual values are not less than the carrying amount of the assets.

Fixtures and equipment are depreciated on a straight line basis over their estimated useful lives at rates between 12.5% and 25% per annum. The trustees consider the condition of the assets at the year end and make any necessary adjustments for impairment. If an asset is felt to be impaired the carrying value is written down to the recoverable amount, being the higher of the net realisable value and the value in use.

Assets with a value of less than £500 are not capitalised.

#### (h) Realised and unrealised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised gains and losses are recognised when assets are disposed of.

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (i) Current assets

Amounts owing to the Church at the year end date in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

#### (j) Creditors and provisions

Creditors and provisions are recognised where the trustees have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured or estimated reliably.

#### (k) Pensions policy

The cost of pension contributions to the Baptist Union Pension Scheme and the National employment Savings Trust (NEST) are included within charitable activity costs and are accounted for on the basis of contributions payable in the year. The trustees have no liability beyond making contributions and paying across deductions for the employees' contributions.

The trustees have been notified of a deficit on the Baptist Union Pension Scheme which is a multi-employer defined benefit scheme. In accordance with FRS 102, provision has been made for the church's share of the actuarial losses accrued.

### 2 INCOME

	Unrestricted General £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Donations and legacies</b>				
Offerings and Donations	155,703	133,713	289,416	233,269
Gift Aid Tax Refunds	24,263	17,410	41,673	47,873
Legacies	417	-	417	3,204
	<hr/>	<hr/>	<hr/>	<hr/>
	180,383	151,123	331,506	284,346
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Charitable activities</b>				
Church Hall and Room Lettings	8,450	-	8,450	8,893
Fees and Other Income	2,110	-	2,110	2,662
	<hr/>	<hr/>	<hr/>	<hr/>
	10,560	-	10,560	11,555
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Investments</b>				
Interest	-	195	195	27
Building for God Fund	140	-	140	68
General Fund	<hr/>	<hr/>	<hr/>	<hr/>
	140	195	335	95
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL INCOME</b>	<hr/> <b>£191,083</b> <hr/>	<hr/> <b>£151,318</b> <hr/>	<hr/> <b>£342,401</b> <hr/>	<hr/> <b>£295,996</b> <hr/>

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 3 EXPENDITURE

	Unrestricted General Fund £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Charitable activities</b>				
Grants	303	200	503	1,399
Missionary and Charitable Giving (Note 12)	8,477	23,408	31,885	22,991
Ministry				
Salaries, Pensions and Allowances (Note 4)	88,433	-	88,433	122,093
Interest on Pension Liability (Note 4)	1,636	-	1,636	2,702
Visiting Preachers	1,005	-	1,005	1,300
Youth and Children's Ministry and Leadership Training	1,531	-	1,531	1,365
Church Running Costs				
Light and Heat	10,437	-	10,437	10,727
Insurance	4,596	-	4,596	4,446
Miscellaneous	265	-	265	295
Repairs and Maintenance	3,531	6,650	10,181	42,094
Water	1,224	-	1,224	1,420
Equipment	575	-	575	880
Cleaning and Waste Disposal	15,045	-	15,045	8,426
Manse Running Costs				
Light and Heat	2,798	-	2,798	2,885
Insurance	482	-	482	445
Council Tax	2,603	-	2,603	2,468
Repairs and maintenance	2,576	-	2,576	1,227
Telephone	339	-	339	240
Water and Services	550	-	550	553
Outreach	1,870	-	1,870	2,470
Training, Conferences and Courses	2,281	-	2,281	2,787
Flowers and Catering	1,974	-	1,974	1,460
Stationery and Copying	2,308	-	2,308	2,679
Computer and Office Equipment Costs	1,160	-	1,160	558
Depreciation	4,533	-	4,533	5,566
Telephone, Fax and Internet	1,123	-	1,123	2,080
Subscriptions and Publications	2,462	-	2,462	1,361
Travel Expenses	1,371	-	1,371	2,161
Music Licences and Expenses	1,983	-	1,983	1,239
Miscellaneous	212	60	272	409
Governance Costs				
Independent Examiner's Fee	3,200	-	3,200	3,200
Accountancy Fees to Independent Examiner's Firm	2,995	-	2,995	1,445
Trustees' Insurance	252	-	252	252
<b>TOTAL EXPENDITURE</b>	<b>£174,130</b>	<b>£30,318</b>	<b>£204,448</b>	<b>£255,623</b>



# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 4 STAFF COSTS

	2019 £	2018 £
Wages and Salaries	69,496	99,363
Social Security Costs	1,805	4,323
Pension Contributions	6,221	5,609
Housing Allowances, Expenses and Training	10,911	12,798
	<u>£88,433</u>	<u>£122,093</u>

No employee received remuneration in excess of £60,000 (2018: None).

One trustee who is also an employee was provided with accommodation which is wholly owned by the Church under the terms of his employment.

Two trustees who are employees, as ministers of the Church, received remuneration during the year totalling £70,704 (2018: three trustees - £76,674) and expenses of £7,333 (2018: £7,755) were reimbursed to them.

The average monthly head-count was 5 (2018: 6) and the average monthly full-time equivalent employees (including casual and part-time staff) was 3 (2018: 4)

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers and some members of the Church staff are eligible to join the Scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DG Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 4 STAFF COSTS (CONTINUED)

#### Actuarial Valuation at 31 December 2016

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). The Church and the other employers supporting the DB Plan are collectively responsible for funding the deficit.

The key financial assumptions underlying the valuations were:

Type of assumption	% per annum
RPI price inflation assumption	3.50
CPI price inflation assumption	2.75
Minimum Pensionable Income Increases (CPI plus 0.75 %)	3.50
Assumed investment returns	
- Pre-retirement	3.50
- Post-retirement	2.25
Deferred pension increases	
- Pre April 2009	3.50
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	2.70
- Main Scheme pension Post April 2006	2.00

Post-retirement mortality in accordance with 75% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2016 core projections, with a long term annual rate improvement of 1.75% for males and 1.5% for females.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2019.

#### Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustees and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the Recovery Plan dated 16 December 2018, deficiency contributions are payable until 31 December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

#### Movement in Balance Sheet Liability

Section 28, 11a of FRS 102 requires agreed recovery deficit payments to be recognised as a liability. The movement in the provision is set out in the table below.

Accounting date – Year ending	31 December 2019	31 December 2018
	£	£
Balance Sheet liability at start of the year	71,559	126,178
Minus Deficiency Contributions paid	(6,931)	(6,733)
Interest Cost – recognised in the Statement of Financial Activities	1,636	2,702
Remaining change to Balance Sheet Liability*		
recognised in the Statement of Financial Activities	946	(50,588)
	<hr/>	<hr/>
Balance Sheet Liability at the year end	£67,210	£71,559
	<hr/>	<hr/>

\*Comprises any change in agreed deficit recovery plan and change in assumptions between year ends.

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 4 STAFF COSTS (CONTINUED)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date – 31 December	2019	2018	2017
Discount Rate	1.7%	2.4%	2.2%
Future Increases to Minimum Pensionable Income	3.2%	3.3%	3.1%

Under the Pensions Act 2008, automatic enrolment was required from August 2016. The pension scheme is run by the National Employment Savings Trust (NEST). Three employees are currently members of the scheme and the church and the employees currently contribute at the minimum rate of 3% and 5% each during 2019. The cost for the year was £590 (2018: £156).

The total pension cost for the Church was £13,152, comprising £6,221 contributions for the year and £6,931 contributions for the pension fund deficit (2018: £12,342 comprising £5,609 for the year and £6,733 for the deficit).

### 5 TANGIBLE ASSETS

	Freehold Property and Buildings £	Furniture and Equipment £	Total £
Cost or Valuation			
At 1 January 2019	2,832,886	53,588	2,886,474
Additions in the year	-	4,240	4,240
Disposals in the year	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2019	2,832,886	57,828	2,890,714
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2019	-	45,350	45,350
Charges for the year	-	4,533	4,533
Depreciation on disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	49,883	49,883
	<hr/>	<hr/>	<hr/>
Net Book Value			
31 December 2019	£2,832,886	£7,945	£2,840,831
	<hr/>	<hr/>	<hr/>
31 December 2018	£2,832,886	£8,238	£2,841,124
	<hr/>	<hr/>	<hr/>

The freehold properties were brought into the accounts at market value at 31 December 1997 and were valued at £2,832,886 at 31 December 2010. The Trustees consider their market value to be significantly higher than the carrying value at the year-end. For this reason the properties have not been depreciated during the year.

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

	2019 £	2018 £			
<b>6 DEBTORS</b>					
Income Tax Recoverable	11,171	17,306			
Other Debtors	2,088	-			
Prepayments	1,109	852			
	<u>£14,368</u>	<u>£18,158</u>			
<b>7 LIABILITIES: Creditors falling due within one year</b>					
Accruals and Deferred Income	4,805	3,200			
Creditors for Goods and Services	7,357	5,318			
Taxation and Social Security	1,247	2,058			
Obligations under Defined Benefit Pension Scheme	5,331	4,233			
	<u>£18,740</u>	<u>£14,809</u>			
<b>8 LIABILITIES: Creditors falling due after one year</b>					
Obligations under Defined Benefit Pension Scheme	61,879	67,326			
	<u>£61,879</u>	<u>£ 67,326</u>			
<b>9 FUNDS</b>					
	At 1 January 2019 £	Income £	Expenditure £	Movement in Pension Fund Liability £	At 31 December 2019 £
<b>Unrestricted Fund</b>					
General Fund	26,849	191,083	(174,130)	(946)	42,856
	<u>26,849</u>	<u>191,083</u>	<u>(174,130)</u>	<u>(946)</u>	<u>42,856</u>
<b>Restricted Fund</b>					
Property Fund	2,832,886	-	-	-	2,832,886
Mission Fund	6,895	28,336	(23,468)	-	11,763
Fellowship Fund	386	503	(200)	-	689
Building for God Fund	83,844	122,479	(6,650)	-	199,673
	<u>2,924,011</u>	<u>151,318</u>	<u>(30,318)</u>	<u>-</u>	<u>3,045,011</u>
Total Restricted Funds	2,924,011	151,318	(30,318)	-	3,045,011
	<u>2,924,011</u>	<u>151,318</u>	<u>(30,318)</u>	<u>-</u>	<u>3,045,011</u>
<b>TOTAL FUNDS</b>	<u>£2,950,860</u>	<u>£342,401</u>	<u>£(204,448)</u>	<u>£(946)</u>	<u>£3,087,867</u>

# TUNBRIDGE WELLS BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

### 9 FUNDS (CONTINUED)

The Restricted Funds are used in accordance with specific restrictions imposed by the donors:

- Property Fund comprises the revaluation of the freehold properties at 31 December 2010.
- Mission Fund comprises donations to specified missionary and charitable causes.
- Fellowship Fund comprises donations received for grants paid at the discretion of the Pastor.
- Building for God Fund comprises donations received for the renewal and refurbishment of the Church building.

### 10 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted General £	Restricted Funds £	Total 2019 £	Total 2018 £
Fixed Assets	7,945	2,832,886	2,840,831	2,841,124
Current Assets	115,530	212,125	327,655	191,871
Current Liabilities	(18,740)	-	(18,740)	(14,809)
Creditors falling due after one year	(61,879)	-	(61,879)	(67,326)
	<u>£42,856</u>	<u>£3,045,011</u>	<u>£3,087,867</u>	<u>£2,950,860</u>

### 11 TRANSACTIONS WITH TRUSTEES

Two trustees are employed as ministers of the Church and they received remuneration during the year totalling £70,704 (2018: Three trustees - £76,674) and expenses of £7,333 (2018: £7,755). One trustee, who is also an employee, was provided with accommodation which is wholly owned by the Church, under the terms of his employment. One of the other trustees provides administrative services for an hourly fee and another trustee is employed on a part time basis as a Pastoral Assistant. None of the other trustees received any remuneration or expenses.

The church has a trustees' indemnity insurance policy and the premium of £252 (2018: £252) has been charged in these financial statements.

### 12 MISSIONARY AND CHARITABLE GIVING

	2019 £	2018 £
<b>Institutions</b>		
Baptist Missionary Society		
World Mission	5,000	4,500
Home Mission	5,000	4,141
Christmas 2018		
Restored (2018: Life and Soul)	859	1,375
Hope Now (2018: Nigeria)	859	1,375
Church Family Gifts for Mission Activity	-	1,385
People International	3,000	2,400
Local Mission Organisations	1,250	1,250
Other Gifts under £1,000	1,394	865
	<u>17,362</u>	<u>17,291</u>
<b>Individuals</b>		
Other Gifts for the year	6,046	5,700
	<u>£23,408</u>	<u>£22,991</u>