

Charity registration number: 1154422

Freedom Church Romsey

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Contents

Trustees' Report	1 to 7
Statement of Trustees' Responsibilities	8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Financial Statements	12 to 17

Trustees' Report

Registered Charity number: 1154422

Principal Office Address: Freedom Church Romsey
Unit 6
Greatbridge Road Business Park
Budds Lane
Romsey
Hampshire
SO51 0HA

Trustees:	Mr A Cowan (Chair)	appointed November 2014 resigned Chair January 2022
	Mr R Kirkland	appointed January 2014 appointed Chair January 2022
	Mr F Long	resigned October 2021
	Mrs A Maxwell	resigned July 2021
	Mr F Norbury	appointed April 2017
	Mrs N Maundrell	appointed April 2021
	Mrs J Allotey	appointed October 2021

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

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

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2021.

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 through reaching out to our community with the love of Christ through weekly gatherings (currently a hybrid of Church Online, smaller location-based gatherings and occasional whole church gatherings), 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 (formed of both employed and volunteer members) is responsible for the spiritual direction of the Church.

The Trustee Board meet four times a year. The Leadership 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 Leadership Team, the day-to-day responsibilities for running much of the church activities and ministries are further delegated to the Management Team, led by the Senior Leader.

Trustees' Report

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.

The Trustee Board is continuing to develop a Risk Management Register to further enhance the management, mitigation and reporting of risks.

Public Benefit:

The Trustees consider the Charity Commission 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 2021:

The achievements, activity and performance of Freedom Church has, like so many charities, businesses, and individuals, continued to be significantly impacted by the Covid-19 Pandemic. The cautious return to normality for much of society has presented new challenges and opportunities to the charity.

In early 2021, Freedom Church continued to meet online for worship and teaching. This was entirely public and available through several online platforms. Connect Groups continued to meet online. As the Lockdown eased Sunday morning in-person gathering recommenced, although to be more Covid-secure the congregation met across three different locations each Sunday, watching livestreamed content created in a separate studio environment. Connect groups slowly returned to in-person gatherings as the year went on, although a couple of groups chose to stay online.

In January the Church took on new premises on a temporary basis, to create a larger, safer and more suitable environment for the studio. This had a significant beneficial impact and therefore a permanent studio space was sought. A new unit was taken on in June, which now houses the studio, Church office, Foodbank, Freedom Matters and other activities and, as such, the Church vacated the previous temporary and permanent office spaces.

Trustees' Report

Freedom Church has now formally been accepted as a "24-7 Community" within the 24-7 Prayer Initiative. Freedom Church continues to be involved in Churches Together in Romsey. Many events planned, such as the Church Weekend Away, Wildfires and Big Church Day Out, were cancelled for a second year in a row. Freedom Matters, the social action collective of Freedom Church, has continued to meet the needs of the local community, and has remained central to the life and activity of Freedom Church. The gradual reduction in furloughing, continued financial pressure and competitive jobs market has meant that demand for services has remained high throughout the year. In 2021 the CAP Debt Centre helped many more people on the journey towards being debt free, in continued partnership with Romsey Baptist Church. The CAP Job Club has run further courses. Romsey Foodbank has continued to serve an increased level of demand for emergency food, whilst continuing to work in new ways and moving premises successfully. Foodbank has met these challenges head on and continued to improve its offer, continuing to support a CAB worker using funds from a Trussell Trust Grant. Freedom Church Early Years Intervention in local schools in partnership with TLG has now commenced, although the programme is expected to grow moving forward.

The Charity continued to employ Sim Dendy in the role of Senior Leader. The Staff Team has seen some significant change, with Tim Parker stepping down as Executive Leader. He has remained as a volunteer treasurer until year end. With this change, and the opportunities presented by taking on new premises, roles have changed for Ben Tanton, Eve Ibbott and Jo Topley, who have all taken on additional work. Phil Carter commenced employment as the leader of Freedom Kids.

The charity has provided care, and sometimes financial or other material support, to those in need in Romsey. In addition, through the "Freedom Fund", the Church made numerous gifts to works/missions /AID projects both in the UK and overseas, which is in accordance with the aims 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. Feasibility work has continued the second site with a large public consultation being undertaken. 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 used for various church gatherings which were highlights of the year for many people.

Trustees' Report

Future Developments:

Freedom Church Romsey is looking to continue to engage the local community 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 to achieve this. A legacy of Covid will no doubt mean that, 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 an 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.

Trustees' Report

FINANCIAL REVIEW

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

Income and Donations

In 2021, total income, including donations, gift aid, payments, grants and interest income, across all projects, was £382,334. Total expenditure was £358,163.

Balance Sheet and Reserves Policy

The Year End Balance Sheet shows £203,145 of Fixed Assets and £484,063 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 2021 were £76,832, and, hence, the reserves are deemed adequate.

Grant Funding and Government Grants

During 2021 Freedom Church Romsey received grant funding from The Trussell Trust, Awards for All (The National Lottery), Screwfix and Test Valley Borough Council. Freedom Church also claimed a total of £2,759.80 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.

Trustees' Report

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.

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 £57,511 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 £360,263 which consists of Building Fund (£219,146), Foodbank Fund (£120,201) and Freedom Matters (£20,916).

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 18 March 2022 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 2021 which are set out on pages 10 to 17.

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

18 March 2022

Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Charitable activities		251,279	131,021	382,300	444,256
Investment income	3	8	26	34	481
Total income		251,287	131,047	382,334	444,737
Expenditure on:					
Charitable activities		(291,550)	(66,613)	(358,163)	(276,318)
Total expenditure		(291,550)	(66,613)	(358,163)	(276,318)
Net movement in funds		(40,263)	64,434	24,171	168,419
Reconciliation of funds					
Total funds brought forward		170,719	491,445	662,164	493,745
Total funds carried forward	10	130,456	555,879	686,335	662,164

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

The funds breakdown for 2020 is shown in note 10.

(Registration number: 1154422)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	203,145	202,037
Current assets			
Debtors	7	127	-
Cash at bank and in hand	8	484,063	463,468
		484,190	463,468
Creditors: Amounts falling due within one year	9	(1,000)	(3,341)
Net current assets		483,190	460,127
Net assets		686,335	662,164
Funds of the charity:			
Restricted income funds			
Restricted funds		555,879	491,445
Unrestricted income funds			
Unrestricted funds		130,456	170,719
Total funds	10	686,335	662,164

The financial statements on pages 10 to 17 were approved by the trustees, and authorised for issue on 18 March 2022 and signed on their behalf by:

.....
 Andrew Cowan
 Trustee

Notes to the Financial Statements for the Year Ended 31 December 2021

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 2021

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.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

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's 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 2021 £	Total 2020 £
Charitable Activities	251,279	131,021	382,300	444,256

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Interest receivable and similar income;				
Interest receivable on bank deposits	8	26	34	481

4 Expenditure on charitable activities

	Unrestricted General £	Restricted £	Total 2021 £	Total 2020 £
Charitable Activities	291,550	66,613	358,163	276,318

Notes to the Financial Statements for the Year Ended 31 December 2021

5 Taxation

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

6 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2021	202,037	-	202,037
Additions	-	1,477	1,477
At 31 December 2021	202,037	1,477	203,514
Depreciation			
Charge for the year	-	369	369
At 31 December 2021	-	369	369
Net book value			
At 31 December 2021	202,037	1,108	203,145
At 31 December 2020	202,037	-	202,037

7 Debtors

	2021 £
Other debtors	127

8 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	484,063	463,468

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	2,341
Accruals	1,000	1,000
	1,000	3,341

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
<i>General</i>				
General	170,719	251,287	(291,550)	130,456
Restricted funds				
Building Fund	401,396	20,771	(984)	421,183
Foodbank	75,462	97,859	(53,120)	120,201
CAP	(4,613)	6,082	(7,891)	(6,422)
Freedom Matters	19,200	6,335	(4,618)	20,917
Total restricted funds	491,445	131,047	(66,613)	555,879
Total funds	662,164	382,334	(358,163)	686,335
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Unrestricted funds				
<i>General</i>				
General	125,388	260,331	(215,000)	170,719
Restricted funds				
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
Total restricted funds	368,357	184,407	(61,319)	491,445
Total funds	493,745	444,738	(276,319)	662,164

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2021 £
Tangible fixed assets	1,108	202,037	203,145
Current assets	484,190	-	484,190
Current liabilities	(1,000)	-	(1,000)
Total net assets	484,298	202,037	686,335
	Unrestricted funds General £	Restricted funds £	Total funds 2020 £
Tangible fixed assets	-	202,037	202,037
Current assets	463,468	-	463,468
Current liabilities	(3,341)	-	(3,341)
Total net assets	460,127	202,037	662,164