

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016

The managing trustees present their annual report together with the financial statements for the year ended 31 December 2016.

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's 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 2016 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 six and twelve months operating expenditure and undertake the planned works for the maintenance and improvement of the properties from which the charity operates.

At 31 December 2016, the charity held six months of unrestricted reserves relative to normal operating expenditure. Having regard to these reserves and budgets for the following twelve months, the trustees consider it appropriate for the accounts to have been prepared on the 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, out town and our world.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016 (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

Looking back over the year, there is no better way to begin than to thank the church family for giving of their time, talents and finances in contributing to the Lord's work through TWBC.

Sunday Worship

During the year, following the senior Pastor's Sabbatical, we have been looking at Living the Jesus Life on numerous Sundays based in Luke's Gospel. There is no better person and example to follow in life, where He transcends generations and cultures. For a month in the New Year we looked at Spiritual Breakthroughs, which we continue to pray for, both for ourselves and for Tunbridge Wells where we are committed, with others, to working towards the transformation of the Town.

During the last couple of years we have seen 39 new adults regularly participate at the main 10:30 am service, where the age profile has become increasingly younger and the make-up of the congregation more multi-cultural. We seek to help all to engage holistically with the Lord and to find a place to belong within the Church family where there are now 354 of us.

Small Groups

During Lent 15 of the adult Home Groups/Small Groups embarked on the CWR Pastoral Care Course called "Paraclesis – Coming Alongside Others". For many, what started off as an easy journey through well-known thoughts and practices soon turned into a more stretching exercise which helped them to gain greater depth and understanding in the area of pastoral care. Many Small Groups ended up addressing significant issues related to their communities and in their own lives and situations. It appears that those who participated in and completed all three aspects of the course (Sunday teaching, Small Groups and Daily Devotions) gained most from it.

Communities and Ministries

During the last 6 months the Missional Community Leaders met twice a month for ongoing coaching and development, as well as to learn from and support one another. This season has now come to an end. In the next season we will be looking to meet less frequently. We are truly thankful to all who invest much time and energy behind the scenes in leading, growing and developing their respective communities.

The Children and Families Community will soon be off on their annual week at New Wine. They have introduced Sunday lunches together once a month with the men folk getting together at the pub once a month.

The Youth are now meeting at Nero's Coffee Shop once a month on a Sunday morning, whilst the New Beginnings Community are currently engaging and ministering to about 60, half of whom on an ongoing basis, and some for many years, all of whom are from the margins of society.

Communities and Ministries (Continued)

The Home from Home Community has continued to deepen its friendships and has met for two lunches in the garden of a home as well as regularly engaging with the Lord together across the generations through monthly worship.

There has been a significant shift in terms of understanding and practice of social and spiritual concern. There is now a recognition that both are inextricably linked and that God the Father is concerned holistically for the wellbeing of all people.

We rejoice that the growth at TWBC primarily comes through our Communities and the 10:30 services.

There are currently two pressing situations regarding resourcing our ministries. One is the Seniors Community, who need more team members to help ministering twice a month on a Wednesday morning through Cameo with a social activity followed by Soup and a pudding. It would be helpful if there were those under 75 who could help once or twice a month either for the whole morning or to come in and set up or put away the tables and chairs.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

The other is for the children's work on Sunday mornings, which is growing and so need a new small group of volunteers to help or lead once or twice a month at the 10.30 am service. This has also become more pressing due to an increased number of children with additional needs, who require one to one support.

Prayer

In the last year we have engaged with two Weeks of Prayer, firstly in January as a church and then also in April with other churches from the town. These were once again organised in daily rhythms at different times of the day and in different ways to try and enable as many as possible to access them. Our themes have been constant through 2016 where we have primarily been focusing on underpinning all we do at TWBC in prayer for breakthroughs and the same for the ongoing transformation of our town with others. We are thankful for those who engaged in prayer during those weeks whilst at the same time longing for the day when most of the church will have a strong desire to engage with one another more frequently together in prayer. We will always be open to different ways of engaging with the Lord in prayer.

Mission

Our Peace and Justice Community have been spear-heading the way for us as a church on a number of projects. They, in partnership with Vanessa Crocker (our current intern), led us in supporting Samaritans Purse Operation Christmas Child by using the Church Centre as a drop off point in the area for the Christmas gift boxes which were sent to children in deprived areas of the world. A number of our church family also filled boxes and were involved in the checking process at the depot in Tonbridge. Becky Bradshaw took the initiative of inviting contributions to the Samara's Aid Appeal and has been co-ordinating our effort to provide clothing for the many displaced people in Syria. Fairtrade fortnight turned into a month of campaigning and informing through a shop space in the Royal Victoria Centre which was given to the organisation to help promote the cause.

Our Harvest offering went to the Syria's Forgotten Families appeal through BMS World Mission. The Christmas offerings were shared between Good Neighbours, a local charity based at the church who befriend, practically help and sometimes are an advocate for the isolated elderly in our community and an international cause through Ray Scantlebury to help Yezidi young women in Iraq who have recently been freed from ISIS situations. Church members have, over the years, been encouraged to seriously and prayerfully consider going on a mission trip at least once in their life time. So many of those who have done it have testified to it giving them a broader perspective and understanding of God's world. It also helps to put people in situations where they need to step out in faith and trust the Lord more fully and where it seems He is able to speak to us in ways that are different than in our day to day routines at home. This last year Jill Throp and Mary Hooper have been to Sri Lanka to be with the Fullers who have been working there for many years. Vanessa Crocker has also recently completed two weeks in Uganda with others from Ilkley and Manchester who are also doing the New Wine Discipleship year. Mark and Lyndsey Dodd, along with their three children, Joshua, Amelie and Feya, are also about to embark on a mission trip to Costa Rico for three weeks with Latin Link.

Refurbishing the Sanctuary

During the last year we have significantly repaired and improved the Sanctuary pitched roof which has included replacing slates where needed, refitting all slates with new nails and redoing the wooden structure of the pitched roof.

The Sanctuary Development Team have been working hard looking at how best to improve the Sanctuary, whilst keeping the integrity of the space and based on the briefing given to them. They are nearing the end of this phase. We look forward to sharing more about this in the near future at the church meeting and later with the wider church family.

The Team have come to the same conclusion, as was recognised by the previous team that Sanctuary work will need to be done as one project, rather than breaking it down into smaller phases. This is both for financial and practical reasons. The exception to this has been movable furniture where pews were replaced by chairs, the roof restoration and now an opportunity to replace the windows.

Our TWBC Family

It is always a precious time when we get to welcome new babies born into the church family. This year we welcomed Aaron Russell, who was dedicated during a service on 7 May, and Ezra Flashman-Payne who was born in June. We sorely miss, but give thanks for the lives of Ron Throp, Des Moore, Maurice Howes, Danny Green and Tony Leach all of whom are now at home with the Lord. It was also exciting to witness those who took a step of faith through Baptism who were Vanessa Crocker, Merlin Shepherd, Ruth Deacon, Mo Akiyo, Mary Mabbutt, Coralie Tringham, Esther Lewry and Kelly Rodrigues.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

It is a joy and privilege to be part of the TWBC family and partnering together in being a part of God's transforming work in our community

FINANCE REPORT

For the year ended 31 December 2016 the Ministry Fund shows a deficit of £40,497 on unrestricted funds compared to a surplus of £709 in the previous year. It is still the objective of the trustees to operate within a balanced budget and achieve a position close to breakeven each year.

The overall level of regular income reduced, as did the level of gift aid reclaimed, but 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 overall reduced by 11.4% from the previous year with the main decrease being in renovation costs on the church properties. The Building for God Fund continued to receive donations in the year although the trend is for the level of giving to reduce. Nevertheless the church was able to continue its repair programme with works to repair the pitched roof.

The Mission Fund was less active than in the previous year but able to donate £30,000 (down from £33,000 in 2015) to various causes.

Overall the finances have remained in good shape and the church had unrestricted reserves of £103,336 at the year end, representing approximately six months' expenditure based on the cost base for the year. 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.

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 2016 to the date of signature of this report were:

Rev Duncan Threshie	(Senior Pastor)
Rev Rachel Hayward	(Children and Families Pastor)
Adam Parkes	(Music and Worship Pastor)
David Waller	
David Hayward	
Barbara O'Driscoll	
Paul Russell	
Nicola Deacon	(Resigned 31 December 2016)
Sarah Codling	
Bayo Akioye	(Appointed 1 January 2016)
Anneliese Garrett	(Appointed 1 January 2016 and resigned 16 April 2017)
William Mark Dodd	(Appointed 1 January 2017)

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2016 (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 meets six times a year (eleven times a year from 2016), the deacons meet at least five times a year, and the elders meet on a monthly basis. 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 is 1132966

The Registered Office address is: Tunbridge Wells Baptist Church
Upper Grosvenor Road,

Tunbridge Wells, Kent TN1 2EP

Our Advisors

Independent Examiner N M Gower-Smith FCA
Gower-Smith & Co, *Chartered Accountants*
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

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.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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 18 July 2017 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 on the accounts of Tunbridge Wells Baptist Church for the year ended 31 December 2016, which are set out on pages 8 to 17.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow procedures laid down in the General Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

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

INDEPENDENT EXAMINER'S STATEMENT

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - (a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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

19 July 2017

TUNBRIDGE WELLS BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Fund £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOME					
Donations and legacies	2(a)	163,870	35,753	199,623	232,600
Charitable activities	2(b)	11,178	-	11,178	8,217
Investments	2(c)	175	96	271	478
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME		175,223	35,849	211,072	241,295
		<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE					
Charitable activities	3	215,720	45,305	261,025	294,722
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/ (EXPENDITURE) AND NET MOVEMENTS IN FUNDS BEFORE GAINS AND LOSSES ON INVESTMENTS		(40,497)	(9,456)	(49,953)	(53,427)
Net gain on sale of investments	4	-	-	-	356
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		(40,497)	(9,456)	(49,953)	(53,071)
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2016		143,833	2,896,905	3,040,738	3,093,809
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2016	10	£103,336	£2,887,449	£2,990,785	£3,040,738
		<hr/>	<hr/>	<hr/>	<hr/>

TUNBRIDGE WELLS BAPTIST CHURCH

BALANCE SHEET AT 31 DECEMBER 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	7		2,849,114		2,855,316
			<hr/>		<hr/>
TOTAL FIXED ASSETS				2,849,114	2,855,316
CURRENT ASSETS					
Debtors	8	14,162		10,198	
Short term deposits		34		4,483	
Cash at bank		134,181		178,301	
Cash in hand		43		37	
		<hr/>		<hr/>	
TOTAL CURRENT ASSETS			148,420		193,019
LIABILITIES					
Creditors falling due within one year	9	(6,749)		(7,597)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			141,671		185,422
			<hr/>		<hr/>
NET ASSETS			£2,990,785		£3,040,738
			<hr/>		<hr/>
THE FUNDS OF THE CHARITY					
	10				
Unrestricted Income Fund			103,336		143,833
Restricted Income Funds			2,887,449		2,896,905
			<hr/>		<hr/>
TOTAL CHARITY FUNDS			£2,990,785		£3,040,738
			<hr/>		<hr/>

Approved by the trustees on 18 July 2017 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 2016

1 ACCOUNTING POLICIES

1.1 Basis of accounting

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 for Smaller Entities published on 16 July 2014, the Charities Act 2011, the Church Accounting Regulations 2006 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments and 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.

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

1.3 Income recognition

All income is recognised once the church has entitlement to the income, there is sufficient certainty or 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.

1.4 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the trustees 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 in the furtherance of the charitable objects 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.

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.5 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(b)

1.6 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.

1.7 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. Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), it is a departure from the general requirement of the Charities Act 2011 for all tangible assets to be depreciated. In the opinion of the trustees compliance with the standard is necessary for the financial statements to give a true and fair view.

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

1.8 Investments

Investments are initially recognised at transaction value since in the opinion of the trustees the difference between the cost and market value is immaterial. This is a departure from the SORP (FRSSE).

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.9 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.

1.10 Current assets

Amounts owing to the trustees at 31 December in respect of fees, rents or other income are shown as debtors less any provision for amounts that may prove uncollectible.

Short-term deposits include cash held on deposit with the Baptist Union Corporation.

1.11 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.

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

1.12 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 no liability for final pension provision for staff.

2 INCOME

	Unrestricted General £	Restricted Funds £	Total 2016 £	Total 2015 £
(a) Donations and legacies				
Offerings and donations	136,605	29,453	166,058	185,123
Gift Aid Tax refunds	25,265	6,300	31,565	38,544
Legacies	2,000	-	2,000	8,933
	<hr/>	<hr/>	<hr/>	<hr/>
	163,870	35,753	199,623	232,600
	<hr/>	<hr/>	<hr/>	<hr/>
(b) Charitable activities				
Church hall and room lettings	7,725	-	7,725	7,330
Fees and other income	3,453	-	3,453	887
	<hr/>	<hr/>	<hr/>	<hr/>
	11,178	-	11,178	8,217
	<hr/>	<hr/>	<hr/>	<hr/>
(c) Investments				
Interest				
Youth Transport Fund	-	-	-	49
Building for God Fund	-	96	96	157
General Fund	175	-	175	272
	<hr/>	<hr/>	<hr/>	<hr/>
	175	96	271	478
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME	<hr/>	<hr/>	<hr/>	<hr/>
	£175,223	£35,849	£211,072	£241,295
	<hr/>	<hr/>	<hr/>	<hr/>

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3 EXPENDITURE

	Unrestricted General Fund £	Restricted Funds £	Total 2016 £	Total 2015 £
Charitable activities				
Grants	8,075	-	8,075	1,654
Missionary and charitable giving	-	30,455	30,455	33,418
Ministry				
Salaries, pensions and allowances	130,032	-	130,032	116,218
Visiting preachers	780	-	780	1,440
Youth resources	1,427	-	1,427	1,100
Church running costs				
Light and heat	11,103	-	11,103	9,983
Insurance	5,248	-	5,248	1,721
Miscellaneous	1,415	-	1,415	1,226
Repairs and maintenance	6,592	14,850	21,442	82,680
Water	992	-	992	1,068
Equipment	175	-	175	398
Cleaning and waste disposal	3,207	-	3,207	2,980
Manse running costs				
Light and heat	2,385	-	2,385	2,871
Insurance	400	-	400	399
Council Tax	2,275	-	2,275	2,198
Repairs and maintenance	3,788	-	3,788	549
Telephone	240	-	240	240
Water and services	390	-	390	1,080
Outreach	888	-	888	938
Training, conferences and courses	6,207	-	6,207	3,763
Flowers and catering	1,483	-	1,483	2,188
Stationery and copying	6,271	-	6,271	1,395
Computer and office equipment costs	3,129	-	3,129	2,896
Depreciation	8,474	-	8,474	8,715
Telephone, fax and internet	1,808	-	1,808	1,664
Subscriptions and publications	1,345	-	1,345	1,146
Travel expenses	1,094	-	1,094	1,170
Music licences and expenses	1,370	-	1,370	952
Independent examination	3,000	-	3,000	2,800
Accountancy fees	1,850	-	1,850	124
Trustees' insurance	-	-	-	350
Miscellaneous	277	-	277	714
TOTAL EXPENDITURE	£215,720	£45,305	£261,025	£294,722

4 INVESTMENT GAINS

Gain on disposal of 156 shares in Lloyds Gilt Fund	£ -	£356
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5 GOVERNANCE COSTS

The governance costs of £4,850 included in Charitable activities comprise the Independent Examiner's fee of £3,000 and his additional work in preparing the previous year's accounts of £1,850. In 2015 the total was £3,274 comprising the Independent Examiner's fee of £2,800, accountancy of £124 and trustees' insurance premium of £350.

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6 STAFF COSTS

	2016 £	2015 £
Wages and salaries	101,068	92,079
Social security costs	4,195	4,492
Pension contributions	12,167	11,347
Housing allowances and expenses	12,602	8,300
	<hr/>	<hr/>
	£130,032	£116,218
	<hr/>	<hr/>

No employee received remuneration in excess of £60,000 (2015: Nil).

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

Three trustees who are employees (as ministers of the church) received remuneration during the year totalling £xxxxx (2015: £63,658) and expenses of £9,795 (2015: £8,415) were reimbursed to them.

The average monthly head-count was 7 (2015: 7) and the average monthly full-time equivalent employees (including casual and part-time staff) was 4 (2015: 4)

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Ministers and some members of the church staff are eligible to join the Scheme, which is not contracted out of the State Second Pension.

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. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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.

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2013 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £162 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £84 million (equivalent to a past service funding level of 66%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed to increase the standard rate of deficiency contributions from churches and other employers involved in the DB Plan from 11% of Pensionable Income / Minimum Pensionable Income to be based on a 12% rate from 1 January 2016. The contributions are based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period now pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6 STAFF COSTS (CONTINUED)

The key financial assumptions underlying the valuations were:

Type of assumption	%per annum
RPI price inflation assumption	3.60
CPI price inflation assumption	2.85
Minimum Pensionable Income Increases (CPI plus 1%)	3.85
Assumed investment returns	
- Pre-retirement	5.10
- Post-retirement	3.95
Deferred pension increases	
- Pre April 2009	3.60
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	3.40
- Main Scheme pension Post April 2006	2.30

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church was £12,100 (2015: £11,347).

The next actuarial valuation of the DB Plan within the Scheme, showing the position at 31 December 2016 is currently underway.

Under the Pensions Act 2008, automatic enrolment was required from August 2016. The pension scheme is run by the National Employment Savings trust (NEST). Two employees joined the scheme and the Church and the employees currently contribute at the minimum rate of 1% each. The total pension cost for the year was £ 67 (2015: £Nil).

7 TANGIBLE ASSETS

	Freehold Property and Buildings £	Furniture and Equipment £	Total £
Cost or Valuation			
At 1 January 2016	2,832,886	48,409	2,881,295
Additions in the year	-	2,272	2,272
	<hr/>	<hr/>	<hr/>
At 31 December 2016	2,832,886	50,681	2,883,567
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2015	-	25,979	25,979
Charges for the year	-	8,474	8,474
	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	34,453	34,453
	<hr/>	<hr/>	<hr/>
Net Book Value			
31 December 2016	£2,832,886	£16,228	£2,849,114
	<hr/>	<hr/>	<hr/>
31 December 2015	£2,832,886	£22,430	£2,855,316
	<hr/>	<hr/>	<hr/>

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

7 TANGIBLE ASSETS (CONTINUED)

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.

8 DEBTORS

	2016 £	2015 £
Income Tax Recoverable	9,405	9,633
Other Debtors	4,300	63
Prepayments	457	502
	<hr/>	<hr/>
	£14,162	£10,198
	<hr/>	<hr/>

9 CREDITORS: Amounts Falling Due Within One Year

Accruals and Deferred Income	4,814	5,625
Creditors for Goods and Services	1,935	563
Taxation and Social Security	-	1,409
	<hr/>	<hr/>
	£6,749	£7,597
	<hr/>	<hr/>

10 FUNDS

	At 1 January 2016 £	Income £	Expenditure £	Transfers £	At 31 December 2016 £
UNRESTRICTED FUND					
General Fund	143,833	175,223	(215,720)	-	103,336
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
RESTRICTED FUNDS					
Property Fund	2,832,886	-	-	-	2,832,886
Mission Fund	18,704	22,821	(30,155)	-	11,370
Fellowship Fund	806	80	(300)	-	586
Building for God Fund	44,509	12,948	(14,850)	-	42,607
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Funds	2,896,905	35,849	(45,305)	-	2,887,449
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	£3,040,738	£211,072	£(261,025)	£--	£2,990,785
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TUNRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted General £	Restricted Funds £	Total 2016 £	Total 2015 £
Fixed Assets	16,228	2,832,886	2,849,114	2,855,316
Current Assets	93,857	54,563	148,420	193,019
Current Liabilities	(6,747)	-	(6,747)	(7,597)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£103,336	£2,887,449	£2,990,785	£3,040,738
	<hr/>	<hr/>	<hr/>	<hr/>