

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Registered Charity Number: 1132966

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

TUNBRIDGE WELLS BAPTIST CHURCH

CONTENTS

Page

REPORTS

Annual Report of the Trustees	1 - 6
Report of the Independent Examiner	7

FINANCIAL STATEMENTS

Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 - 18

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018

The managing trustees present their annual report together with the financial statements for the year ended 31 December 2018.

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 2018 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 2018 (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 thank all who have faithfully served the Lord through the giving of time, talents and finances to ensure we continue with the vision and purpose God has for TWBC. The Lord delights in each and every contribution as we serve him. It is so encouraging that what each person does for his kingdom matters to the Lord.

Personal Development

Personal development continued through Sunday Services, worship, gatherings, midweek small groups and communities. Having completed a pastoral care course in the previous academic year, both the Sunday mornings and in small groups, this autumn we went further into looking at caring for one another and others, which is one of our core values as we looked at developing an emotionally healthy life. For those who pursued it, we sought to grow in maturity in this area with the aim of being good news not only to ourselves, but also to those around us as we seek to become more emotionally intelligent or Christ-like.

We also looked at the Apostles' Creed in order to grow in our understanding of the Christian faith. Further input was given during the year on our understanding of the Christian role in helping to create good laws in the United Kingdom through CARE, who offer support to parliamentarians across the political divide. We also celebrated the 500th year of the Reformation and had the President of the Baptist Union come to visit and who encouraged us to punch holes of light where there is darkness in society.

Mission

Individually and together we continued to offer time, money and material support to our world mission partners and communities (including Baptist Missionary Society, Baptist Union, People International, Samaritan's Purse, Fairtrade, Peace and Justice and New Beginnings), through Christmas boxes for children in deprived areas of the world, clothes for Syrian refugees and displaced people, money for a dispensary in Nigeria, promotion of good shopping practices where appropriate and, when possible, ensuring that producers and suppliers receive a fair price for their goods and services.

Our mission has three elements to it. It is concerned with provision for the poor, including emergency disaster relief, supporting those who are seeking to re-address the underlying causes of poverty, deprivation and injustice and support for those who are inviting people in different places in the world (including Tunbridge Wells) to have a living faith in Jesus Christ. This is always important as it has eternal benefits, consequences and ramifications.

In October TWBC hosted a Community of Practice for seven churches who are deeply concerned for creating a Missional Discipleship Culture and using Missional Communities as a key vehicle for the church to connect with those living and working in Tunbridge Wells.

Prayer

There are a few unique contributions that TWBC, along with the universal Church, can make to society. We can pray to God, through Jesus, on behalf of all humanity and we can also represent God to people. We continue with our monthly prayer breakfasts and in May we joined in a Week of Prayer with other churches in the town as

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

REVIEW OF THE YEAR (CONTINUED)

part of an international prayer week called "Thy Kingdom Come", which was embraced by all major denominations.

Communities

Children and Families

We continue to have a thriving Children and Families Community. The adults within the community are a part of their own small groups, the men meeting once a month on a Wednesday, and monthly on a Thursday at the local "Fuggles" for a drink where the Dad&Me dads are invited along. The ladies meet on alternate Wednesday evenings, where possible, and is still known as Impact. Bikes and Slides, our twice weekly toddler group, remains our biggest outreach to the community having contact with over ninety families every week and Dad&Me has a regular group of dads and toddlers fortnightly on a Saturday morning.

Our Sunday morning children's groups remain stable with a consistent group of children and a good number of children who attend, but less regularly. Our team of leaders and helpers are dedicated, enthusiastic and much loved by the children, encouraging them in their own discipleship and knowledge of God. Our biggest need is for more leaders to lead J2Unlimited (the oldest children's Sunday group) where the team is currently overstretched.

To embrace and give confidence to new campers and single parents, a May weekend camp took place nearby. Many also went to New Wine, the one week Christian camping conference.

We enjoyed our annual Community Fun Day held at Rose Hill School in July where we invite our friends and family members. We particularly enjoyed the BBQ, afternoon tea, games, the use of the indoor swimming pool and, of course, the opportunities to spend quality time together as TWBC family with our friends.

Young People

Both the Sunday evening youth group "Crème Fresh" (held at Church of Christ) and Tuesday evening youth group "Flare" have created an atmosphere of trust and support where young people are able to form relationships and be honest in their struggles. The monthly Youth meeting on a Sunday morning at NEROS is very well attended.

Seniors

The Seniors' Community is a growing and vital part of the Church organisation, offering friendship and fellowship to both Church attenders and many in the wider community. While social interaction is very important, it incorporates elements of care and stimulation for the elderly, many of whom live alone. For some, it becomes their family. Communication of need and contact amongst friends is a necessary element in the well-being and independence of this group, often to a great age. Spiritual nurturing takes place at their 9am Traditional service twice a month and fortnightly in small groups to complete the holistic approach.

Internationals

It is a real joy and privilege that the international community called Home From Home is comprised of those from Africa, America, Asia and Europe and we continue to enjoy each other's company and to welcome those who are new to the town, helping them to feel at home here in Tunbridge Wells. This is a truly intergenerational community.

Pastoral Care

Most of the pastoral care continues through mutual relationships in the small groups of the Church, which helps with healthy living. These groups, within the Communities, are truly a key part of the life of the Church family. There is a group of ten people who visit those who are in residential homes or are housebound and within it a smaller team who specialise in specific areas of care. Much of this is hidden, but it is very important for the

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

REVIEW OF THE YEAR (CONTINUED)

welfare of those in difficult situations as we work closely with families and other appropriate agencies and providers.

Refurbishment of the Sanctuary

In the last weekend of September we looked back to celebrate and to give thanks to God for eighty years of fruitful ministry in the current church building from 1938 to 2018. The following weekend we looked forward in anticipation and faith as we launched the appeal for the Transformation of the Sanctuary project.

Thank you to all who have so generously given to the ministry and mission of the Church over the last year. Through your generosity we have a surplus for 2018, which is carried forward to support the future ministry of the church.

We continue to pray for spiritual renewal and transformation for all of us and those who are a part of our lives both here in Tunbridge Wells and beyond.

FINANCE REPORT

For the year ended 31 December 2018 the Unrestricted General Fund shows a surplus of £646, compared with a deficit of £1,175 in the previous year. It is still 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 regular income increased and was increased by a good number of one-off gifts and 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 reduced by £963 from the previous year following careful budgeting and the replacement of some contracts. The windows in the Sanctuary were replaced as planned at the beginning of the year. Plans for the upgrading of the rest of the Sanctuary were agreed later in the year and shared with members. On 1 October 2018 the fund raising stage of the project was launched and one off gifts and regular monthly payments were received in the year amounting to £65,225.

The Mission Fund income decreased over the previous year and donations to various causes decreased to £22,991 (2017: £28,428).

Overall the finances have remained in good shape with a surplus on unrestricted general fund reserves of £26,849 (2017: Deficit of £24,385) 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.

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.

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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 2018 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)	(Resigned 31 December 2018)
David Waller		
David Hayward		
Barbara O'Driscoll		
Paul Russell		(Resigned 20 February 2018)
Bayo Akioye		
William Mark Dodd		(Resigned 31 December 2018)
Dilys Threshie		(Appointed 1 January 2018)
Sue Willington		(Appointed 1 January 2018)
Jenny Lewry		(Appointed 1 January 2018)
Dan Sydee		(Appointed 1 January 2018)
Emma Starsmore		(Appointed 1 January 2019 and resigned on 17 May 2019)

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 eleven times a year, 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
12 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

TUNBRIDGE WELLS BAPTIST CHURCH

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018 (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 18 June 2019 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 2018, 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

19 June 2019

TUNBRIDGE WELLS BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Fund £	Restricted Funds £	Total 2018 £	Total 2017 £
INCOME	2				
Donations and Legacies		184,630	99,716	284,346	227,447
Charitable Activities		11,555	-	11,555	14,604
Investments		68	27	95	62
		<u>196,253</u>	<u>99,743</u>	<u>295,996</u>	<u>242,113</u>
EXPENDITURE	3				
Charitable Activities		<u>195,607</u>	<u>60,016</u>	<u>255,623</u>	<u>243,288</u>
NET INCOME / EXPENDITURE AND NET MOVEMENTS IN FUNDS		646	39,727	40,373	(1,175)
Movement in Pension Liability	4	<u>50,588</u>	<u>-</u>	<u>50,588</u>	<u>1,466</u>
		51,234	39,727	90,961	291
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD AT 1 JANUARY 2018		(24,385)	2,884,284	2,859,899	2,859,608
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER 2018	9	<u>£26,849</u>	<u>£2,924,011</u>	<u>£2,950,860</u>	<u>£2,859,899</u>

TUNBRIDGE WELLS BAPTIST CHURCH

BALANCE SHEET AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible Assets	5		2,841,124		2,843,789
			<u>2,841,124</u>		<u>2,843,789</u>
TOTAL FIXED ASSETS			2,841,124		2,843,789
CURRENT ASSETS					
Debtors	6	18,158		12,001	
Cash at Bank		172,460		138,953	
Cash in Hand		1,253		448	
			<u>191,871</u>	<u>151,402</u>	
TOTAL CURRENT ASSETS			191,871	151,402	
LIABILITIES					
Creditors falling due within one year	7	(14,809)		(13,214)	
			<u>177,062</u>	<u>138,188</u>	
NET CURRENT ASSETS			177,062	138,188	
			<u>3,018,186</u>	<u>2,981,977</u>	
LIABILITIES					
Creditors falling due after one year	8		(67,326)		(122,078)
			<u>£2,950,860</u>	<u>£2,859,899</u>	
NET ASSETS			£2,950,860	£2,859,899	
THE FUNDS OF THE CHARITY					
	9				
Unrestricted Income Fund			26,849		(24,385)
Restricted Income Funds			2,924,011		2,884,284
			<u>£2,950,860</u>	<u>£2,859,899</u>	
TOTAL CHARITY FUNDS			£2,950,860	£2,859,899	

Approved by the trustees on 18 June 2019 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 2018

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 which has resulted in a deficit on the General Fund. With respect to the next reporting period, the year ended 31 December 2019, 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 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 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 2018 (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 2018 (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 2018 £	Total 2017 £
Donations and legacies				
Offerings and Donations	151,157	82,112	233,269	189,947
Gift Aid Tax Refunds	30,269	17,604	47,873	37,000
Legacies	3,204	-	3,204	500
	<hr/>	<hr/>	<hr/>	<hr/>
	184,630	99,716	284,346	227,447
	<hr/>	<hr/>	<hr/>	<hr/>
Charitable activities				
Church Hall and Room Lettings	8,893	-	8,893	9,177
Fees and Other Income	2,662	-	2,662	5,427
	<hr/>	<hr/>	<hr/>	<hr/>
	11,555	-	11,555	14,604
	<hr/>	<hr/>	<hr/>	<hr/>
Investments				
Interest	-	27	27	20
Building for God Fund	68	-	68	42
	<hr/>	<hr/>	<hr/>	<hr/>
	68	27	95	62
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME	£196,253	£99,743	£295,996	£242,113
	<hr/>	<hr/>	<hr/>	<hr/>

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

3 EXPENDITURE

	Unrestricted General Fund £	Restricted Funds £	Total 2018 £	Total 2017 £
Charitable activities				
Grants	999	200	1,399	1,850
Missionary and Charitable Giving (Note 12)	-	22,991	22,991	28,348
Ministry				
Salaries, Pensions and Allowances (Note 4)	122,093	-	122,093	121,206
Interest on Pension Liability (Note 4)	2,702	-	2,702	3,069
Visiting Preachers	1,300	-	1,300	540
Youth and Children's Ministry and Leadership Training	1,365	-	1,365	1,612
Church Running Costs				
Light and Heat	10,727	-	10,727	10,362
Insurance	4,446	-	4,446	5,194
Miscellaneous	295	-	295	1,184
Repairs and Maintenance	5,334	36,760	42,094	23,142
Water	1,420	-	1,420	537
Equipment	880	-	880	1,070
Cleaning and Waste Disposal	8,426	-	8,426	2,886
Manse Running Costs				
Light and Heat	2,885	-	2,885	2,522
Insurance	445	-	445	418
Council Tax	2,468	-	2,468	2,357
Repairs and maintenance	1,227	-	1,227	1,370
Telephone	240	-	240	240
Water and Services	553	-	553	498
Outreach	2,470	-	2,470	1,050
Training, Conferences and Courses	2,787	-	2,787	8,719
Flowers and Catering	1,460	-	1,460	1,763
Stationery and Copying	2,679	-	2,679	3,259
Computer and Office Equipment Costs	558	-	558	2,809
Depreciation	5,566	-	5,566	5,825
Telephone, Fax and Internet	2,080	-	2,080	1,441
Subscriptions and Publications	1,561	-	1,361	1,339
Travel Expenses	2,161	-	2,161	2,311
Music Licences and Expenses	1,239	-	1,239	1,196
Miscellaneous	344	65	409	441
Governance Costs				
Independent Examiner's Fee	3,200	-	3,200	2,800
Accountancy Fees to Independent Examiner's Firm	1,445	-	1,445	1,594
Trustees' Insurance	252	-	252	336
TOTAL EXPENDITURE	£195,607	£60,016	£255,623	£243,288

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

4 STAFF COSTS

	2018 £	2017 £
Wages and Salaries	99,363	101,079
Social Security Costs	4,323	4,676
Pension Contributions	5,609	5,505
Housing Allowances and Expenses	12,798	9,946
	<hr/>	<hr/>
	£122,093	£121,206
	<hr/>	<hr/>

No employee received remuneration in excess of £60,000 (2017: 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 £76,674 (2017: £74,827) and expenses of £7,755 (2017: £5,941) were reimbursed to them.

The average monthly head-count was 6 (2017: 7) and the average monthly full-time equivalent employees (including casual and part-time staff) was 4 (2017: 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 2018 (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 2018	31 December 2017
	£	£
Balance Sheet liability at start of the year	126,179	131,177
Minus Deficiency Contributions paid	(6,733)	(6,601)
Interest Cost – recognised in the Statement of Financial Activities	2,702	3,069
Remaining change to Balance Sheet Liability*		
recognised in the Statement of Financial Activities	(50,588)	(1,466)
	<hr/>	<hr/>
Balance Sheet Liability at the year end	£71,559	£126,179
	<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 2018 (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	2018	2017	2016
Discount Rate	2.4%	2.2%	2.4%
Future Increases to Minimum Pensionable Income	3.3%	3.1%	3.3%

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, one leaving in April 2018, and the Church and the employees currently contribute at the minimum rate of 2% and 3% each during 2018. The cost for the year was £156 (2017: £170).

The total pension cost for the Church was £12,342, comprising £5,609 contributions for the year and £6,733 contributions for the pension fund deficit (2017: £12,106 comprising £5,505 for the year and £6,601 for the deficit).

5 TANGIBLE ASSETS

	Freehold Property and Buildings £	Furniture and Equipment £	Total £
Cost or Valuation			
At 1 January 2018	2,832,886	50,812	2,883,698
Additions in the year	-	3,276	3,276
Disposals in the year	-	(500)	(500)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	2,832,886	53,588	2,886,474
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2018	-	39,909	39,909
Charges for the year	-	5,566	5,566
Depreciation on disposals	-	(125)	(125)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	45,350	45,350
	<hr/>	<hr/>	<hr/>
Net Book Value			
31 December 2018	£2,832,886	£8,238	£2,841,124
	<hr/>	<hr/>	<hr/>
31 December 2017	£2,832,886	£10,903	£2,843,789
	<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 2018 (CONTINUED)

	2018 £	2017 £			
6 DEBTORS					
Income Tax Recoverable	17,306	9,432			
Other Debtors	-	1,970			
Prepayments	852	599			
	<u>£18,158</u>	<u>£12,001</u>			
7 LIABILITIES: Creditors falling due within one year					
Accruals and Deferred Income	3,200	4,000			
Creditors for Goods and Services	5,318	3,102			
Taxation and Social Security	2,058	2,011			
Obligations under Deferred Benefit Pension Scheme	4,233	4,101			
	<u>£14,809</u>	<u>£13,214</u>			
8 LIABILITIES: Creditors falling due after one year					
Obligations under Deferred Benefit Pension Scheme	67,326	122,078			
	<u>£67,326</u>	<u>£122,078</u>			
9 FUNDS					
	At 1 January 2018 £	Income £	Expenditure £	Movement in Pension Fund Liability £	At 31 December 2018 £
Unrestricted Fund					
General Fund	(24,385)	196,253	(195,607)	50,588	26,849
Restricted Fund					
Property Fund	2,832,886	-	-	-	2,832,886
Mission Fund	10,449	19,502	(23,056)	-	6,895
Fellowship Fund	586	-	(200)	-	386
Building for God Fund	40,363	80,241	(36,760)	-	83,844
Total Restricted Funds	<u>2,884,284</u>	<u>99,743</u>	<u>(60,016)</u>	<u>-</u>	<u>2,924,011</u>
TOTAL FUNDS	<u>£2,859,899</u>	<u>£295,996</u>	<u>£(255,623)</u>	<u>£50,588</u>	<u>£2,950,860</u>

TUNBRIDGE WELLS BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

9 FUNDS (CONTINUED)

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

- a) Property Fund comprises the revaluation of the freehold properties at 31 December 2010.
- b) Mission Fund comprises donations to specified missionary and charitable causes.
- c) Fellowship Fund comprises donations received for grants paid at the discretion of the Pastor.
- d) 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 2018	Total 2017
	£	£	£	£
Fixed Assets	8,238	2,832,886	2,841,124	2,843,789
Current Assets	100,746	91,125	191,871	151,402
Current Liabilities	(14,809)	-	(14,809)	(13,214)
Creditors falling due after one year	(67,326)	-	(67,326)	(122,078)
	<u>£26,849</u>	<u>£2,924,011</u>	<u>£2,950,860</u>	<u>£2,859,899</u>

11 TRANSACTIONS WITH TRUSTEES

Three trustees are employed as ministers of the Church and they received remuneration during the year totalling £76,674 (2017: £74,827) and expenses of £7,755 (2017: £5,941). 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 (2017: £336) has been charged in these financial statements.

12 MISSIONARY AND CHARITABLE GIVING

	2018		2017	
	£	£	£	£
Institutions				
Baptist Missionary Society				
World Mission	4,500		4,800	
Home Mission	4,141		4,800	
Wonderfully Made Appeal	-		2,925	
Christmas 2017				
Life and Soul (2016: Good News Project)	1,375		1,224	
Nigeria (2016: Hope Now))	1,375		1,200	
Church Family Gifts for Mission Activity	1,385		-	
People International	2,400		3,750	
Local Mission Organisations	1,250		-	
Other Gifts under £1,000	865	17,291	1,111	19,810
	<u></u>	<u></u>	<u></u>	<u></u>
Individuals				
Other Gifts for the year		5,700		8,618
		<u>5,700</u>		<u>8,618</u>
		<u>£22,991</u>		<u>£28,428</u>