

Charity Registration No. 1136471

Company Registration No. 07227205 (England and Wales)

HOLLAND ROAD BAPTIST CHURCH TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



Caladine

Chartered Certified Accountants

HOLLAND ROAD BAPTIST CHURCH TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|---|
| Trustees | D I Collins J R W Elbourne L Lurcock S Lynch A Pop D H M Treneer S Walker O Wilson |
| Elders | J Elbourne J Holman M Lovell M Mkandawire D Treneer T Vellacott S Whitfield |
| Charity number | 1136471 |
| Company number | 07227205 |
| Registered office | 65-71 Holland Road Hove East Sussex BN3 1JN |
| Independent examiner | John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF |
| Bankers | National Westminster Bank Plc 56 Churchill Square Brighton East Sussex BN1 2ES |
| Solicitors | Lawson Lewis Blakers 11 Hyde Gardens Eastbourne East Sussex BN21 4PP |

HOLLAND ROAD BAPTIST CHURCH TRUST

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HOLLAND ROAD BAPTIST CHURCH TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Church's trust deed, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The vision statement of the Church - We believe that God has called us to be a Church that raises the next generation.

To achieve this end the Church is engaged in numerous activities from Sunday worship to weekday meetings catering for all ages. The Church has also undertaken several stepstone events to appeal directly to those outside the immediate membership, some of these in conjunction with other churches within Brighton. The ongoing caring for all connected with Holland Road remains a high priority

Public Benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Church should undertake.

Achievements and Performance

Senior Pastors Overview

We are so thankful for God's faithfulness this year in so many ways. Obviously, a big thing for the church this year was the impact of Covid and the gradual easing of restrictions. We mostly met online up until about Easter when we started to gather in person and do hybrid services gradually doing more in-person mid-week and getting some of our teams back up and running.

In it all, we continued to pray with some special weeks of focused prayer and fasting, including two joint prayer times with other churches across the city. We continued through it all to seek to raise the next generation, doing gatherings outdoors, with children and young people before we were able to gather indoors. And seeking to develop the next generation of leaders through online leaders' gatherings even when we weren't able to meet in person. We have been developing clusters – which are a bit like the 72 that Jesus sent out. These are groups of communities mostly connected geographically across the city. We recognise that Jesus invested in the 3, the 12, the 72 and the crowd as part of his ministry and we've been seeking to identify what that looks like for us in our context.

We wonderfully saw God's faithfulness in his financial provision. We had two amazing gift days – one for our city and one for our world. And we thank God for how he's wonderfully provided and enabled us to be a means for provision for others, both locally and globally.

The pastoral care and discipleship for many in the church have continued through their community groups which have begun to meet in person. The pastoral visiting team, The elders and staff have continued to call and visit those in the church, particularly those not in the church to bring pastoral encouragement and prayer. And despite the restrictions, it was a joy to see people come to faith and get baptised.

Communities

Our communities continued to be a vital place for pastoral care, teaching and discipleship for the church. Many groups experimented with meeting online and in-person as restrictions and considerations for the group members allowed.

Over the year we saw four new groups start, taking the total to 24 with over 200 people connecting with them each month.

HOLLAND ROAD BAPTIST CHURCH TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

It was a challenging year for our community leaders as they had to adapt to the changing circumstances of the pandemic; however, they did a fantastic job of caring for so many people with such consistency.

World Mission

As 2021 drew to a close we were again thankful for the continued growth we've seen in the area of World Mission. PRAY – we've continued to meet monthly to pray for our world, seeing an average of 40 people attending each month, and in May as part of our World Weeks we had a half-night of prayer for the Muslim world, praying from 6 pm-midnight on the 'night of power'. GIVE - a phenomenal Gift Day in May saw over £48K given specifically towards the World mission. GO - in July a small team, including our Thrive interns, a teenager and a young family, travelled to the valleys of Wales for a week of outreach with our partners at Hope Church, Cwmaman. In August, after a couple of years of preparation, we sent a young family to France to live and work long term in Paris with the mission organisation Operation Mobilisation. We also started supporting new global partners based in Scotland who are focusing on climate change and 'creation care' with YWAM. In 2021 we again had a dedicated Thrive intern focused on mission and exploring a call to Latin America in the future, and we also started journeying with a young family exploring moving to Wales to plant churches there.

The Practical Team

The team has continued its quest to offer love and hope to the local community.

The main priorities have been

- 1) To serve those experiencing or in danger of experiencing homelessness

The Church has provided a free lunch every Monday since September 2020 when the council ceased providing food to those housed as part of the everyone in initiative. The team also provided Starter Packs for St Mungos Housing First clients and others moving into more permanent accommodation. These packs contained essential items specified by keyworkers. These new items were also supplemented with donated furniture items. The Church also provided volunteer opportunities to the clients of the various agencies we work with in order to help improve these people's mental well being.

A ministry highlight was the baptism of J a Monday lunch guest whom we had supported in various ways over a period of months including moving places of accommodation

- 2) To help address food poverty

The Church continues to be an emergency food (and toiletries/food) source. As well as the standard foodbank we have been able to provide where required cooked meals made by volunteer chefs.

- 3) The Practical Team continues to network with many organisations in the City that try to support those in need and try and share resources to avoid duplication and waste.

The Church offers facilities and works closely with St Mungos Housing First, Just Life and CGL. It has supported financially the launch of Street Support.

It is excited to be part of Christian Action Brighton and a core group of churches particularly Emmanuel who is trying to resurrect the old Nightshelter network into a body of churches and volunteers that can form a day centre -a hub for keyworkers come warehouse facility.

HOLLAND ROAD BAPTIST CHURCH TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Children's Work Report

We started off this year still in lockdown, and therefore we still weren't able to run children's activities on Sunday mornings at the church. We continued to experiment with different ways of meeting, such as on Zoom or outside. We continued to be creative with what we offered online (with The Rescuer online production) and treat boxes for families to explore faith at home. Towards the middle of the year, we were able to start running in-person activities on Sunday mornings alongside the main service for children of all ages and properly relaunched these groups in September. We were able to start running bigger outreach activities, such as a Light Party and a Pantomime, as well as a residential weekend away. We also launched our new Toddler Group, Fledglings, in November. Engagement and attendance of children have increased significantly since running in-person activities again.

Youth Report

Youth Sundays

Since September 2021 when we started meeting in person again, we had 14 youth on average on a Sunday morning. Most of 2021 Sunday morning was online so we had little idea how many young people were engaging with the online church. In the Autumn term, we ran Youth Alpha as our youth time on Sunday mornings which included a meal together for the Holy Spirit day.

There were 6 youth leaders teaching and leading on Sundays and 8 young leaders helping to facilitate Youth Alpha.

HRV

We had on average 55 young people attending HRV (Holland Road Youth) each week during 2021. We used a mixture of online small groups, in-person outside and since September in person inside gatherings.

Our team is about 6 leaders helping to run HRV during this year and 5 young leaders.

Carrot Wood

In October we took away 16 children from years 5-8 with four leaders and one young leader. We focused our time on building relationships and our identity, using the phrase 'who do you say I am?'

Summer Camp

The planned Satellites camp was postponed but restrictions allowed us to go camping and we took 21 young people camping in Alfriston. We devised our own programme which included, games, a walk and times of worship and discussion. There were 7 leaders involved in this.

Older Youth/Encounter

The new, post-pandemic shape of Older Youth and Encounter has been difficult to find and we have tried various different things in the Autumn term to encourage young people and students to worship, meet and grow together. We are still looking for a new shape and rhythm.

Mentoring

12 young people were in mentoring relationships with various church members during this year. Mentors meet with a couple of young people every 4-6 weeks to chat, pray and study the Bible together.

Training

I (Helen) attended a national youth training weekend with 3 other youth leaders from our church. I also started the first year of the CYM Mission and Ministry course.

HOLLAND ROAD BAPTIST CHURCH TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Thrive

We're thankful to God for Robbie this year, who has been with us part-time since September 2021 alongside working for Brighton city mission. He's committed excellently to his mission track, serving the world missions team and completing a frontier missions course with YWAM, and has also been a big blessing to the youth team.

It has been lovely to see Robbie learning and growing, with a great appetite for God's word in his life and to see this grow in others, which we continue to pray for in 2022.

Encounter

Encounter continues to be a great place to raise the next generation in their gifts and as a fruitful place for them to explore faith and gather together. We've particularly enjoyed this in 2022 with the 'tough talks' series, learning more about how to discuss ideas, listen to one another and to learn. We're planning for more of this in 2022!

May Road

Following good work from The Property Team we purchased 17 May Road BN2 3ED a 4 bedroom HMO for £420,000. This had existing tenants whose contract extends to 30 June 2022. We receive a monthly rental income of £1976 per calendar month. The plan remains to create a further bedroom and enter into a long term lease arrangement with the YMCA Downslink group.

Financial review

There was a deficit on the unrestricted funds for the year of £30,063 before transfers. This left unrestricted funds of £1,024,757 at the end of the 2021 financial year.

Reserves policy

The majority of the Church's funds are invested in land and buildings, which are utilised to carry out the Church's purposes. It is the policy of the Church to accumulate only an adequate level of cash and readily accessible reserves deemed sufficient to meet likely and unexpected capital expenditure needs. The Church has specifically set aside the sum of £85,000 as a reserve. Subject to any donor's wishes, restricted funds are generally held to meet specific purposes or capital projects.

Investment policy

The majority of monies are invested in deposit accounts with recognised financial institutions. The Church seeks to obtain the highest possible returns consistent with a cautious attitude to risk and short term availability of such monies.

Risk management

The Church has a risk management policy. The Trustees are satisfied that appropriate systems are in place to mitigate the Church's exposure to such risks, to safeguard the assets of the Church and should prevent and/or detect fraud and other irregularities.

Structure, governance and management

The Trust was formed on the 19 April 2010 and commenced activities on the 1 July 2010 with the transfer of the assets and work of Holland Road Baptist Church.

The Church was founded by a trust deed dated 19 June 1889 and is now governed by its Articles of Association and a new constitution, "The Governing Document of Holland Road Baptist Church" as agreed at a Church meeting on 13 March 2013, as well as being affiliated to the Baptist Union of Great Britain (a registered charity).

HOLLAND ROAD BAPTIST CHURCH TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees who held office during the year to 31 December 2021 were as follows:

D I Collins
J R W Elbourne
L Lurcock
S Lynch
A Pop
D H M Treneer
S Walker
O Wilson

Deacons are those who serve in specific leadership roles in the church and are appointed by the Trustees as recommended by the elders.

The appointment of elders are nominated by the Pastor and voted on by the Church meeting.

Trustees are appointed by a Church meeting.

Newly appointed Trustees are provided with such induction and training as considered necessary for the role within the church which they are undertaking.

The Church is managed on a day to day basis by a core leadership team namely David Treneer and Tim Vellacott (the two Pastors) and other ministry leaders as required from time to time subject to the overall spiritual oversight of the elders. The Trustees are jointly responsible for the governance of the Church, especially for the operational, legal and financial aspects, referring some matters to a members vote as appropriate.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of Trustees

S Walker
Trustee
Dated: 12 May 2022

HOLLAND ROAD BAPTIST CHURCH TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also the directors of Holland Road Baptist Church Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

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 UK 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 Church will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOLLAND ROAD BAPTIST CHURCH TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HOLLAND ROAD BAPTIST CHURCH TRUST

I report to the Trustees on my examination of the financial statements of Holland Road Baptist Church Trust (the Church) for the year ended 31 December 2021.

Responsibilities and basis of report

As the Trustees of the Church (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the Church are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Church's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Church'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 the Church as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

John Caladine FCCA CTA FCIE

Chartered Certified Accountants
Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Dated: 12 May 2022

HOLLAND ROAD BAPTIST CHURCH TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

| | | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | | | | |
| Income from: | | | | | | | |
| Donations and legacies | 2 | 460,333 | - | 460,333 | 454,745 | 5,000 | 459,745 |
| Charitable activities | 3 | 13,791 | - | 13,791 | 16,026 | - | 16,026 |
| Investments | 4 | 7,837 | - | 7,837 | 197 | - | 197 |
| Other income | 5 | - | - | - | 12,897 | 23,028 | 35,925 |
| Total income | | 481,961 | - | 481,961 | 483,865 | 28,028 | 511,893 |
| Expenditure on: | | | | | | | |
| Charitable activities | 6 | 512,024 | - | 512,024 | 473,771 | 112,384 | 586,155 |
| Net gains/(losses) on investments | 11 | - | - | - | 15,787 | - | 15,787 |
| Gross transfers between funds | 20 | - | - | - | 740,644 | (740,644) | - |
| Net expenditure for the year/ Net movement in funds | | (30,063) | - | (30,063) | 766,525 | (825,000) | (58,475) |
| Fund balances at 1 January 2021 | | 1,054,820 | 1,167,535 | 2,222,355 | 288,295 | 1,992,535 | 2,280,830 |
| Fund balances at 31 December 2021 | | 1,024,757 | 1,167,535 | 2,192,292 | 1,054,820 | 1,167,535 | 2,222,355 |

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

All income and expenditure derive from continuing activities.

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

HOLLAND ROAD BAPTIST CHURCH TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|-------------------------|---|-------------------------|---|
| Fixed assets | | | | | |
| Property, plant and equipment | 12 | 1,201,526 | | 1,202,541 | |
| Investment properties | 13 | 422,036 | | - | |
| | | <u>1,623,562</u> | | <u>1,202,541</u> | |
| Current assets | | | | | |
| Trade and other receivables | 14 | 25,385 | | 30,152 | |
| Cash at bank and in hand | | 585,703 | | 1,028,523 | |
| | | <u>611,088</u> | | <u>1,058,675</u> | |
| Current liabilities | 16 | (14,415) | | (8,435) | |
| Net current assets | | <u>596,673</u> | | <u>1,050,240</u> | |
| Total assets less current liabilities | | <u>2,220,235</u> | | <u>2,252,781</u> | |
| Non-current liabilities | 17 | (27,943) | | (30,426) | |
| Net assets | | <u><u>2,192,292</u></u> | | <u><u>2,222,355</u></u> | |
| Income funds | | | | | |
| Restricted funds | 20 | 1,167,535 | | 1,167,535 | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds: | | | | | |
| Designated funds | | <u>147,758</u> | | <u>153,075</u> | |
| | 21 | 147,758 | | 153,075 | |
| General unrestricted funds | | <u>876,999</u> | | <u>901,745</u> | |
| | | <u>1,024,757</u> | | <u>1,054,820</u> | |
| | | <u><u>2,192,292</u></u> | | <u><u>2,222,355</u></u> | |

HOLLAND ROAD BAPTIST CHURCH TRUST

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 12 May 2022

J R W Elbourne
Trustee

S Walker
Trustee

Company Registration No. 07227205

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Holland Road Baptist Church Trust is a private company limited by guarantee incorporated in England and Wales and registered charity, number 1136471. The registered office is 71 Holland Road, Hove, East Sussex, BN3 1JN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Church's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Church is a Public Benefit Entity as defined by FRS 102.

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes. These include donations and other incoming resources receivable or generated for the objects of the Church without further specified purposes which are available as general funds or set aside by the trustees as designated funds.

Restricted Funds

These funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with the appropriate management and support costs.

Unrestricted General

The General fund oversees the day to day work of the Church and incorporates the missionary work of the Church.

Designated

Legacies General - Monies from legacies not as yet allocated.

Legacies World Mission - Money set aside specifically for World Mission.

Reserve - The sum of £85,000 is set aside as a general reserve in accordance with best practice.

Restricted

Property Fund - The property owned by the Trust other than the Church.

Stoneworks Fund - This represents money set aside for outside remedial work to the buildings.

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.4 Income

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

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

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

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred and allocated to the particular cost centre to which they relate, including support costs. These costs include irrecoverable VAT.

1.6 Property and equipment

Property, plant and equipment are measured at cost, net of depreciation and any impairment losses. Details of the individual properties are given below:

Freehold property. Church Premises: 71 Holland Road, Hove, East Sussex

There is no record of original cost. In the opinion of the Trustees it is impractical to place a market value on the site. The property is held on Trust by The Baptist Union Corporation as custodial Trustee.

Freehold property. 65 Holland Road, Hove, East Sussex

The Charity elected to revalue the freehold property on the date of transition to FRS 102 SORP (1 January 2015) and to use this value as the deemed cost of the property in accordance with the transitional provision contained in section 35.10 (c) of FRS102.

Fixtures, fittings and equipment

Fixtures, Fittings and Equipment costing in excess of £2,500 are capitalised. All Fixtures, Fittings and Equipment are depreciated on a straight line basis over 5 years.

Depreciation

Freehold land is not depreciated. Freehold buildings are also not depreciated as it is the policy of the Trustees that they be maintained to such a standard that their residual value is not less than the carrying value at any given time. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

A freehold investment residential property in May Road, Brighton was purchased in 2021 to earn rental income and /or capital appreciation.

1.8 Impairment of non-current assets

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

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Basic financial assets include trade and other receivables and cash and bank balances. Basic financial liabilities including trade and other payables where trade payables are obligations to pay for goods or services that have been acquired on the ordinary course of operations from suppliers.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The Church contribute to the defined pension contribution scheme of certain staff. The contributions payable for the year are charged in the Financial Statements as part of salaries.

1.13 Grant Making Policy

The Trust supports by the provision of financial grants to Christian organisations whose own activities are in accordance with the Trust's objectives. The Church also supports long term missionary partners connected with the Church or the Baptist Union.

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and legacies

| | Unrestricted funds | Unrestricted funds | Restricted funds | Total |
|----------------------------|--------------------|--------------------|------------------|----------------|
| | 2021 | 2020 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Donations and gifts | 460,250 | 454,745 | - | 454,745 |
| Legacies receivable | 83 | - | 5,000 | 5,000 |
| | <u>460,333</u> | <u>454,745</u> | <u>5,000</u> | <u>459,745</u> |
| Donations and gifts | | | | |
| Donations and gifts | 388,478 | 385,199 | - | 385,199 |
| Tax refunds | 71,772 | 69,546 | - | 69,546 |
| | <u>460,250</u> | <u>454,745</u> | <u>-</u> | <u>454,745</u> |

3 Charitable activities

| | 2021 | 2020 |
|--|---------------|---------------|
| | £ | £ |
| Charitable rental income | 1,230 | 1,070 |
| Mission Trips Income | 4,736 | 5,681 |
| Cottage rental income | 7,825 | 9,275 |
| | <u>13,791</u> | <u>16,026</u> |
| For the year ended 31 December 2020 | | |
| Unrestricted funds | | <u>16,026</u> |

4 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
| | 2021 | 2020 |
| | £ | £ |
| Rental income | 7,623 | - |
| Interest receivable | 214 | 197 |
| | <u>7,837</u> | <u>197</u> |

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Other income

| | Total | Unrestricted funds | Restricted funds | Total |
|---|--------------|-------------------------------|-----------------------------|---------------|
| | 2021 | 2020 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Other income (Listed Place of Worship Grant Scheme) | - | - | 23,028 | 23,028 |
| Job Retention Scheme (Furlough) | - | 12,082 | - | 12,082 |
| Insurance Claim | - | 815 | - | 815 |
| | <u>-</u> | <u>12,897</u> | <u>23,028</u> | <u>35,925</u> |

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

| | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Salary costs | 215,400 | 210,744 |
| Depreciation | 1,015 | 1,015 |
| Pastoral expenses | 3,232 | 2,109 |
| Visiting speakers | - | 25 |
| Conference and delegate expenses | 1,820 | 3,248 |
| Premises for parking | 125 | 1,320 |
| Outreach | 3,347 | 2,147 |
| Music and drama | 1,868 | 924 |
| Books and purchases | 793 | 609 |
| Catering | 138 | 483 |
| Youthwork and other | 8,391 | 5,978 |
| Mission trips and events | 6,448 | 8,035 |
| Training | 1,208 | 1,600 |
| Group ministries | 1,674 | 4,888 |
| Sundries | 7,097 | 1,624 |
| Church equipment repairs and renewals | 8,942 | 5,265 |
| Electricity, Gas and Water | 15,931 | 10,623 |
| Insurance | 8,591 | 8,738 |
| Repairs and Maintenance | 20,040 | 11,143 |
| Small Equipment | 2,936 | 10,322 |
| Coleman Avenue running costs | - | 944 |
| Licences and Subscriptions | 2,191 | 4,400 |
| Stonework Projects (Building Restoration) | - | 111,978 |
| Welcome Cafe Equipment & Consumables | - | 406 |
| | <u>311,187</u> | <u>408,568</u> |
| Grant funding of activities (see note 7) | 111,030 | 93,331 |
| Share of support costs (see note 8) | 81,794 | 77,456 |
| Share of governance costs (see note 8) | 8,013 | 6,800 |
| | <u>512,024</u> | <u>586,155</u> |
| Analysis by fund | | |
| Unrestricted funds | <u>512,024</u> | |
| For the year ended 31 December 2020 | | |
| Unrestricted funds | | 473,771 |
| Restricted funds | | 112,384 |
| | | <u>586,155</u> |

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Grants payable

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| Grants to institutions: | | |
| Christians Against Poverty | 19,775 | 19,775 |
| General Gifts to organisations | 5,839 | 7,661 |
| Global Partners | 14,708 | 16,416 |
| Missionary Organisations | 13,670 | 12,974 |
| Missionary Partners | 32,037 | 23,573 |
| | <hr/> | <hr/> |
| | 86,029 | 80,399 |
| Grants to individuals | 25,001 | 12,932 |
| | <hr/> | <hr/> |
| | 111,030 | 93,331 |
| | <hr/> | <hr/> |

8 Support and governance costs

| | Support costs £ | Governance costs £ | Total 2021 £ | 2020 £ |
|---------------------------|--------------------|--------------------------|--------------------|-----------|
| Salary costs | 65,653 | - | 65,653 | 61,639 |
| Telephone | 3,567 | - | 3,567 | 3,350 |
| Office and Administration | 12,574 | - | 12,574 | 12,467 |
| Independent Examination | - | 780 | 780 | 780 |
| Accountancy | - | 3,120 | 3,120 | 3,120 |
| Legal and professional | - | 2,633 | 2,633 | 1,286 |
| Bank Charges | - | 466 | 466 | 479 |
| Loan Interest | - | 1,014 | 1,014 | 1,135 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 81,794 | 8,013 | 89,807 | 84,256 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <u>Analysed between</u> | | | | |
| Charitable activities | 81,794 | 8,013 | 89,807 | 84,256 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

9 Trustees

Trustees are reimbursed any expense costs directly incurred on behalf of the Church. These are not considered material to disclose.

The aggregate donations from the Trustees to the Trust during the year was £29,600 (2020:£38,619).

See also Note 24.

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Employees

The average monthly number of full and part time employees during the year was:

| | 2021 Number | 2020 Number |
|--------------------------|----------------|----------------|
| Direct church activities | 8 | 6 |
| Support | 3 | 4 |
| Thrivers | 2 | 3 |
| Total | 13 | 13 |

| Employment costs | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 244,450 | 236,364 |
| Social security costs | 14,265 | 14,058 |
| Other pension costs | 22,338 | 21,961 |
| | 281,053 | 272,383 |

Volunteers

The Trustees extend their thanks to numerous volunteers who give so sacrificially in both time and resource into the vision of the Church.

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments

| | Total | Unrestricted funds |
|--|-----------|-----------------------|
| | 2021 £ | 2020 £ |
| Gain/(loss) on sale of investment properties transferred back to the General Fund (See Note 20) | - | 15,787 |

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Property and equipment

| | Land and buildings £ | Fixtures, fittings & equipment £ | Total £ |
|------------------------------------|----------------------------|---|------------|
| Cost | | | |
| At 1 January 2021 | 1,200,000 | 52,544 | 1,252,544 |
| At 31 December 2021 | 1,200,000 | 52,544 | 1,252,544 |
| Depreciation and impairment | | | |
| At 1 January 2021 | - | 50,003 | 50,003 |
| Depreciation charged in the year | - | 1,015 | 1,015 |
| At 31 December 2021 | - | 51,018 | 51,018 |
| Carrying amount | | | |
| At 31 December 2021 | 1,200,000 | 1,526 | 1,201,526 |
| At 31 December 2020 | 1,200,000 | 2,541 | 1,202,541 |

Substantial old fixtures and equipment replaced over the years has been eliminated from the above figures.

13 Investment property

| | 2021 £ |
|--|-----------|
| Fair value | |
| At 1 January 2021 | - |
| Additions through external acquisition | 422,036 |
| At 31 December 2021 | 422,036 |

Investment property comprises of the May Road property, Brighton, East Sussex.

14 Trade and other receivables

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other receivables | 22,065 | 27,151 |
| Prepayments | 3,320 | 3,001 |
| | 25,385 | 30,152 |

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Borrowings

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Baptist Union Corporation Ltd (see note 19) | 27,943 | 30,426 |
| Payable after one year | 27,943 | 30,426 |

16 Current liabilities

| | 2021 £ | 2020 £ |
|--------------------------------------|-----------|-----------|
| Baptist Union Corporation Ltd (Loan) | 3,496 | 3,496 |
| Other payables | 7,019 | 1,039 |
| Accruals | 3,900 | 3,900 |
| | 14,415 | 8,435 |

17 Non-current liabilities

| | 2021 £ | 2020 £ |
|-------------------------------|-----------|-----------|
| Baptist Union Corporation Ltd | 27,943 | 30,426 |

18 Retirement benefit schemes

Defined contribution schemes

The Church operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Church in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was 2021: £17,359, (2020:£21,961).

19 Baptist Pension Fund Deficit

This is a loan from the Baptist Union to enable the Church to cover its contributions for the past deficit of The Baptist Pension Fund. The loan is repaid over a 15 year term from 5 March 2018 with interest charged at 3.5% p.a.

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Restricted funds

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

| | Movement in funds | | | | Movement in funds | | |
|--------------|------------------------------|-----------------------|-----------------------|------------------|------------------------------|-----------------------|-----------------------------------|
| | Balance at 1 January 2020 | Incoming resources | Resources expended | Transfers | Balance at 1 January 2021 | Incoming resources | Balance at 31 December 2021 |
| | £ | £ | £ | £ | £ | £ | £ |
| Property | 1,992,535 | - | - | (825,000) | 1,167,535 | - | 1,167,535 |
| Stonework | | | | | | | |
| Fund | - | 28,028 | (111,978) | 83,950 | - | - | - |
| Welcome Cafe | - | - | (406) | 406 | - | - | - |
| | <u>1,992,535</u> | <u>28,028</u> | <u>(112,384)</u> | <u>(740,644)</u> | <u>1,167,535</u> | <u>-</u> | <u>1,167,535</u> |

The Properties are stated at cost of £1,200,000 within the balance sheet. The difference of £32,465 compared to the fund balance represents money raised through unrestricted funds. The transfer of £825,000 in 2020 represents the sale of 18 Coleman Avenue released to the General Fund. The property was held as a restricted fund but not on any separate trust and therefore on sale the value has been transferred back to the congregational funds of the Church General Fund.

A sum of £83,950 was transferred in 2020 to the Stonework fund from the Legacy fund at 31 December to cover the deficit arising.

The Welcome Cafe is a monthly ministry serving homeless and vulnerably housed people. A transfer of £406 was made in 2020 to this fund from General funds to cover costs.

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21 Designated funds

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

| | Balance at 1 January 2020 | Resources expended | Transfers | Balance at 1 January 2021 | Movement in funds | | Balance at 31 December 2021 |
|---------------------|------------------------------|-----------------------|-----------|------------------------------|-----------------------|-----------------------|-----------------------------------|
| | £ | £ | £ | £ | Incoming resources | Resources expended | £ |
| Legacy Funds | | | | | | | |
| General | 82,003 | - | (45,477) | 36,526 | 83 | - | 36,609 |
| World Mission | 38,979 | (7,430) | - | 31,549 | - | (5,400) | 26,149 |
| Reserve fund | 85,000 | - | - | 85,000 | - | - | 85,000 |
| | 205,982 | (7,430) | (45,477) | 153,075 | 83 | (5,400) | 147,758 |

Designated Funds

Legacies - General - Monies from legacies not as yet allocated.

Legacies - World Mission - Money set aside specifically for World Mission not previously shown separately.

Reserve - The sum of £85,000 is set aside as a general reserve in accordance with best practice.

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of net assets between funds

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|-----------------------------------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances are represented by: | | | | | | |
| Property, plant and equipment | 33,991 | 1,167,535 | 1,201,526 | 35,006 | 1,167,535 | 1,202,541 |
| Investment properties | 422,036 | - | 422,036 | - | - | - |
| Current assets/(liabilities) | 596,673 | - | 596,673 | 1,050,240 | - | 1,050,240 |
| Long term liabilities | (27,943) | - | (27,943) | (30,426) | - | (30,426) |
| | <u>1,024,757</u> | <u>1,167,535</u> | <u>2,192,292</u> | <u>1,054,820</u> | <u>1,167,535</u> | <u>2,222,355</u> |

HOLLAND ROAD BAPTIST CHURCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Operating lease commitments

| | 2021 £ | 2020 £ |
|----------------------------|---------------|---------------|
| Within one year | 3,892 | 3,892 |
| Between two and five years | 9,730 | 13,622 |
| | <u>13,622</u> | <u>17,514</u> |

24 Related party transactions

Remuneration of key management personnel

The remuneration of 3 key management personnel, 2 of whom are Trustees, is as follows.

| | 2021 £ | 2020 £ |
|------------------------|----------------|----------------|
| Aggregate compensation | <u>130,829</u> | <u>126,092</u> |

Trustee Remuneration

The following were trustees during the year that received salaries and pension contributions in respect of their work as employees of the Church as allowed within the Memorandum and Articles of Association.

| | 2021 £ | 2020 £ |
|------------------------------|---------------|---------------|
| Salaries | | |
| D Treneer | 38,646 | 35,088 |
| S Walker | <u>32,244</u> | <u>31,920</u> |
| Employers NIC | | |
| D Treneer | 4,107 | 2,823 |
| S Walker | <u>3,231</u> | <u>2,482</u> |
| Pension contributions | | |
| D Treneer | 3,858 | 3,509 |
| S Walker | <u>3,224</u> | <u>3,192</u> |

The sum of £19,775 (2020:£19,775) was transferred to the Brighton Light Trust (registered charity No.1154869) who have common trustees to the Church and the sum of £5,476 (2020:£5,476) was received from the Brighton Light Trust for management services and included in donations.

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