

**BEECHEN GROVE BAPTIST CHURCH TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

# BEECHEN GROVE BAPTIST CHURCH TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr K Tondoneh * Mrs P Cox * Mrs E Mortimer Mr K Adams * Ms M Bengco * Rev'd S Heard Ms M Fox * * holds Deacon position also
<b>Church Secretary</b>	Mrs E Mortimer
<b>Minister</b>	Rev'd S Heard
<b>Treasurer</b>	Mr K Adams
<b>Charity number</b>	1070890
<b>Principal address</b>	Clarendon Road Watford Hertfordshire WD17 1JJ
<b>Independent examiner</b>	John Wilson FCAATII Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE
<b>Bankers</b>	Barclays Bank Plc, 62/64 High Street Watford Hertfordshire WD17 2BT

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# BEECHEN GROVE BAPTIST CHURCH TRUST

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# BEECHEN GROVE BAPTIST CHURCH TRUST

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2024*

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The Trustees present their annual report and financial statements for the year ended 31 March 2024.

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 charity's [governing document], 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)" (effective 1 January 2019).

#### **Objectives and activities**

The Charity is governed by an Approved Governing Document which states that the principal purpose of the Charity is to further the religious and other charitable work of Beechen Grove Baptist Church and the maintenance and repair of the fabric of the listed Church building and other Church property.

The Church occupies premises which are held by the Baptist Union Corporation Ltd on Trusts which are entirely compatible with the above object.

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

In order to achieve the principal objective which is set out above, the Church provides a variety of activities to both its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people to a closer relationship with Him as a living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. These take place each Sunday at 10.30 a.m. There are also occasional services at other times which are advertised on the church notice board, the local media and the website at [bgbaptist.org.uk](http://bgbaptist.org.uk). There is also a children's programme during the morning service. The Church seeks to be a friendly and welcoming community and anyone is free to attend any of these services.

The Church holds a weekly prayer meeting, details of which can be obtained at the Sunday services of worship and a bible or book study is also arranged.

The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to Disclosure and Barring.

The Church has read the Charity Commission guidance on public benefit and is satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

#### **Achievements and performance**

The Church does not measure success of its programmes only in numbers, including financial numbers, but also in less tangible areas like fellowship and encouragement. The Trustees, however, do recognise that these are difficult to measure.

While the number in our Sunday morning services seems to remain rather the same, with the increase in new members offset by the few deaths of ageing members and some young couples moving out of Watford seeking a better buy in order to purchase their first house. We are maintaining and improving our worship ministry via live-streaming of services as well as on YouTube for later viewing, and we hope to reach as wide an audience as possible. On 24 September 2022 we were delighted to hold an induction service for our new pastor, Rev Simon Heard, after a period of 15 months without a minister due to the previous minister's retirement.

We do have a sense of "mission" to our immediate geographical community – to show our love and interest in them. The Explorer Scouts joined our Remembrance Sunday service on 10 November, 2023. We also hosted a Churches Together 'At Home' Service on 21 February. Furthermore we also hosted a Christians Across Watford (CAW) Breakfast on 16 March 2024.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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As part of our ministry to and within the local community, we offer the use of our premises for reasonable fees to a variety of religious, community, educational, cultural and social groups. Many of the groups have been long-term users and have expressed satisfaction at the facilities provided.

The Church employs a full time, salaried Manager of House and Community who liaises with the Trustees and every user group and ensures that the facilities are well maintained and conform to public building regulations. A church member serves as a Watford Town Centre Chaplaincy chaplain to the staff at the Watford Borough Council offices.

We have been challenged by Jesus' words: "Seek first the Kingdom of God." Though we yearn to see our Baptist church grow, we also yearn to be facilitators for the growth of God's influence in our town. Recognising the great ethnic diversity in Watford, we have allowed four other independent Christian congregations to use our church halls on Sundays, and several others for their mid-week prayer services, so that now there are services in English, Portuguese, Romanian, Twi (a dialect spoken in Ghana and neighbouring countries), and a service with a very distinctive West Indies flavour every single Sunday. So, our church is moving in the direction of "becoming a house of prayer for all peoples."

We seek to work and pray with ever greater unity with the other Christian churches in Watford, through such venues as Churches Together and Christians Across Watford.

Our endeavour to work with other Christians extends beyond the immediate Watford area. Our outreach beyond our shores to show Christian love and compassion has been channelled through such agencies as the BMS World Mission, Christian Aid, the Shoe Box Appeal, and Operation Agri, among other outlets.

The pandemic lockdowns had a big impact on income as approximately 75% comes from bookings of the sanctuary and meeting rooms. Since then, bookings have increased and our income has risen back to the previous level.

#### **Financial review**

The Church continues to raise the funds which it needs to carry on its activities from within its own membership and congregation. No wider public appeal was made for funds during the year.

The Church expressed its part in the life of the wider church by making donations to local, national and international Christian organisations and societies with Christian aims and objectives compatible with the church's own charitable purpose.

The financial results for the year, together with a summary of accounting policies adopted are set out in the accompanying financial statements.

The Statement of Financial Affairs shows the income and day to day running costs of the church. This account shows a deficit of £4,479 (2023: surplus £18,889).

The Balance Sheet shows the total resources of the church less our liabilities at the end of the financial year. This also includes an Endowment Fund of £12,500, which is the permanent endowment of the original Sutton Schools legacy. At the year end unrestricted funds were £185,650 (2023: £190,129).

The Trustees have made an assessment of the major risks facing the church and are satisfied that there are policies in place to minimize them.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2024**

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### Structure, governance and management

The charity is governed by a Scheme of the Charity Commissioners dated 11 May 1998.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr K Tondoneh \*

Mrs P Cox \*

Mrs E Mortimer

Mr K Adams \*

Ms M Bengco \*

Rev'd S Heard

Ms M Fox \*

(Appointed 21 January 2024)

Members of the Church are accepted in accordance with the Constitution which requires them to be or to have been publicly baptised on the profession of faith in Jesus Christ or be accepted for full membership based on their own public profession of faith.

The normal Church Member's Meetings take place five times per year including the Annual General Meeting in October. These Member's Meetings have responsibility for the overall policy of the Church. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

The appointment of the Secretary and Treasurer are made annually.

The Trustees together with the Minister, Church Secretary and Treasurer (who are also appointed by the members), collectively known as the Diaconate, are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. The election of Trustees, Secretary and Treasurer takes place at the Annual Church Meeting.

Relevant matters may be submitted to the Church Members' Meeting by the Trustees for guidance, or may be raised by members in the Church Meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at Church Members' Meetings by appropriate majorities, the Church Members seek to work by consensus wherever possible.

The Trustees' report was approved by the Board of Trustees.



**Mr K Adams \***

Trustee

Dated: 20 October 2024

# **BEECHEN GROVE BAPTIST CHURCH TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2024***

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The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF BEECHEN GROVE BAPTIST CHURCH TRUST

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I report to the Trustees on my examination of the financial statements of Beechen Grove Baptist Church Trust (the charity) for the year ended 31 March 2024.

#### **Responsibilities and basis of report**

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of 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**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do 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 financial statements to be reached.

*Campbell Wilson*

#### **John Wilson FCA ATII**

Howard Wilson Chartered Accountants  
36 Crown Rise  
Watford  
Hertfordshire  
WD25 0NE

Dated: 20 October 2024



# BEECHEN GROVE BAPTIST CHURCH TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2024**

		Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
		2024	2024	2024	2023	2023	2023
	Notes	£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and legacies	3	31,733	-	31,733	41,250	-	41,250
Charitable activities	4	166,915	-	166,915	161,075	-	161,075
Investments	5	4,477	-	4,477	3,395	-	3,395
Other income	6	35	-	35	113	-	113
<b>Total income</b>		<u>203,160</u>	<u>-</u>	<u>203,160</u>	<u>205,833</u>	<u>-</u>	<u>205,833</u>
<b>Expenditure on:</b>							
Charitable activities	7	206,318	-	206,318	166,567	-	166,567
<b>Total expenditure</b>		<u>206,318</u>	<u>-</u>	<u>206,318</u>	<u>166,567</u>	<u>-</u>	<u>166,567</u>
Net gains/(losses) on investments	11	<u>(1,321)</u>	<u>-</u>	<u>(1,321)</u>	<u>(20,377)</u>	<u>-</u>	<u>(20,377)</u>
<b>Net income/(expenditure) and movement in funds</b>		<u>(4,479)</u>	<u>-</u>	<u>(4,479)</u>	<u>18,889</u>	<u>-</u>	<u>18,889</u>
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2023		<u>190,129</u>	<u>12,500</u>	<u>202,629</u>	<u>171,240</u>	<u>12,500</u>	<u>183,740</u>
<b>Fund balances at 31 March 2024</b>		<u>185,650</u>	<u>12,500</u>	<u>198,150</u>	<u>190,129</u>	<u>12,500</u>	<u>202,629</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
<b>Fixed assets</b>					
Investments	14		86,961		88,282
<b>Current assets</b>					
Debtors	15	33,706		22,119	
Cash at bank and in hand		82,320		93,228	
		<u>116,026</u>		<u>115,347</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(4,837)</u>		<u>(1,000)</u>	
Net current assets			111,189		114,347
<b>Total assets less current liabilities</b>			<u>198,150</u>		<u>202,629</u>
<b>Capital funds</b>					
Endowment funds - general	18		12,500		12,500
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		178,105		181,263	
Revaluation reserve		<u>7,545</u>		<u>8,866</u>	
			185,650		190,129
			<u>198,150</u>		<u>202,629</u>

The financial statements were approved by the Trustees on 20 October 2024

*Elizabeth L Mortimer*

*Mr K Adams*

Mrs E Mortimer  
Trustee

Mr K Adams \*  
Trustee

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### Charity information

Beechen Grove Baptist Church Trust is an unincorporated charity.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity 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 have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, modified to include investments and certain financial instruments at fair value. 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 charity 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 are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity 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 charity 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.

##### 1.5 Expenditure

The Church makes grants to other organisations whose charitable objectives complement its work. They are accounted for in the year in which they were paid.

##### 1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

#### 1.7 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.

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.9 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.11 Fund Raising

The church does not make formal appeals for funds and expenditure on these items are therefore not considered material.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 1 Accounting policies

(Continued)

#### 1.12 Fixed Assets

The Trustee of the Church land and premises is The Baptist Union Corporation Limited, which holds the freehold deeds on behalf of the Trust. The original cost of the land and buildings is unknown, and there are insufficient details of its current value. The insurance valuations are detailed in the notes to the accounts.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Voluntary income including donations and legacies

	2024	2023
	£	£
Donations and gifts	13,719	32,267
Envelope Scheme	1,495	703
Other Offerings	10,401	4,030
Income tax refund	6,118	4,250
	<u>31,733</u>	<u>41,250</u>

### 4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<b>Ancillary income</b>		
Contributions for use of premises	<u>166,915</u>	<u>161,075</u>

### 5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	<u>4,477</u>	<u>3,395</u>

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	35	113

### 7 Charitable activities

	2024 £	2023 £
Staff costs	65,543	50,570
Administration	3,680	2,087
Insurance	11,466	10,771
Premises costs	85,496	64,564
Manse expenses	12,793	10,969
Pastoral care	5,122	4,510
Resources	2,305	1,053
Telephone	1,249	1,288
Legal and professional costs	455	395
Sundry expenses	9,752	8,187
Bank charges	32	32
Governance costs	1,080	1,080
	198,973	155,506
Grant funding of activities (see note 8)	7,345	11,061
	206,318	166,567

Governance costs comprise independent examiner's fees of £1,080 (2023 - £1,080).

### 8 Grants payable

	2024 £	2023 £
BMS World Mission	1,200	1,200
CBA (Baptist Union Home Mission)	1,200	1,200
BMS (Baptist Missionary Society) - Ukraine	-	1,000
Saltmine Trust	-	1,935
Watford Town Centre Chaplaincy	-	1,500
BMS (Baptist Missionary Society) - Turkey	1,000	-
Other	3,945	4,226
	7,345	11,061

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Pastoral Care (Minister)	1	1
Management of House and Community	2	2
	<u>3</u>	<u>3</u>

#### Employment costs

	2024 £	2023 £
Wages and salaries	60,436	47,949
Social security costs	614	-
Other pension costs	4,493	2,621
	<u>65,543</u>	<u>50,570</u>

During the year, an amount was paid in relation to Pastoral Care (Minister) by way of a Stipend of £20,852 (2022: £1,104).

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

### 11 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	<u>(1,321)</u>	<u>(20,377)</u>

### 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 13 Tangible fixed assets

The Church occupies land and premises which are owned by The Baptist Union Corporation Limited for no value. The original cost of the land and buildings are unknown and there are insufficient details available to determine its current value.

The insurance values (as at September 2020) total £11,393,559. These were split accordingly:

Church Premises	£10,941,096
Manse	£452,463

### 14 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2023	88,282
Valuation changes	(1,321)
At 31 March 2024	86,961
<b>Carrying amount</b>	
At 31 March 2024	86,961
At 31 March 2023	88,282

### 15 Debtors

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Trade debtors	19,164	17,875
Other debtors	14,542	4,244
	33,706	22,119

### 16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	3,837	-
Accruals and deferred income	1,000	1,000
	4,837	1,000



# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### 17 Retirement benefit schemes

#### Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £4,493 (2023 - £2,621).

#### Defined benefit schemes

The church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme") which was known as the Baptist Ministers' Pension Fund until 31 December 2011 ("the Ministers' Fund"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited).

The Minister is eligible to join the Scheme, which is not contracted out of the State Second Pension(S2P).

The main benefits provided by the Ministers' Fund for service prior to 1 January 2012 are a Defined Benefit (DB) 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. From 1 January 2009 ministers paid 8% of their Pensionable Income and employer paid 16%. The Fund started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

From January 2012, pension provision was being made through Defined Contribution (DC) Plan within the Scheme. Members pay 8% and employers pay 16% of members Pensionable Income into individual 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, the administration of the DC Plan, and an associated insurance policy which provides income protection for Scheme members in the event 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.

A formal valuation of the Ministers' Fund was performed on 31 December 2010 by a professionally qualified Actuary using the Projected Unit method. The market value of the Fund's assets at the valuation date was £129,866,000.

The valuation of the Ministers' Fund revealed a deficit of assets compared with the value of liabilities of £69,700,000 (equivalent to a past service funding level of 65%). As a result of the valuation, in addition to contributions paid to the DC Plan set out above, deficiency contributions from employers to the Ministers' Fund (now the DB Plan within the Scheme) were set at 8.4% of Pensionable Income for 2012 and 11% of Pensionable Income from 2013 onwards. The Recovery Plan envisages deficiency contributions being required for 24 years.

#### Valuation

The financial assumptions underlying the valuations were as follows:

Discount rate pre-retirement	5.70%
Discount rate post-retirement	4.55%
Rate of price inflation	3.70%
Rate of revaluation on deferred pensions accrued to 5 April 2009	3.70%
Rate of revaluation on deferred pensions accrued after 5 April 2009	2.50%
Rate of pension increases on benefits accrued to 5 April 2006	3.50%
Rate of pension increases on benefits accrued after 5 April 2006	2.30%

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### 17 Retirement benefit schemes

(Continued)

As there is a large number of contributing employers participating in the Scheme, the church is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable.

#### £33m additional cash contributions from BUGB

BUGB made a contributions of £33m in December 2018 on behalf of the Baptist family in order to reduce the current deficit.

#### No change to the current employer deficit contributions

The large additional contributions from BUGB mean that the Scheme employers will see no increase in the deficit contributions under the new recovery plan. Deficit contributions for churches and other employers will not increase, other than to reflect any annual changes in the Minimum Pensionable Income.

The length of time for which deficit contributions must be paid, is reduced by 2½ years with contributions now due to finish in June 2026 rather than December 2028 .

#### Amendments to Scheme member benefits

At the request of the Employers Group, as part of the overall Family Solution, the Pension Trustee has agreed that from January 2019 onwards, the annual increase to pensions in payment will use the Consumer Price Index (CPI) as the measure of inflation, rather than the Retail Price Index (RPI). This change is permitted within the scheme rules. RPI is now generally accepted as a flawed measure that typically overstates inflation, whereas CPI is calculated to an internationally recognised standard. Because CPI is typically lower than RPI, this change reduces the scheme deficit, by reducing the annual inflation increase paid to Scheme beneficiaries.

To partly offset the impact on scheme beneficiaries of the change from RPI to CPI, a number of other amendments to the scheme benefits have been agreed:

- an increase to that part of any pension in payment which was earned on service before 6th April 2006, of up to 1% in addition to CPI for each of the next 3 years, provided that CPI is less than RPI, and subject to the overall annual cap of 5% on increases contained within the scheme rules.
- an increase to the cap on annual increases for that part of any pension in payment which was earned on service on or after 6th April 2006, from 2.5% to 5% (this mirrors the cap on increases to pre 6th April 2006 pensions).
- the manse allowance (which has been frozen for a number of years) will increase in line with CPI inflation, benefitting active scheme members
- Deferred pensions will continue to rise in line with RPI (subject to the statutory 5% pa cumulative cap) as this is mandated by the scheme rules.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 17 Retirement benefit schemes

(Continued)

#### Changes since the last valuation

The formal actuarial valuation of the Defined Benefit Section of the Baptist Pension Scheme as at 31 December 2019 has been completed. This was following discussions between the Scheme Trustee and representatives of the Baptist Pension Scheme Employers' Group. The main outcomes of the valuation are:

- The deficit in the scheme has reduced to £18m from £93m at the previous valuation. The estimated deficit at 30 June 2022 is £10m.

- There will be no increase in employers' deficit recovery contributions (other than the annual uplift for inflation);

- The expectation for when deficit recovery contributions might cease is brought forward by two and a half years to June 2026; and

A temporary reduction of 50% to the deficit recovery contributions will be put in place for the second half of 2020 to alleviate some of the additional financial pressure on employers during the Coronavirus pandemic.

#### Movements in the deficit in 2020

There are two substantial developments coming into play since December 2019 that have an impact on DB Plan funding:

1. Although mitigated to some extent by the Trustee's relatively low-risk investment strategy, the Coronavirus pandemic has impacted financial markets and led to a reduction in the value of some DB Plan investments.

2. The Government is currently consulting on how and when to change how the Retail Prices Index (RPI) is calculated to bring it more into line with the, generally lower, Consumer Prices Index (CPI). We anticipate that this change will lead to a lower value for some of the RPI-linked assets held by the DB Plan. This impact is partially offset by an assumed reduction in the cost of providing deferred benefits which are revalued up to retirement in line with RPI.

The DB Plan's actual financial position moves daily with changes in financial market conditions. However, in the agreed deficit recovery contributions we have made an allowance for a £10m deterioration in the deficit since 31 December 2019 to take account of the current impact of the two items above.

#### Financial pressures on employers

BUGB recognised very early that some churches and employers would suffer significant financial loss because of being unable to meet or to rent out their premises during the Coronavirus lockdown. BPS circulated a survey to all employers in April to ascertain how extensive this was. Although the proportion of employers expecting to struggle over the short term was fairly low, BUGB and the Employers' Group were eager to offer some reduction since the effects are continuing.

We are not able to treat individual employers differently depending on their circumstances, so we have had to balance both the immediate needs of those churches under financial pressure and the longer term need to fully fund the DB Plan. We believe a 50% reduction for the six months from July to December 2020 achieves this balance.

The reduction will happen automatically, you do not need to take any action. Deficit recovery contributions from January 2021 will then return to the full level, including the normal inflationary increase for 2021. Please note that your contributions to the DC Plan for any ongoing members of BPS will continue at their full rate. This reduction only applies to the DB Plan deficit recovery contributions.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 18 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2023 £	At 31 March 2024 £
<b>Permanent endowments</b>		
	12,500	12,500
	<u>          </u>	<u>          </u>
<b>Previous year:</b>	<b>At 1 April 2022 £</b>	<b>At 31 March 2023 £</b>
<b>Permanent endowments</b>		
Sutton Road Fund	12,500	12,500
	<u>          </u>	<u>          </u>

The endowment fund comprises funds relating to the former Sutton Road School. The land was conveyed to former Trustees for use as a school and for the the promotion of such religious, philanthropic or other purposes as the Minister and Deacons (Trustees) for the time being of Beechen Grove Baptist Chapel (now Beechen Grove Baptist Church) should from time to time direct. During the 1960s, the Trustees at the time directed that the school building was to be sold. Under the terms of the deeds the capital was to remain a permanent endowment, but the Trustees can use the interest on that capital for philanthropic or other purposes. The Sutton Road Fund was administered as a separate charity. In 1997, the Trustees at the time directed that the Sutton Road Fund and two other small charities were to be combined into the present registered charity. The amalgamation of these charities was completed in 1998. This amount is invested in Charinco Common Investment Fund. The permanent endowment of £12,500 is invested in Charinco. In common with most endowment funds, the charity is only able to use the interest earned, leaving the capital element untouched. Special application would have to be made before the capital could be released.

# BEECHEN GROVE BAPTIST CHURCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Endowment Fund £	Total £
Fund balances at 31 March 2024 are represented by:			
Investments	86,961	-	86,961
Current assets/(liabilities)	98,689	12,500	111,189
	<u>185,650</u>	<u>12,500</u>	<u>198,150</u>

	Unrestricted Funds £	Endowment Fund £	Total £
Fund balances at 31 March 2023 are represented by:			
Investments	88,517	-	88,517
Current assets/(liabilities)	19,154	12,500	31,654
	<u>107,671</u>	<u>12,500</u>	<u>120,171</u>

### 20 Related party transactions

The custodian Trustee of the church is the Baptist Union Corporation Limited (Charity No. 249635), which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain and the Central Baptist Association.

The church made a grant to the Baptist Union Home Mission Scheme as set out in note 8.