

Charity registration number 1126884



ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THORNHILL BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Matt Clarke - Treasurer	
	Sian Tomlin - Secretary	
	Paul Vaswani - Senior Minister	
	Astrid Vaswani - Community Minister	
	Kerstin Goodall - Deacon	(Appointed 17 May 2022)
	Sara Sealey - Deacon	(Appointed 17 May 2022)
	Brian Osler - Deacon	(Appointed 17 May 2022)
Charity number	1126884	
Principal address	Thornhill Baptist Church Thornhill Road Southampton Hampshire SO15 5TR	
Independent examiner	Frances Wilde FCCA DChA Warner Wilde Chartered Certified Accountants 4 Marigold Drive Bisley Surrey GU24 9SF	
Bankers	Baptist Union Corporation Limited Baptist House PO Box 44 129 Broadway Didco OX11 8RT	
	Lloyds Bank PLC 413 Bitterne Road Bitterne Southampton SO18 1DA	

THORNHILL BAPTIST CHURCH

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THORNHILL BAPTIST CHURCH

TRUSTEES' 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 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 objects of the charity are as below and set out in more detail in the Governing Document.

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The Church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

The trustees regularly review the aims, objectives and activities of the charity.

They have considered the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of religion for the public benefit.

Achievements and performance

As with most charities and organisations the activities of the church continued to be significantly impacted by restrictions resulting from the Coronavirus pandemic. The changing regulations and guidance on social distancing created continual challenges of how to enable services and activities to proceed without putting our congregation at unnecessary risk. During the second half of the year we moved back to in-person services with socially distanced seating and a booking system.

As a result of the success of publishing our Sunday morning services online we expanded our digital capability to enable us to live-stream and create video recordings of Sunday services and continue to engage with those who remained anxious of meeting in-person and also widen our digital reach.

Zoom video conferencing continued to be used extensively by Housegroups and other group meetings. With our new technology capability in place by the end of the year we were also able to offer hybrid Church meetings to maximise the members that were able to be involved in church business meetings.

Financial review

The budget for the year had been set with an expected level of uncertainty due to the changing pandemic environment and hence a draw upon historic surplus was anticipated to be necessary.

Hall Hire continued to be significantly impacted by the pandemic regulations preventing groups meeting indoors for much of the year and hiring groups only slowly started to return to normal during the third and fourth quarter of the year. This resulted in hall hire income being less than 50% of pre-pandemic levels.

With activities restarting, but with lower attendances expenditure increased from the previous year.

Financial support of third-party causes continued to form an important part of the church's finances during the year, with a significant amount sent to BMS World Mission and Bethesda, the Indian orphanage charity that the church supports. Our financial support to good causes and missionary work both in this country and abroad totalled £23,504.

The trustees and a separate finance committee review the budget and financial risks of the church on a regular basis.

At the end of the financial year the church had £847,174 of restricted funds (mainly the church properties) and £867,997 of unrestricted funds (including £538,020 property revaluation).

THORNHILL BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees consider that the level of free reserves required by the church should be held at a minimum of £67,600. This is determined from an annual assessment by the trustees of the most significant financial risks that the church faces, their size and likelihood of coming to fruition. The trustees have plans to use a portion of the reserves surplus towards funding the Children and Families worker over the coming years until such time as the income grows to cover it in full.

Structure, governance and management

Thornhill Baptist Church was established by a charitable trust deed in 1950 and registered as an independent charity in 2008.

The Deacons and ministers (all of whom are also Trustees for as long as these roles are held) who served during the year and up to the date of signature of the financial statements were:

David Goodall - Deacon	(Resigned 17 May 2022)
Matt Clarke - Treasurer	
Gareth Jenkins - Deacon	(Resigned 17 May 2022)
Sian Tomlin - Secretary	
Paul Vaswani - Senior Minister	
Astrid Vaswani - Community Minister	
Robert Ainslie - Deacon	(Resigned 17 May 2022)
M Peel	(Resigned 1 May 2021)
Frances Collins - Deacon	(Resigned 17 May 2022)
Kerstin Goodall - Deacon	(Appointed 17 May 2022)
Chris McConnell - Deacon	(Appointed 17 May 2022 and resigned 15 September 2022)
Sara Sealey - Deacon	(Appointed 17 May 2022)
Brian Osler - Deacon	(Appointed 17 May 2022)

Deacons are nominated for election from the membership by a minimum of two proposers. Deacons are appointed for a term of three years by a vote of at least 66% of voting members. Deacons are appointed for an initial term of three years, and may be reappointed for a further three years. Other than the Church Secretary and Treasurer positions, all deacons may serve no longer than a continuous six year period. The Deacons and ministers (all of whom are also Trustees for as long as these roles are held) for the year are listed above.

The training of trustees is discussed at their meetings and the church budget includes provision for the costs of any required training to be met.

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



Paul Vaswani - Senior Minister
Trustee

Date: 25/10/22

THORNHILL BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THORNHILL BAPTIST CHURCH

I report to the trustees on my examination of the financial statements of Thornhill Baptist Church (the charity) for the year ended 31 December 2021.

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.



Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 26 October 2022

THORNHILL BAPTIST CHURCH

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

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	136,425	-	7,291	143,716	153,201
Charitable activities	4	9,283	-	-	9,283	9,074
Investments	5	24,216	-	-	24,216	22,938
Other income	6	-	-	-	-	71
Total income		169,924	-	7,291	177,215	185,284
<u>Expenditure on:</u>						
Raising funds	7	-	-	-	-	31
Charitable activities	8	185,502	-	18,595	204,097	188,950
Total expenditure		185,502	-	18,595	204,097	188,981
Net gains/(losses) on investments	13	538,020	-	-	538,020	-
Net incoming/(outgoing) resources before transfers		522,442	-	(11,304)	511,138	(3,697)
Net incoming/(outgoing) resources before transfers		522,442	-	(11,304)	511,138	(3,697)
Gross transfers between funds		(500)	500	-	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		521,942	500	(11,304)	511,138	(3,697)
<u>Other recognised gains and losses</u>						
Actuarial gain on defined benefit pension schemes		946	-	-	946	12,874
Net movement in funds		522,888	500	(11,304)	512,084	9,177
Fund balances at 1 January 2021		344,609	-	858,478	1,203,087	1,193,910
Fund balances at 31 December 2021		867,497	500	847,174	1,715,171	1,203,087

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

All income and expenditure derive from continuing activities.

THORNHILL BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	148,282	4,919	153,201
Charitable activities	4	9,074	-	9,074
Investments	5	22,938	-	22,938
Other income	6	71	-	71
Total income		180,365	4,919	185,284
<u>Expenditure on:</u>				
Raising funds	7	31	-	31
Charitable activities	8	172,853	16,097	188,950
Total expenditure		172,884	16,097	188,981
Net gains/(losses) on investments	13	-	-	-
Net incoming/(outgoing) resources before transfers		7,481	(11,178)	(3,697)
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		7,481	(11,178)	(3,697)
Other recognised gains and losses				
Actuarial gain on defined benefit pension schemes		12,874	-	12,874
Net movement in funds		20,355	(11,178)	9,177
Fund balances at 1 January 2020		324,254	869,656	1,193,910
Fund balances at 31 December 2020		344,609	858,478	1,203,087

THORNHILL BAPTIST CHURCH

BALANCE SHEET

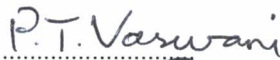
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	822,716		1,071,296	
Investment properties	15	770,000		-	
			1,592,716		1,071,296
Current assets					
Debtors	16	8,755		28,051	
Cash at bank and in hand		140,655		133,005	
			149,410		161,056
Creditors: amounts falling due within one year	17	(6,255)		(3,523)	
Net current assets			143,155		157,533
Total assets less current liabilities			1,735,871		1,228,829
Provisions for liabilities			(20,700)		(25,742)
Net assets			1,715,171		1,203,087
Income funds					
Restricted funds	20	847,174		858,478	
<u>Unrestricted funds</u>					
Designated funds	21	500		-	
General unrestricted funds		867,497		344,609	
			867,997		344,609
			1,715,171		1,203,087

The financial statements were approved by the Trustees on 21/10/2022



Matt Clarke - Treasurer
Trustee



Paul Vaswani - Senior Minister
Trustee

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Thornhill Baptist Church is a charitable unincorporated association.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 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 the revaluation of freehold properties and to include investment properties 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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.

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity 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

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	1% on cost
Church improvements	1% on cost
Freehold improvements	5% on cost
Equipment	5-20% on cost

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.

All assets costing more than £500, with a useful life of more than two years, are capitalised.

Assets are stated at cost less accumulated depreciation.

The original cost of the church premises is not known; however the depreciated cost of the major improvements made since 2007 is considered to adequately provide a net book value of the current buildings.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

At each reporting end date, the charity 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).

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 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 the cash or other consideration expected to be received, 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.

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. Basic financial liabilities are subsequently measured at the cash or other consideration expected to be paid.

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.

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

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

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 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	131,425	7,291	138,716	143,282	4,919	148,201
Legacies receivable	5,000	-	5,000	5,000	-	5,000
	<u>136,425</u>	<u>7,291</u>	<u>143,716</u>	<u>148,282</u>	<u>4,919</u>	<u>153,201</u>

THORNHILL BAPTIST CHURCH

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

4 Charitable activities

	2021 £	2020 £
Charitable rental income	7,575	6,148
Other income	1,708	2,926
	<u>9,283</u>	<u>9,074</u>

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rental income	24,083	22,909
Interest receivable	133	29
	<u>24,216</u>	<u>22,938</u>

6 Other income

	Total 2021 £	Unrestricted funds general 2020 £
Other income	-	71
	<u>-</u>	<u>71</u>

7 Raising funds

	Total 2021 £	Unrestricted funds general 2020 £
<u>Fundraising and publicity</u>		
Other fundraising costs	-	31
	<u>-</u>	<u>31</u>

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	115,608	118,460
Depreciation and impairment	13,641	16,935
Ministry	9,279	1,183
Establishment	23,575	18,734
	<u>162,103</u>	<u>155,312</u>
Grant funding of activities (see note 9)	23,503	16,656
Share of support costs (see note 10)	16,616	16,332
Share of governance costs (see note 10)	1,875	650
	<u>204,097</u>	<u>188,950</u>
Analysis by fund		
Unrestricted funds - general	185,502	172,853
Restricted funds	18,595	16,097
	<u>204,097</u>	<u>188,950</u>

9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Mission giving - overseas	5,696	1,980
Mission giving - UK	2,141	500
Baptist Missionary Society	4,437	4,867
Southern Counties Baptist Association (SCBA)	5,705	5,525
Emergency Disaster Relief	-	1,470
Frontline Hardship Fund	1,000	500
Harvest Appeal	2,225	1,200
Other	2,299	614
	<u>23,503</u>	<u>16,656</u>

THORNHILL BAPTIST CHURCH

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

10 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	5,139	-	5,139	3,976	-	3,976
Depreciation	2,960	-	2,960	3,293	-	3,293
Support costs	8,517	-	8,517	9,063	-	9,063
Independent Examiners fees	-	1,875	1,875	-	650	650
	<u>16,616</u>	<u>1,875</u>	<u>18,491</u>	<u>16,332</u>	<u>650</u>	<u>16,982</u>
Analysed between Charitable activities	<u>16,616</u>	<u>1,875</u>	<u>18,491</u>	<u>16,332</u>	<u>650</u>	<u>16,982</u>

The Independent Examiners fees include £495 relating to 2020 and £1380 (£1,150 + VAT) relating to the current year.

11 Trustees

No sums were reimbursed to the trustees for their work as trustees (2020 - none).

Remuneration is authorised under section 20 of the Constitution in respect of the Ministers who are also trustees. They may receive reasonable remuneration for their employment in the service of the church notwithstanding that they are trustees of the church. The following amounts were receivable :-

	<u>Stipend</u>	<u>Pension Contribution</u>	<u>Total 2021</u>	<u>Total 2020</u>
Senior Minister - Paul Vaswani	35,300	2,477	37,777	38,280
Community Minister - Astrid Vaswani	35,300	2,477	37,777	38,280

Payments totalling £4,750 were paid to 7 trustees and their related parties, in respect of travel, publications and other reimbursed expenses during the year (2020: £5,869 to 4 trustees).

12 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
<u>4</u>	<u>4</u>

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees		(Continued)	
Employment costs	2021 £	2020 £	
Wages and salaries	106,725	112,348	
Social security costs	5,274	4,027	
Other pension costs	8,748	6,061	
	<u>120,747</u>	<u>122,436</u>	

The Church pays pension contributions for its ministers to the Baptist Ministers Pension Fund which historically was a final salary defined benefit scheme, not contracted out of the state second pension. The Fund was changed to a defined contribution scheme for future service accrual from 1st Jan 2012. The scheme is a multi-employer scheme and as set out in the accounting policies the church paid £4,419 towards reducing its share of the multi-employer liability in 2021 (2020: £3,257). This is treated as a reduction of the liability now being recognised, and so is not classed as expenditure.

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

13 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Total 2020 £
Revaluation of investment properties	<u>538,020</u>	<u>-</u>

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Freehold property £	Church improvements £	Freehold improvements £	Equipment £	Total £
Cost					
At 1 January 2021	270,828	918,313	34,987	58,339	1,282,467
Transfer to investment property	(231,980)	-	-	-	(231,980)
At 31 December 2021	38,848	918,313	34,987	58,339	1,050,487
Depreciation and impairment					
At 1 January 2021	36,139	110,087	19,049	45,895	211,170
Depreciation charged in the year	2,709	9,183	1,749	2,960	16,601
At 31 December 2021	38,848	119,270	20,798	48,855	227,771
Carrying amount					
At 31 December 2021	-	799,043	14,189	9,484	822,716
At 31 December 2020	234,688	808,226	15,938	12,444	1,071,296

15 Investment property

	2021 £
Fair value	
At 1 January 2021	-
Transfers from assets in use	231,980
Net gains or losses through fair value adjustments	538,020
At 31 December 2021	770,000

Investment property comprises two freehold Manses. The fair value of the investment property has been arrived at on the basis of a valuation carried out at the year end by a trustee. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

It is understood there is a covenant that restricts the sale of 1 Woodlands Close.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2021 £	2020 £
Cost	270,828	-
Accumulated depreciation	(38,848)	-
Carrying amount	231,980	-

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	4,380	24,162
Prepayments and accrued income	4,375	3,889
	<u>8,755</u>	<u>28,051</u>

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	2,325	2,176
Other creditors	913	348
Accruals and deferred income	3,017	999
	<u>6,255</u>	<u>3,523</u>

Provisions for liabilities

	Notes	2021 £	2020 £
Retirement benefit obligations	19	20,700	25,742
		<u>20,700</u>	<u>25,742</u>

19 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 £8,748 (2020 - £6,061).

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Retirement benefit schemes

(Continued)

Defined benefit schemes

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 pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

"The Ministers 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 Aviva plc. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC 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.

Valuation

Actuarial valuation as at 31 December 2019

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 £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit. The key assumptions underlying the valuation were as follows:

THORNHILL BAPTIST CHURCH

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

19 Retirement benefit schemes

(Continued)

Other information

Type of financial assumption:	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
-Main Scheme pension	2.70

Key assumptions

	2021 %	2020 %
Discount rate	2.0	1.4
Expected rate of salary increases	4.1	3.2

Mortality assumptions

Post-retirement mortality in accordance with 75% of the S1NFA and S1NMA 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 of improvement of 1.75% for males and 1.5% for female, with the core smoothing parameter and with the additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

Amounts recognised in the profit and loss account:

	2021 £	2020 £
Net interest on defined benefit liability/(asset)	323	673

Amounts taken to other comprehensive income:

	2021 £	2020 £
Actuarial changes related to obligations	(946)	(12,874)

THORNHILL BAPTIST CHURCH

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

19 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2021 £	2020 £
Present value of defined benefit obligations	20,700	25,742
Deficit in scheme	20,700	25,742

Movements in the present value of defined benefit obligations:

	2021 £
Liabilities at 1 January 2021	25,742
Contributions from scheme members	(4,419)
Actuarial gains and losses	(946)
Interest cost	323
At 31 December 2021	20,700

The defined benefit obligations arise from plans which are wholly or partly funded.

THORNHILL BAPTIST CHURCH

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:

	Balance at 1 January 2020	Movement in funds		Balance at 1 January 2021	Movement in funds		Balance at 31 December 2021
	£	Incoming resources £	Resources expended £	£	Incoming resources £	Resources expended £	£
Donations	3,626	4,879	(5,024)	3,481	7,291	(7,791)	2,981
Toddler Group	1,252	40	(269)	1,023	-	-	1,023
Church improvements	817,410	-	(9,183)	808,226	-	(9,183)	799,043
Manses	47,368	-	(1,621)	45,748	-	(1,621)	44,127
	<u>869,656</u>	<u>4,919</u>	<u>(16,097)</u>	<u>858,478</u>	<u>7,291</u>	<u>(18,595)</u>	<u>847,174</u>

The Donations Fund represents the receipt and payment of monies collected for various specific causes (per note 9).

The Toddler Group fund represents donations given specifically for the use of the Toddler Group.

The net book value of the Church improvements and Manses are treated as restricted funds when, under the terms of the Baptist Union rules and the trust deed, the proceeds of any sales must be used for the purchase of properties for the church.

Depreciation on these properties is treated as restricted expenditure.

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:

	Movement in funds		Transfers	Balance at 31 December 2021
	Incoming resources £	Balance at 1 January 2021 £	£	£
Donation	-	-	500	500
	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>

Donation
Contingency balance

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by:

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Tangible assets	21,146	-	801,570	822,716	217,322	853,974	1,071,296
Investment properties	728,400	-	41,600	770,000	-	-	-
Current assets/(liabilities)	138,651	500	4,004	143,155	153,029	4,504	157,533
Provisions and pensions	(20,700)	-	-	(20,700)	(25,742)	-	(25,742)
	867,497	500	847,174	1,715,171	344,609	858,478	1,203,087

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Volunteer time

In accordance with FRS102, the value of volunteer time is not recognised in the accounts. However it is acknowledged that the church benefits significantly from all the work done by its volunteers. Without the kind donation of their time, the charity would not be able to provide resources as far reaching and as timely. We are additionally grateful to the Leadership team who kindly provide time free of charge to run the church's operations and ensure compliance with our many obligations.

24 Operating lease commitments

The operating lease relates to equipment. The leases is for a period of 64 months and the rentals are fixed for that period. The lease can be cancelled after this period by giving 3 months notice.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	562	-
Between two and five years	1,825	-
	2,387	-

25 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

THORNHILL BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Related party transactions

(Continued)

The custodian Trustee of the church is the Baptist Union Corporation Limited which is charity number 249635, and which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain, and the Southern Counties Baptist Association.

The church made a donation to both the Baptist Union Home Mission Scheme and the Southern Counties Baptist Association as set out in note 9.

Remuneration paid to trustees, who are also ministers is set out in note 11.

The wife of the trustee, Matt Clarke, was employed by the church on a normal employment contract and received gross remuneration, including pension benefits, of £7,447 (2020: £7,447) and reimbursement of normal expenses.