

Charity registration number 1126884

The logo features a large, dark grey cross on the left. A thick, light blue curved line arches over the word 'THORNHILL'.

THORNHILL Baptist Church

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THORNHILL BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Matt Clarke – Treasurer (resigned 23 May 2023) Sian Tomlin – Secretary (resigned 23 May 2023) Brian Osler – (resigned 18 April 2023) Paul Vaswani – Ministry Team Leader & Youth Minister Astrid Vaswani – Community & Pastoral Minister Kerstin Goodall Sara Sealey Eve Carter Gina Crowcroft – Treasurer Anne-Marie Lee-Cann – (appointed 23 May 2023) Stacey Dalipe – (appointed 23 May 2023) Karen Clarke – Secretary (appointed 23 May 2023)
Charity number	1126884
Principal address	Thornhill Baptist Church Thornhill Park Road Southampton SO18 5TR
Independent examiner	Jason Foxwell FCCA FCIE 39 Enfield Road Poole BH15 3LJ
Bankers	Baptist Union Corporation Limited Baptist House PO Box 44 129 Broadway Didcot OX11 8RT Lloyds Bank PLC 413 Bittene Road Bittene Southampton SO18 1DA

THORNHILL BAPTIST CHURCH

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THORNHILL BAPTIST CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

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

During 2023 the church continued to offer Sunday services, both in person and online, and a wide range of midweek activities many of which are open to anyone from our local community, irrespective of whether they would consider themselves to be affiliated with the church or not. Numbers have increased slowly, both in terms of Sunday attendance and midweek engagement.

Our Well Being Café, Food Hub, Coffee and Bowls and various youth and children's groups all continue to be popular within the local community. We continue to encourage people to see themselves as part of a church family rather than "clients" of various services that we offer, and where possible we encourage newcomers to join in, serving within one of our teams or becoming involved with wider church life and activities. The church family grew during the year with a number of new members and baptisms. We continue to work in partnership with other local churches and have a good relationship with our local schools, taking assemblies and seasonal services. This year we have particularly strengthened our partnerships with two of our overseas mission partner organisations through visits from our Ministry Team Leader.

During 2023 we started seriously considering a possible future building project, opened up a major discussion on a theological subject which has a strong bearing on church life, and worked around the challenges presented by our Ministry Team Leader taking a sabbatical break.

Financial review

Whilst the church's regular giving saw a decrease during the year its overall income increased by just under 1.5%. In many ways, 2023 was a more normal year in respect of financial activity as there were no legacies received and neither was there a specific gift day. In view of this we are encouraged by the small increase in income. Offset against this is the increase in expenditure. Our regular expenses increased by just under 6% mainly due to the increase in energy costs and some significant maintenance work required in respect of roof repairs and heating repairs. Additionally, we upgraded the windows in the main worship hall during the year funding this from reserves.

Despite the economic climate the church continued to support several third party causes with a significant amount sent to BMS World Mission, Bethesda, the Indian orphanage charity that the church supports, Dignity and the Purple Community Fund (PCF) and funds sent to support humanitarian efforts in areas of the world suffering from both natural disasters and conflict hotspots. Our financial support to good causes and missionary work both in this country and abroad totalled £18,559 for the year.

We continue to financially support initiatives which have a local community impact including our weekly Well Being Café and Friday Food Hub. In addition to these we also run cafes for parents whilst their children are accessing both our weekly children's clubs and our one-off holiday clubs.

THORNHILL BAPTIST CHURCH

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 £824,686 of restricted funds (mainly the church properties) and £901,955 of unrestricted funds.

The Trustees consider that the level of free reserves required by the church should be held at a minimum of £71,700. 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.

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 Trustees and Ministers (both Ministers 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:

Matt Clarke	Treasurer – (Resigned 23 May 2023)
Sian Tomlin	Secretary – (Resigned 23 May 2023)
Brian Osler	(Resigned 18 April 2023)
Paul Vaswani	Ministry Team Leader & Youth Minister
Astrid Vaswani	Community & Pastoral Minister
Kerstin Goodall	
Sara Sealey	
Eve Carter	
Gina Crowcroft	Treasurer
Karen Clarke	Secretary - (Appointed 23 May 2023)
Anne-Marie Lee-Cann	(Appointed 23 May 2023)
Stacey Dalipe	(Appointed 23 May 2023)

Trustees are nominated for election from the membership by a minimum of two proposers. Trustees are appointed for a term of three years by a vote of at least 66% of voting members. Trustees 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 Trustees may serve no longer than a continuous six year period. The Trustees and Ministers 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 – Ministry Team Leader & Youth Minister
Trustee

Date: 8 April 2024

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 2023.

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

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.



Jason Foxwell FCCA FCIE

39 Enfield Road
Poole
BH15 3LJ

Date: 17 April 2024

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted £	Designated £	Restricted £	Total £	2022 £
Income and endowments from:						
Donations and legacies	3	173,132	285	4,780	178,197	181,263
Charitable activities	4	19,483	0	5,534	25,018	21,655
Investments	5	26,997	0	0	26,997	23,916
Other income	6	0	0	0	0	70
Total income		219,613	285	10,314	230,212	226,904
Expenditure on:						
Charitable activities	7	238,935	43	22,355	261,333	225,491
Total expenditure		238,935	43	22,355	261,333	225,491
Net gains/(losses) on investments	12	0	0	0	0	22,500
Net income/expenditure before transfers		(19,323)	242	(12,041)	(31,121)	23,913
Gross transfers between funds		3,000		(3,000)	0	0
Net income before other recognised gains		(16,322)	242	(15,041)	(31,121)	23,913
Other recognised gains						
Actuarial gain on defined benefit pension schemes			0	0	0	18,678
Net movement in funds		(16,322)	242	(15,041)	(31,121)	42,591
Funds at 1 January 2023		918,035	0	839,727	1,757,762	1,715,171
Total funds carried forward		901,713	242	824,686	1,726,641	1,757,762

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	13	817,544	813,377
Investment properties	14	792,500	792,500
		<u>1,610,044</u>	<u>1,605,877</u>
Current Assets			
Debtors	15	22,155	36,275
Cash at bank		109,712	130,337
		<u>131,867</u>	<u>166,612</u>
Creditors: Amounts falling due within one year	16	15,270	14,727
Net Current Assets		<u>116,597</u>	<u>151,885</u>
Net Assets		<u>1,726,641</u>	<u>1,757,762</u>
Funds			
Restricted funds	18	824,686	839,727
Designated Funds	19	242	0
General Funds		901,713	918,035
Total Funds		<u>1,726,641</u>	<u>1,757,762</u>

Approved by the trustees on 8 April 2024

and signed on their behalf by


..... Paul Vaswani (Trustee)


..... Gina Crowcroft (Trustee)

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes. The aims and use of each designated fund is set out in the notes to the financial statements.

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.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

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).

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

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in an independently administered fund.

Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. Where it is not possible for the charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. The unwinding of the discount is recognised as a finance cost and any other change in the measurement of this liability is expensed to the Statement of Financial Activities.

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.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3 Donations and legacies

	Unrestricted	Designated	Restricted	Total	Unrestricted	Restricted	Total
	2023	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£	£
Donations and gifts	173,132	285	4,780	178,197	162,296	10,967	173,263
Legacies receivable	0	0	0	0	8,000	0	8,000
	<u>173,132</u>	<u>285</u>	<u>4,780</u>	<u>178,197</u>	<u>170,296</u>	<u>10,967</u>	<u>181,263</u>

4 Charitable activities

	Unrestricted	Restricted	Total	Unrestricted
	2023	2023	2023	2022
	£	£	£	£
Charitable rental income	12,482	0	12,482	11,626
Other income	7,001	5,534	12,536	10,029
	<u>19,483</u>	<u>5,534</u>	<u>25,018</u>	<u>21,655</u>

5 Investments

	Unrestricted	Unrestricted
	2023	2022
	£	£
Rental income	25,437	23,380
Interest receivable	1,560	536
	<u>26,997</u>	<u>23,916</u>

6 Other income

	Unrestricted	
	2023	2022
	£	£
Other income	0	70
	<u>0</u>	<u>70</u>

7 Charitable activities

	2023	2022
	£	£
Staff costs	125,557	116,329
Depreciation and impairment	11,509	10,932
Ministry	20,139	16,834
Establishment	72,120	47,066
	<u>229,324</u>	<u>191,161</u>
Grant funding of activities (see note 8)	18,559	21,607
Share of support costs (see note 9)	12,550	11,848
Share of governance costs (see note 9)	900	875
	<u>261,333</u>	<u>225,491</u>
Analysis by fund		
Unrestricted funds - general	238,935	207,600
Unrestricted funds - designated	43	500
Restricted funds	22,355	17,391
	<u>261,333</u>	<u>225,491</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8 Grants payable

	2023	2022
	£	£
Grants to institutions:		
Mission giving - overseas	1,335	2,524
Mission giving - UK	1,500	1,236
Baptist Missionary Society (BMS)	4,437	4,437
Southern Counties Baptist Association (SCBA)	5,755	5,705
Emergency Disaster Relief	4,060	4,265
Bethesda Childrens' Foundation	665	1,625
Love Does	390	209
Harvest Appeal	417	606
Other	0	1,000
	<u>18,559</u>	<u>21,607</u>

9 Support costs

	Support costs	Governance costs	Total 2023	Support costs	Governance costs	Total 2022
	£	£	£	£	£	£
Staff costs	0	0	0	0	0	0
Depreciation	3,628	0	3,628	3,040	0	3,040
Support costs	8,922	0	8,922	8,808	0	8,808
Independent Examiner's fees	0	900	900	0	875	875
	<u>12,550</u>	<u>900</u>	<u>13,450</u>	<u>11,848</u>	<u>875</u>	<u>12,723</u>
Analysed between charitable activities	<u>12,550</u>	<u>900</u>	<u>13,450</u>	<u>11,848</u>	<u>875</u>	<u>12,723</u>

10 Trustees

No sums were reimbursed to the trustees for their work as trustees (2022 - 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:

	Stipend	Pension Contribution	Total 2023	Total 2022
Ministry Team Leader and Youth Minister - Paul Vaswani	37,300	3,730	41,030	39,105
Community & Pastoral Minister - Astrid Vaswani	37,300	3,730	41,030	39,105

Payments totalling £4,791 were paid to 6 trustees and their related parties, in respect of travel, publications and other reimbursed expenses during the year (2022: £6,530 to 5 trustees).

11 Employees

	2023	2022
The average number of employees during the year was:	<u>4</u>	<u>4</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	110,983	102,656
Social security costs	5,294	4,884
Other pension costs	9,291	8,789
	<u>125,569</u>	<u>116,329</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 scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the church. Therefore, in accordance with FRS102 Section 28, the scheme is accounted for as a defined contribution scheme.

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

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12 Net gains/(losses) on investments

	Unrestricted	Restricted
	2023	2022
	£	£
Revaluation of investment properties	0	22,500

13 Tangible Fixed Assets

	Freehold Property £	Freehold Improvements £	Church Improvements £	Equipment £	Total £
Cost at 1 January 2023	38,848	34,987	918,313	62,972	1,055,120
Additions	0	0	11,539	7,975	19,514
Disposals	0	0	0	(11,088)	(11,088)
Cost at 31 December 2023	38,848	34,987	929,852	59,859	1,063,546
Depreciation at 1 January 2023	38,848	22,547	128,453	51,895	241,743
Disposals	0	0	0	(10,878)	(10,878)
Charge for year	0	1,749	9,760	3,628	15,137
Depreciation at 31 December 2023	38,848	24,296	138,213	44,645	246,002
Net Book Value at 31 December 2023	0	10,691	791,639	15,214	817,544
Net Book Value at 31 December 2022	0	12,440	789,860	11,077	813,377

14 Investment property

	2023 £
Fair value	
At 1 January 2023	792,500
Net gains or losses through fair value adjustments	0
At 31 December 2023	792,500

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:

	2023 £	2022 £
Cost	270,828	270,828
Accumulated depreciation	(44,264)	(41,556)
Carrying amount	226,564	229,272

15 Debtors

	2023 £	2022 £
Other debtors	17,966	28,679
Prepayments and accrued income	4,189	7,596
	22,155	36,275

16 Creditors: Amounts Falling Due Within One Year

	2023 £	2022 £
Trade creditors	4,394	0
Other taxation and social security	2,384	2,218
Other creditors	2,615	536
Accruals and deferred income	5,877	11,973
	15,270	14,727

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 income or expenditure in respect of defined contribution schemes was £9,279 (2022 - £8,789).

Defined benefit schemes

The Church is a participating employer the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a 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 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 Broadstone Corporate Benefits Ltd. 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 if 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 Limited. (Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.)

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Ministers and some members of the church staff are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5%)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18 Restricted Funds	At 1.1.23	Income	Expenditure	Transfers	At 31.12.23
	£	£	£	£	£
Donations	7,361	4,780	(6,017)	(3,000)	3,124
Event income	0	5,534	(5,534)	0	0
Church improvements	789,860	0	(9,183)	0	780,677
Manses	42,506	0	(1,621)	0	40,885
	<u>839,727</u>	<u>10,314</u>	<u>(22,355)</u>	<u>(3,000)</u>	<u>824,686</u>

The Donations Fund represents the receipt and payment of monies collected for various specific causes (per note 8)

Event income represents amounts received for specific events

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.

19 Designated Funds	At 1.1.23	Income	Expenditure	Transfers	At 31.12.23
	£	£	£	£	£
Food Hub	0	260	(43)	0	217
Knitting & Crochet Group	0	25	0	0	25
	<u>0</u>	<u>285</u>	<u>(43)</u>	<u>0</u>	<u>242</u>

20 Analysis of Net Assets Between Funds	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
Tangible assets	36,542	0	781,002	817,544	22,080	0	791,286	813,376
Investment properties	751,940	0	40,560	792,500	751,420	0	41,080	792,500
Current assets/(liabilities)	113,231	242	3,124	116,597	144,525	0	7,361	151,886
Totals	<u>901,713</u>	<u>242</u>	<u>824,686</u>	<u>1,726,641</u>	<u>918,035</u>	<u>0</u>	<u>839,727</u>	<u>1,757,762</u>

21 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.

22 Operating lease commitments

The operating lease relates to equipment. The lease 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:

	2023	2022
	£	£
Within one year	562	562
Between two and five years	<u>701</u>	<u>1,263</u>
	<u>1,263</u>	<u>1,825</u>

23 Related party transactions

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 8.

Remuneration paid to trustees, who are also ministers is set out in note 10.