

Mutley Baptist Church
Annual Report for 2021



Name of the Charity:

Mutley Baptist Church

Charity registration number:

1127079

Registered Address:

Mutley Plain
Plymouth PL4 6LB

Trustees:

Rev N Lear (Minister) – appointed 01/06/2021
Mr M Bailey (Church Secretary) – appointed 01/01/2022
Mr J Dawes
Mr T Frost
Dr A Gaston
Mr T Provost
Mrs P Shelmerdine
Mrs J Siney – resigned 31/12/2021
Mrs F Spicer – resigned 31/12/2021
Mrs J Sutton
Mrs M Tollins

Property Trustees:

The South West Baptist Trust Corporation
Wonford Baptist Chapel
36-38 Wonford Street
Exeter EX2 5DL

Bankers:

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

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Independent Examiner:

Ian Barrett FCA FCIE

Charitable Object:

The charity is governed by an Approved Governing Document which states that the principal purpose of the charity is the advancement of the Christian faith according to the principles of the Baptist denomination to include the advancement of education, community service and such other general charitable purposes in such parts of the United Kingdom and the world as the church shall determine.

Mutley Baptist Church (MBC) occupies premises which are held by the South West Baptist Trust Corporation Ltd, on Trusts which are entirely compatible with the above object. The Minister also occupies premises which are held by the Baptist Union Corporation Limited, on Trusts which are entirely compatible with the above object.

Organisational Structure and Decision-making processes:

Members of MBC are accepted in accordance with the Approved Governing Document which requires them to be or to have been publicly baptised on the profession of faith in Jesus Christ or, following other modes of baptism, to renew their public profession of faith in Jesus Christ.

Members' meetings normally take place four times per year and the view of the members as expressed in the meeting under the guidance of the Holy Spirit determines the overall policy of the church. In accordance with the constitution, the members appoint Trustees who, together with the Minister, Church Secretary and Treasurer (collectively known as the Eldership) are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Relevant matters may be submitted to the church meeting by the Trustees for guidance or may be raised by members in church meeting for further consideration by the Trustees. Though the constitution permits decisions to be made at church meetings by appropriate majorities, the church seeks to work by consensus wherever possible.

Objectives and Activities:

In order to achieve the principal objective, which is set out above, the church provides a variety of activities both to 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 into a closer relationship with Him as their living Lord.

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Central to the work and witness of the church is the provision of regular public services of Christian worship, primarily on Sundays at 10.00am and 6.00pm and at Easter and Christmas. There is a full programme for children and young people during the 10.00am Sunday service, and also on Thursday evenings in different groups for 5-18 year olds. On most days during the week there are activities for children, for parents with babies and toddlers, and on Thursdays for families as a whole, with food and refreshments available at teatime. Broadcasting of the 10.00am Sunday service on 'Zoom', introduced at the start of lockdown, has continued as a way of allowing those unable to attend in person to participate.

Members of the church are active participants in the operation of the Soup Run serving the homeless and street folk of the city of Plymouth, and in supplying Street Pastors on Saturday evenings to give reassurance and assist where needed in the city's busy nightlife hotspots. On Mondays and Thursday the church premises are used for Bigger Table, providing a hot drink and a meal to the vulnerable, lonely and homeless along with a warm welcome and a listening ear, and the opportunity for prayer if desired. Those attending can also seek financial advice from Money Focus, who have an office within the church, and can arrange longer appointments where complex situations are listened to, investigated and analysed. They may also receive a food parcel once a week from our larder which is restocked by voluntary donations and a subscription from 'Fare Share' in Plymouth.

The church runs a series of weekly evening house groups for the growth of faith and discipleship in the homes of some members. Again, continuing the use of 'Zoom' has allowed people who can't physically get there to stay involved and in touch. A Pastoral Team meets weekly to co-ordinate contact with the elderly, sick and lonely members of the fellowship through hospital visits, home visits, phone calls, emails and the sending of cards.

Although primarily serving the needs of the local community in and around Mutley, MBC continues to support a number of missionaries overseas, some financially and all prayerfully. In 2021, couples supported were serving in Uganda, South Africa, Papua New Guinea, Indonesia, China, Nepal and the Middle East.

Achievements and Performance:

2021 started with Covid-19 lockdown restrictions still in force and with a church membership of 202. MBC staff were either working from home or on the furlough scheme. The 10.00am Sunday service was being broadcast on 'Zoom' and also recorded for viewing later that day on YouTube. The various house groups were also meeting online via 'Zoom'. The church was still without a Minister and was being moderated by the Rev. Carl Smethurst of the South West Baptist Association (SWBA). The Rev. Nick Lear had accepted an invitation to become the new Minister but due to his employment as a Regional Minister with the Eastern Baptist Association was not able to start at MBC until the beginning of June.

As lockdown restrictions eased the church premises gradually started to be used again, with appropriate health and social distancing measures in place. The provision of hot drinks and meals on Thursday

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lunchtimes for vulnerable people recommenced, initially on a takeaway basis. With the help of a grant the opportunity was taken to install racking at the back of the church hall to create a well-stocked food bank, open on Monday and Thursday lunchtimes, and publicised along with the hot meal as the Bigger Table. This started in February and has proved very popular in serving the needs of some of Mutley's poorer residents. The Sanctuary reopened for Sunday morning worship on 18 April, with a requirement to either book ahead online or sign-in on arrival to comply with NHS Test and Trace protocols. The use of hand sanitiser on arrival was encouraged (and still is) and ample social distancing was put in place, a one-way system, mandatory face coverings and no singing. The Sunday evening meeting – The Gathering – recommenced downstairs in the GreenSpace premises on Mutley Plain.

The church manse in Hartley Park Gardens was a large older property, expensive to maintain and heat, and a decision was taken in 2020 to dispose of it. In March the sale was completed and the sub-team responsible then turned their attention to purchasing a newer, smaller manse better suited to the number of occupants. A detached bungalow was found in the Derriford area of the city which ticked all the boxes apart from its proximity to the church. Properties nearer the church were in short supply, were mainly older buildings and generally more expensive so with the available budget now known, and with the arrival on 1 June of our new Minister, it was decided to press ahead with the purchase, which was duly completed on 8 June. Members of the sub-team were able to redecorate and make repairs where necessary before Nick and wife Sally moved in.

MBC continues to take the issue of safeguarding extremely seriously and a new Safeguarding Policy to incorporate adults at risk as well as children and young people into the same Policy was drafted, and subsequently endorsed and adopted by the church membership. Volunteers and leaders wanting to work with these groups are appropriately vetted by the Disclosure and Barring Service.

Prompted by new food labelling legislation coming into force in October, new Kitchen and Food Safety policies were introduced to ensure hygiene standards are adhered to and maintained. The kitchen has now been awarded a Level 5 Food Hygiene rating.

Other notable achievements during the year were the installation of a new phone and broadband system, for improving communication within the premises and for church mobile phones, and the replacement of the fire alarm system, along with an updated Fire Policy. Rooms within the church building are often hired out to external customers and a new room booking system was introduced to simplify the fee structure, ensure consistency and adequately cover the overheads involved, and provide a transparent record of all bookings. Heating such a large old building has proved problematic over the years and a long-overdue new boiler was installed for the Spurgeon Hall.

The year ended with the church membership down by a quarter to 147. After the difficulties of the previous two years it was felt that things were now starting to turn around, and with a new Minister now in post, resident in a new manse, green shoots of recovery were appearing.

Financial Review:

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MBC continues to raise the majority of the funds needed to carry on its activities from within its own membership and congregation. Staff salaries remain the most significant item of expenditure and relate to those of the Minister, pastoral support team and office staff. MBC is heavily dependent on members working as unpaid volunteers in all aspects of the church's activities, many of which run with little or no impact on the church's expenditure but nevertheless contribute substantially to achieving its objectives.

The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements, but the bottom line for 2021 was a deficit of around £12,000.

The amount of maintenance, repair and renewal required during the year was considerable, such as the need for a new boiler and a new fire alarm system, as referred to above. Consequently the membership approved an interest-free loan from SVBA of £30,000, repayable over 15 years at £2,000 per year, to cover the cost of this work, with the residue going into the buildings and maintenance pot for future use.

The Trustees have established a reserves policy and are satisfied that they have sufficient reserves at the balance sheet date, together with ongoing income anticipated, to enable the church to function effectively in the coming year.

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

MUTLEY BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted £	Restricted/ Endowment/ Designated £	Total 2021 £	Total 2020 £
Income					
Donations and legacies	2	175,730	3,907	179,637	171,901
Investment income	3	2,007	138	2,145	2,545
Income from charitable activities	4	9,296	-	9,296	9,118
Government grants	5	5,096	-	5,096	-
Profit on disposal of Manse		-	284,465	284,465	-
Total income and endowments		£192,129	£288,510	£480,639	£183,564

Expenditure

Expenditure on raising funds		-	-	-	-
Charitable activities -restricted/unrestricted	6	205,523	4,011	209,534	195,887
Charitable activities - endowment	6	-	-	-	-
Total expenditure		205,523	4,011	209,534	195,887
Net income before defined benefit funding plan charge		(£13,394)	£284,499	£271,105	(£12,323)
Actuarial gains and (losses) on defined benefit scheme	21	£609	-	£609	£10,765
Net income		(£12,785)	£284,499	£271,714	(£1,558)

Movement in funds

	Endowment/ Designated	Unrestricted	Restricted/ Designated	Total	Total
Total funds brought forward	222,555	113,196	1,672	337,423	338,980
Net incoming resources	£284,603	(£12,785)	(£104)	£271,714	(£1,558)
Transfers	(£141,875)	£141,875	-	-	-
Total funds carried forward	£365,283	£242,286	£1,568	£609,137	£337,422
Endowment Designated	1				
	365,282				
	£365,283				

The notes on pages 7 to 14 form part of these accounts

MUTLEY BAPTIST CHURCH
BALANCE SHEET
31 December 2021

	Notes	2021	2020
		£	£
Fixed Assets			
Tangible fixed assets	11	411,892	167,194
Current Assets			
Debtors repayable in next 12 months	12	29,872	13,025
Bank and cash balances	13	217,687	182,843
		<u>247,559</u>	<u>195,868</u>
Current liabilities			
Creditors: amounts falling due within one year	14	<u>5,184</u>	<u>4,113</u>
Net current assets		242,375	191,755
Creditors due in more than 12 months	15	(27,829)	-
Net assets excluding pension liabilities		<u>£626,438</u>	<u>£358,949</u>
Defined benefit scheme liability	21	£17,301	£21,526
Total net assets		<u>£609,137</u>	<u>£337,423</u>
Charitable Funds			
Endowment	17	1	1
Designated	18	365,282	222,554
Unrestricted		242,286	113,196
Restricted	19	<u>1,568</u>	<u>1,672</u>
		<u>£609,137</u>	<u>£337,423</u>

The notes on pages 7 to 14 form an integral part of these accounts. These accounts were approved by the Trustees on _____ and signed on their behalf by

Trustee

Secretary

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS
year ended 31 December 2021

1 Accounting Policies

a Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP 2015), FRS102 and with the Charities Act 2011.

The church is a registered charity and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

c Donations

Donations are accounted for gross when the donation is received.

d Legacies

Legacies are accounted for on the earlier of notification of an impending distribution and the legacy being received, provided that the legacy can be properly quantified.

e Investment income

Investment income is included in the accounts in the year in which it is receivable.

f Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

g Fund raising and publicity costs

The Church does not make formal appeals for funds, and expenditure on these items is therefore not material.

h Grants payable

The Church makes grants to other organisations whose charitable objects complement its work. They are accounted for in the year in which they are paid or when the recipient has been notified of the grant and payment is unconditional.

i Support costs

Support costs are those that assist the work of the church but do not directly represent charitable activities and include office costs and governance cost. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources. This represents direct expenditure on the governance of the church. Most of the management is carried out without charge by volunteers. This intangible cost is not included in the Statement of Financial Activities since there is no measurable cost to the volunteers for their service.

j Fixed Assets

Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £1,000. They are initially recognised at cost, or for donated assets, at a reasonable estimate of their value on receipt.

There is no reliable information available for the cost of the church premises and so the carrying value of £1 is used as deemed cost plus building improvements

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

1 Accounting Policies (continued)

k Depreciation

Depreciation has not been charged on the Manse premises, because in the opinion of the Trustees, the residual value of the asset is not less than the original cost price.

Depreciation on other fixed assets is calculated to write off the cost on a straight-line basis over their expected useful life, at the following rates:

Freehold land	Nil	Building improvements	4%
Organ	5%	Equipment	10% -20%
Fixtures and fittings	10%		

l Investment Assets

Investments are initially stated at cost. Subsequently they are measured at fair value with changes recognized in the SOFA. Investment assets are shown at cost less impairment.

m Funds

The church has established various funds as follows:

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Endowment

This comprises the building reserve fund and represents the amount originally applied to the building of the church. This amount is held as permanent capital until determined otherwise by the Trustees with the approval of the church members' meeting.

Designated

Church members may designate or undesignate a fund for a particular purpose. The members have designated an amount for the purpose of holding manses or providing an additional manse if required by a future minister.

Restricted

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

n Employee 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 payment 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 relates to the deficit. This amount is expensed in the SOFA. The unwinding of the discount is recognised as a finance cost.

2 Donations and legacies

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Offerings	143,637	3,907	147,544	145,258
Tax refunds	32,093	-	32,093	24,643
Legacies	-	-	-	2,000
Total	£175,730	£3,907	£179,637	£171,901

In the previous year £2,594 of donations were restricted income with the balance being unrestricted.

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

3 Investment income	Unrestricted	Designated	2021	2020
Bank interest	407	138	545	£472
Rental income	1,600	-	1600	2,073
	£2,007	£138	£2,145	£2,545

4 Incoming resources from charitable activities	Unrestricted	Restricted	2021	2020
	£	£	£	£
Event and room hire	6,523	-	6,523	5,668
Youth and families	2,693	-	2,693	3,235
Other incoming resources	80	-	80	215
Total	£9,296	-	£9,296	£9,118

5 Government grants	Unrestricted	Restricted	2021	2020
Government grants received during Covid-19 pandemic	£5,096	-	£5,096	-

6 Charitable Activities	Unrestricted	Restricted/ Designated	2021	2020
	£	£	£	£
Ministry				
Salaries, wages and visiting preachers	58,194	-	58,194	50,063
Manse costs and rental	2,076	-	2,076	1,139
Expenses	720	-	720	1,115
Removal costs	3,798	-	3,798	-
Support costs	Note 9 33,221	-	33,221	38,362
Pension fund deficit finance cost	Note 21 79	-	79	563
	£98,088	-	£98,088	£91,242

Mission				
Youth and family	5013	-	5,013	6,043
Other local community support	7,471	1,531	9,002	2,015
Grants made	Note 8 39,020	480	39,500	40,626
	£51,504	£2,011	£53,515	£48,684

Establishment				
Salaries and wages	18,740	-	18,740	18,429
Heat light and water	13,871	-	13,871	12,109
Insurance	7,563	-	7,563	7,270
Council Tax	1,533	-	1,533	1,460
Repairs and maintenance	10,182	2,000	12,182	8,560
Depreciation	4,042	-	4,042	8,132
	£55,931	£2,000	£57,931	£55,960

Total	£205,523	£4,011	£209,534	£195,886
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7 Total resources expended	Charitable activities £	Grant Funding £	Support costs £	Total 2021 £	Total 2020 £
Ministry	64,867	-	33,221	98,088	91,242
Mission	14,014	39,500	-	53,514	48,684
Establishment	57,931	-	-	57,931	55,960
Cost of generating funds	-	-	-	-	-
Governance costs- independent examination	-	-	-	-	-
	£136,812	£39,500	£33,221	£209,534	£195,886

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

8 Grants payable

	Unrestricted	Restricted/	Total	Total
	£	£	2021	2020
			£	£
Local	11,500	-	11,500	10,500
Baptist Missionary Society	4,020	480	4,500	4,426
Home Mission	4,500	-	4,500	4,200
Full time overseas	19,000	-	19,000	21,500
	<u>£39,020</u>	<u>£480</u>	<u>£39,500</u>	<u>£40,626</u>

9 Support costs

	Unrestricted	Restricted/	Total	Total
	£	£	2021	2020
			£	£
Administrative staff	16,029	-	16,029	16,130
Telephone and postage	2,800	-	2,800	2,676
Printing and stationery	1,970	-	1,970	2,206
Internal organisation costs	8,350	-	8,350	8,713
Equipment and web services	835	-	835	6,584
Conferences, events and training	675	-	675	1,068
Hospitality at events	1,763	-	1,763	650
Sundry expenses	799	-	799	335
	<u>£33,221</u>	<u>-</u>	<u>£33,221</u>	<u>£38,362</u>

10 Staff costs and transactions with trustees

		2021	2020
		£	£
Salaries and wages		86,324	76,181
Social security costs		-	-
Pension costs	Note 21	6,539	6,533
Other costs		2,076	1,139
Total		<u>£94,939</u>	<u>£83,853</u>

The average number of full time equivalent employees was 5 4

No employee received emoluments in excess of £60,000 during the year (2020 none).

One employee of the Church was appointed as a trustee at a meeting of church members on 7th December 2015. The annual remuneration in 2021 was £17,794 (2020 £16,890) and is approved by independent trustees.

No sums were reimbursed to Trustees for their work as Trustees (2020 none).

The church pays pension contributions for its Ministers to the Baptist Ministers Pension Trust Limited, which is a final salary defined benefit Scheme, which is 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. In accordance with FRS102 Section 28, the scheme is accounted for as a defined contribution scheme.

The total amount of donations received from trustees was £32,120 (2020 £26,549). No conditions were attached.

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

11 Tangible Fixed Assets

	Church Premises	Building Improve- ments	Manse	Fixtures/ Organ Equipment	Total
Cost					
01 January 2021	1	61,730	134,396	52,151	248,278
Additions	-	-	365,282	10,926	£376,208
Disposals	-	-	(£134,396)	-	(£134,396)
31 December 2021	£1	£61,730	£365,282	£63,077	£490,090
Depreciation					
01 January 2021	-	40,288	6,928	33,868	81,084
Charge for the year	-	(£743)	-	4,785	4,042
Disposals	-	-	(£6,928)	-	(£6,928)
31 December 2021	-	£39,545	-	£38,653	£78,198
Net Book value					
31 December 2021	£1	£22,185	£365,282	£24,424	£411,892
30 December 2020	£1	£21,442	£127,468	£18,283	£167,194

All of the fixed assets are used for direct charitable purpose

The church premises are insured for £8,992,215 the Lodge for £153,669 and the Manse for £369,383.

12 Debtors

	2021	2020
	£	£
Gift Aid	23,594	6,804
Prepayments	6,229	6,014
Other	49	207
	<u>£29,872</u>	<u>£13,025</u>

13 Bank and cash balances

	2021	2020
	£	£
CAF	418	6,800
General funds deposit account	117,286	45,361
Baptist Union	49,534	95,087
New Ministries deposit accounts	206	2,206
Mission	16,325	16,325
Youth	11,087	9,577
Buildings	17,122	1,690
Families	3,544	3,544
Fx account	1,772	1,830
Live Wires	304	334
Cash	89	89
	<u>£217,687</u>	<u>£182,843</u>

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
South West Baptist Association Memorial Fund loan for manse	2,004	-
Accruals	3,180	4,113
Other creditors	-	-
	<u>£5,184</u>	<u>£4,113</u>

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

15 Creditors: amounts due in more than 12 months

	2021	2020
South West Baptist Association Memorial Fund loan for manse	£ 27,829	-

The loan is interest free and repayable over 15 years

16 Contingent Assets

The church, MBC, holds a 64% share in a property at 55 Ker Street, being a Manse used by the members of Devonport Community Baptist Church ('DCBC'), upon the following conditions:

a. DCBC may, at its discretion, sell the Manse and invest the full proceeds of sale into a new freehold or long leasehold property for use as an alternative manse or building for other DCBC purposes. Any such building purchased in future would be held on trust which reflected the shares of the purchase price provided from MBC.

b. If DCBC ceases to operate as a Baptist Church then the MBC share of the sale proceeds of the Manse or any substituted property will be held by South West Baptist Trust Corporation upon the present trusts applicable to them it being the intention of MBC that these be used for church planting in Plymouth or elsewhere as agreed by the members of MBC.

The beneficial interest in this property rests with DCBC unless and until the condition at **b** above is satisfied. Accordingly, as this condition has not been satisfied, it is not practicable to reflect any financial effects in these statements.

17 Endowment Funds

	2021	2020
	£	£
Church premises	<u>£1</u>	<u>£1</u>

In addition the contingent asset detailed in note 16 is considered part of the Endowment Funds

18 Designated funds

	2021	2020
	£	£
Manse reserve at 1 January 2021	222,554	223,501
Interest on manse reserve deposit with Baptist Union	138	312
Profit on disposal of Manse	284,465	-
Additions less depreciation on manse fixtures	-	(£1,259)
Transfer to unrestricted reserves	(£141,875)	-
Manse reserve at 31 December 2021	<u>£365,282</u>	<u>£222,554</u>

19 Restricted Funds

	Brought forward	Incoming resources	Resources expended	Carried Forward
Designated donations to third party charities	-	480	480	-
Designated donations church activities	1,531	3,427	3,531	1,427
Mexico Mission	141	-	-	141
	<u>£1,672</u>	<u>£3,907</u>	<u>£4,011</u>	<u>£1,568</u>

Throughout the year offerings are taken to support third party charitable activities both locally and overseas.

All restricted giving was applied to the purpose for which it was given in the year other than the balances carried forward as at 31 December 2021 as shown above.

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

20 Analysis of net assets

		Fixed Assets	Investment Assets	Current Assets	Defined benefit scheme liability	Total
Funds:						
Endowment	Note 17	1	-	-	-	1
Designated	Note 18	365,282	-	-	-	365,282
Restricted	Note 19	-	-	1,568	-	1,568
Unrestricted		46,609	-	212,978	(£17,301)	242,286
		<u>£411,892</u>	-	<u>£214,546</u>	<u>(£17,301)</u>	<u>£609,137</u>

21 Pensions

The Church is an employer participating in a pension scheme known as the Baptist Pension Fund ('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.

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 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 Limited. Members of the Basic section pay reduced contributions of 5% of Pensionable Income, and their employer pays a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This is because it is not possible to attribute the Scheme's asset and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme.

The Minister and some staff are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets at the valuation date was £298m 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 other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

<i>Type of assumption</i>	<i>%pa</i>
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases	0.50
<i>Assumed investment returns:</i>	
Pre retirement (gilt yield plus 1.75% pa)	2.95
Post retirement (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	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

MUTLEY BAPTIST CHURCH
NOTES TO THE ACCOUNTS (continued)
year ended 31 December 2021

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% pa for males and 1.5% 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 is due to take place not later than 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.

Under the current Recovery Plan signed in September 2020, deficiency contributions are payable until June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

Movement in Balance Sheet liability

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2021	2020
Balance sheet liability at start of year	21,526	34,452
Minus deficiency contributions	(£3,695)	(£2,724)
Interest cost (recognised in SOFA)	79	563
Remaining change to balance sheet liability (recognised in SOFA)	(£609)	(£10,765)
Balance sheet liability at year end	<u>£ 17,301</u>	<u>£ 21,526</u>

The liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2021	2020	2019
Discount rate	0.4%	0.4%	2.2%
Future increases to Minimum Pensionable Income	3.0%	3.0%	3.1%

The church has been advised that the cost for the church to buyout their Pension Scheme liabilities at 20 December 2021 was approximately £50,761 (2020 £87,900)

22 Related charities

The custodian trustee of the church is The Baptist Union Corporation Limited, charity number 249635. The church is also a member of the Baptist Union of Great Britain, and the South West Baptist Association. The church made donations to the Baptist Union Home Mission Scheme as set out in Note 8.

23 Statement of cash flows

	2021 £	2020 £
Cash flows from operating activities		
Net income	£271,714	(£1,558)
Adjustments for:		
- depreciation	£4,042	£8,132
- profit on disposal of manse	(£284,465)	-
- interest and other income from investments	(£2,145)	(£2,545)
- (increase)/decrease in debtors	(£16,847)	£1,616
- (decrease)/increase in creditors	(£5,158)	(£10,363)
Net cash provided by operating activities	<u>(£32,859)</u>	<u>(£4,718)</u>
Cash flows from investing activities		
Interest received	£2,145	£2,545
Proceeds from sale of manse	£411,933	-
Expenditure on new manse and other fixed assets	(£376,208)	-
	<u>£37,870</u>	<u>£2,545</u>
Cash inflows/ (outflows) from financing activities		
Net bank loans granted/ (repaid)	<u>£29,833</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	£34,844	(£2,173)
Cash equivalents at beginning of year	£182,843	£185,016
Cash equivalents at end of year	<u>£217,687</u>	<u>£182,843</u>

Independent Examiner's Report to the Trustees of Mutley Baptist Church
Charity no. 1127079

I report to the trustees on my examination of the accounts of Mutley Baptist Church (the Church) for the year ended 31st December 2021.

Responsibilities and basis of the report

As the charity trustees of the church you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

I report in respect of my examination of the church's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

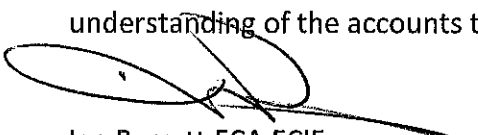
Since the church's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales and the Association of Charity Independent Examiners, both of which are listed bodies.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the church as required by section 130 of the Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Ian Barrett FCA FCIE
Barretts Chartered Accountants and
Chartered Tax Advisers
22 Union Street
Newton Abbot TQ12 2JS

20th October 2022