



**REPORT OF THE TRUSTEES
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2020**



REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number 1127325

Principal Address: Eastleigh Baptist Church, Wells Place, Eastleigh SO50 5LJ

Deacons/Trustees:

Christopher Walker	Youth Minister and ex-officio trustee		
Emma Leggett	Church Operations Manager and ex-officio trustee		
Toby Dodson	Community Minister and ex officio trustee		
Christine Leaman		appointed	25/04/2019
Bryan Zillwood	Appointed Treasurer 19 th January 2017	appointed	25/04/2019
Ruth Sichel		appointed	25/04/2019
Charles (Tony) Harrison	Appointed Church Secretary 1 st October 2017	appointed	25/04/2019
Alan Saunders		appointed	25/04/2019
Paul Wilton		appointed	26/11/2020
Jennifer Symington		appointed	26/11/2020
Christopher Steggles		appointed	26/11/2020
		and stood down	04/08/2021
Michael Dodd		appointed	26/11/2020
Sally James		appointed	29/04/2021
Sara Henry		appointed	29/04/2021
Angela Knight		appointed	29/04/2021
Jonathan Callen		appointed	29/04/2021
Christopher Harvey		Stood down	29/04/2021
Thomas Fielder		Stood down	29/04/2021

Trustees are nominated from the membership of Eastleigh Baptist Church by the Church Members. These names are then circulated to the membership two weeks before the Annual Church meeting together with a short profile of the individual being nominated. A secret ballot then takes place at the AGM with newly elected trustees being required to receive a majority vote in their favour. Trustees are appointed for a term of 3 years.

Property Trust:

All the property owned by the Church is held in trust by The Baptist Union Corporation of Great Britain

Independent Examiner:

Mary Wallbank DChA FCA FCIE
Charity Management Services
19 Stinchar Drive
Chandlers Ford
SO53 4QJ

Bank:

Lloyds Bank Eastleigh, Hampshire, SO50 9YT

REPORT OF THE TRUSTEES for the year ended 31 December 2020

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The Trustees have adopted the provisions of the current Statement of Recommended Practice (SORP) (FRS102) "Accounting and Reporting by Charities".

OBJECTIVES AND ACTIVITIES

Objectives

"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 UK and/or other parts of the world."

The Basis of the Baptist Union is:

1 That our Lord and Saviour Jesus Christ, God manifest in the flesh, is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each Church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws.

2 That Christian Baptism is the immersion in water into the Name of the Father, the Son, and the Holy Ghost, of those who have professed repentance towards God and faith in our Lord Jesus Christ who 'died for our sins according to the Scriptures; was buried, and rose again the third day'.

3 That it is the duty of every disciple to bear personal witness to the Gospel of Jesus Christ, and to take part in the evangelisation of the world."

These principles have underlined all the Church has sought to do in 2020 (see narrative below).

RELATED PARTIES

Wells Place CIC
Churches Together in Eastleigh
Baptist Union of Great Britain
Evangelical Alliance

PUBLIC BENEFIT

When planning Eastleigh Baptist Church programme of activities for the year, the Ministers & Trustees have considered the Charity Commission's guidance on public benefit and the specific guidance to charities on the advancement of religion by:

- Offering people the opportunity to gather together for worship, prayer and teaching at our range of Sunday services as well as our programme of midweek meetings
- Providing pastoral care in a variety of ways e.g. visiting the sick, supporting families, providing practical help to people in need
- Delivering a discipleship programme through our network of small groups and church weekends.
- Offering imaginative programmes for the teaching of Youth & Children in parallel with other relevant events.
- Promoting and supporting mission activities whose primary objective is to proclaim Jesus Christ, Saviour and Lord and who show the faith, love and hope of Christ in action at home and abroad.
- Social Action involvement in the Community through membership of Churches Together in Eastleigh and the Ministry of Wells Place Centre CIC.

Note: The above have been provided either physically or by virtual/alternate means due to the government restrictions imposed in 2020 due to the Covid Pandemic.

RISK MANAGEMENT

The trustees have reviewed the work and activities of the church and the risks to which the church is open.

ACTIVITIES IN 2020

2020, in summary a year like no other – covid pandemic, the loss of friends and family members, lockdowns but in the midst of all this - a year of coming together, supporting one another and connecting with the wider community. With the threat of the pandemic looming, a Crisis management team was established, led by our Church Operations Manager which:

- established the principles needed to make decisions.
- kept up to date with changing regulations.
- kept staff, church and Wells Place customers informed.
- determined a way for Sunday Services to continue.
- coordinated with the Pastoral Care Team and Small Group leaders to develop a pastoral care system to ensure everyone was pastorally and practically cared for.
- closed down the buildings with appropriate infection controls in place, plus planned for reopening following the lockdowns and subsequent lockdowns.

The following priorities were established:

- **Connection to God** - services, prayer and study materials and small group plans.
- **Connection to each other**- social activities, communication, combating loneliness and connecting people.
- **Connection to compassion**- community ministry support, supporting the wider community and local community support.

Following the government announcement on 16th March 2020 of Covid restrictions, from the following Sunday 22nd March 2020, all church services have been live-streamed.

Church Membership

As of 31st December 2020, the number of Church Members was 211 (from 219 members on 31st December 2019).

To put this into perspective we had:

6 Members promoted to glory, 7 member resignations with relocation, 1 lapsed membership

We were blessed with 6 new members this year.

Ministry Team

The Ministry Team comprised of Rev Chris Walker (Youth Minister), Toby Dodson (Community Minister), Emma Leggett (Church Operations Manager) and Tony Harrison (Church Secretary) with a vacancy for Team Leader.

Rev Jonathan Edwards has continued as our moderator in this time of pastoral vacancy - We are blessed to have Jonathan - bringing with him a wealth of experience and wisdom to guide us on our journey.

Leadership Team Changes

At the Church AGM in November 2020 – Paul Wilton and Mike Dodd were re-elected with Jennifer Symington and Chris Steggles elected to serve as Deacons on the Leadership Team.

Note: At the Church Meeting in January 2021, Bryan Zillwood and Tony Harrison were re-elected to the roles of Treasurer and Church Secretary respectively.

Mission, Evangelism and Outreach

Opportunity for Mission was held on 2nd February (when we could meet face to face) and the Sunday morning speaker was Matthew Skirton, UK Chief Executive of Operation Mobilisation. During the service we featured 'Just a Minute' with people speaking for one minute on BMS World Mission, Compassion, OM, Pamoja, Street Pastors, Through Faith Missions and Wells Place.

Supported Missions in 2020: BMS, Pamoja, Brazilian orphanage, Westview Baptist Church, Zimbabwe, OM and Compassion.

Harvest Appeal - Operation: Chad was BMS World Mission's 2020 Harvest appeal. It tells the story of Guinebor II hospital, God's shining light in the Chadian desert where BMS-supported medical workers, stitch-up gunshot wounds,

remove cancers, heal malnourished children, deliver babies and preach the gospel of Jesus to people who have never heard.

Samaritan's Purse

We again supported Operation Christmas Child and around 100 boxes were filled with educational materials and toys for needy children around the world. This year some people collected boxes from the church and some chose to do it online.

Small Group Ministry – With the pandemic, Small Groups have been a real lifeline providing connection, an opportunity to support each other, providing pastoral care. Pastoral care is a key aspect in the life of Eastleigh Baptist Church. Being separated in body, as we are currently, it has been important to maintain our spiritual closeness while absent from church premises.

Community Needs - 2020 has seen a massive increase in demand for Eastleigh Basics Bank with volunteers from the church running and filling slots for an additional day – Saturdays and providing volunteer drivers as well.

Community Ministry – This has been the toughest of times with Covid directly impacting us with the tragic loss of our Community Ministry Assistant and the curtailing of face-to face activities.

Taking the positives

- in the summer we recruited a new team of voluntary Coffee Shop Welcomers when we were allowed to re-open thus reforming the support hub
- Started 'Pop up' Alpha sessions that we undertook throughout 2020.
- Formation of a joint venture Support Group called Recovery Stop, established at the beginning of October and despite further lockdown has continued to meet online.
- Maintaining connection and support with the Community Ministry 'crowd' that we have attracted over recent years and who we would typically see coming into the coffee shop or attending our Choices, Recovery or Alpha courses.

Church Anniversary and Wells Place Centre 21st Anniversary

The Church celebrated its 133rd Anniversary this year, along with the 22nd Anniversary of the Wells Place Centre, a ministry of Eastleigh Baptist Church. Wells Place Centre was formally opened in October 1998, the result of the congregation of the church working together to bring about the vision God had given them over 5 or more years. In 1996 that vision was recorded as helping the church "to fulfil its mission and aim and to play a vital part in the life of the community." The Centre is run by a large number of volunteers and a small number of paid staff most of whom are part of the church congregation. The Centre's purpose statement is:

"Wells Place Centre is an integral ministry of Eastleigh Baptist Church demonstrating the love of Jesus by serving the needs of the local community and beyond"

Christmas 2020 – Theme 'UNEXPECTED' - As a church, we sought to explore the Christmas story through prophecies of various prophets of Jesus. This was to show that although everything is unexpected to us, nothing is unexpected to God.

The approach adopted was through a 'traffic light' concept whereby we lead people on a journey toward learning about Jesus in the time leading up to Christmas.

We started with the green 'moments of connection', Connecting with neighbours – examples 'Jam and Chutney conversation starter' - other examples gardens which tell the Christmas story such as nativities or stables, posters to advertise church events.

The Amber events - a social event with a faith element – The first example – Crafternoon Tea which took place on 7th December. This event was well attended, with packs sent to the church members to give to their neighbours. On 11th December, there was the Live-streamed EBC Christmas Quiz event, with church folk, friends and neighbours. The last example of an amber event was the 'Christmas Craft Morning' where our two guest presenters lead a robin decoration workshop via Zoom which was very popular.

Additionally, we had our very own EBC Video Advent Calendar – which was sent out daily by email with Church Members giving a welcome and Bible reading – this had a global reach!

The amber events led to 'red' Gospel sharing opportunities - largely based around the Christmas services at EBC (all

live streamed).

- The Children's Service (13th December) 171 devices connected
- Crib Service 24th December - 56 devices connected which went up to 91 with catch up.
- Christmas Eve Carol Service – This was a candle lit service, very moving and with the benefit of livestreaming has been viewed around the world. We had about 380 devices connected which increased on catch up to 550 devices. Subsequently YouTube reported circa 1,200 views (just to give some perspective during 2020, EBC livestream services get about 120-130 devices connected).
- Christmas Day - 154 devices online and with catch up it went up to about 230 devices.

Youth and Children's Work

Junior Church

Over 2020 Junior church has created two new teams, an EPIC talk team and the Children's Ministry Team. The EPIC talk team have been responsible for much of what is seen regularly on the EBC livestream that relates to children - after the EPIC talks on the livestream service, EPIC breaks out onto Zoom with typically 20 children each week with an innovative programme to keep the children engaged online.

The Children's Ministry team has been formed from members of the junior church team and reports to the Junior Church Team meeting. They have taken on the strategic development, planning and implementation of our children's ministry and we have already seen brilliant events come out of their work including: Cooking with Katy, Chatty Craft for Kids, Zoom Olympics for Years 5-7 and a Christmas trail.

Youth Work

Youth Work has continued apace in spite of the Lockdown 2020 with a focus on relationship building and connections – using not only Zoom with Lockdown Olympics, Limitless Online, Alive, #Trending, Pulse Lite but other applications to connect and build relationships i.e. using Minecraft and WhatsApp.

Church Meetings

There were two face to face meetings held prior to government restrictions, Thursday January 23 and Sunday 1st March 2020. Following the imposition of the covid restrictions and the guidance of the Baptist Union, no official Church Meetings were held until October 2020 and these were online meetings (via Zoom and Livestream) – 1st October (encompassing Eastleigh Baptist Church AGM) and 26th November 2020.

In total, 4 church meetings to agree and decide matters of strategy, mission, staffing, property and expenditure.

ACHIEVEMENTS AND PERFORMANCE

The work of a church cannot be measured in numbers and "performance" no specific records of people helped each year are kept. Nonetheless the above narrative of activities, events, and involvement in community and social action is indicative of this part of God's church working well and largely meeting its aims and objectives for the long-term hope and future of individuals and families.

FINANCIAL REVIEW

In our budget for 2020, we anticipated that our income would match our expenses. This was on the anticipation of appointing a new children's worker in April and a new team leader for our ministry team in September.

However the impact of the Covid-19 lockdowns on our church has been significant in many ways including financially. Not being able to meet in the church building meant that we no longer had the opportunity to collect cash donations at our Sunday services and Wells Place Centre had to close during the lockdown period so we did not receive the anticipated transfer of profit. Therefore income levels were hit, although many people who were giving through cash offerings set up standing orders into the church bank accounts, for which we are very grateful.

We were not able to proceed with the appointments of a children's worker or team leader but our staff on shared contracts with Eastleigh Baptist Church and Wells Place Centre spent a greater proportion of their time on church work,

with Wells Place Centre closed, so the church wage bill was higher than expected. We also had to increase our IT spend to provide live-streamed church services. This was very well-received by the Church and the costs were met by reassigning funds within the budget from expenses that were not incurred due to the restrictions in force.

At the end of 31st December 2020, the total value of funds held by the charity was £1,698,471. Of this total, £1,481,808 is in fixed assets (property, equipment and shares in Wells Place Centre) and the remaining balance of £216,663 is represented by current assets and liabilities (cash at bank and debtors, less creditors).

With the Covid lockdown continuing into 2021, Wells Place Centre CIC, which generates most of its income from providing conferencing facilities and room hire, was making a loss and was in danger of becoming insolvent. The church has therefore taken the difficult decision to make Wells Place Centre CIC a dormant company and make some staff redundant, but for the church charity to continue to run a coffee shop and provide rooms for hire. This will happen in Q3 2021. This means that expenses which were previously shared with Wells Place Centre will now be borne fully by Eastleigh Baptist Church so the church's costs will increase and as a result we are unable to afford to appoint a children's worker or team leader. These were all factored into our 2021 budget which anticipates an annual deficit of about £35k. Whilst this level of deficit is not sustainable in the long term, we have sufficient reserves (see below) to see us through these impacts of the Covid-19 pandemic. We will of course keep this under review.

When we shared this budget with the church membership, there was some concern about calling a halt to our search for a new team leader so we invited people to pledge towards the costs of a team leader and some of the increased costs resulting from the closure of Wells Place Centre, with a target of increasing regular giving by £4,300 per month. This target was achieved so we are proceeding again with the search for a new team leader.

The Wells Place Centre is accounted for separately as a Community Interest Company (05763294).

Reserves policy

Our reserves policy is to maintain unrestricted cash funds at the bank of between £54,000 and £102,000. The purposes of these reserves are:

1. To enable the Charity to continue relatively unaffected if there was a short term drop in income or increase in expenditure, or if there were some unforeseen and uninsured events
2. To enable the Charity to make decisions based on long-term planning, rather than be restricted by short-term cash flow restrictions.

Cash reserve levels are expected to be at their highest at the start of the year. At the end of 2020 we had just over £136k of unrestricted cash funds in our accounts, which is £34k above our target level.

In addition to unrestricted cash funds, our accounts also held close to £36k of restricted funds and £58k of designated funds at the end of the year.

Our reserves also include the value of the properties at 56 Desborough Road and 8 Bill Luffman Way which together are valued just over £524k. 56 Desborough Road provides accommodation for our caretaker with one room used as a church office. 8 Bill Luffman Way is retained so that it can be used as a manse to provide a future minister with accommodation which is a standard provision for a Baptist minister as part of their terms of appointment. In the meantime the rent from letting out the property provides a valuable additional income stream.

Principal funding sources

Most of the income for the church is gifts from members. In addition, the church received £13,220 for the short-term letting of the manse. The church also received £850 rent from Wells Place Centre CIC.

Pension Schemes

In December 2020 our accredited ministers were enrolled into the Baptist Pension scheme, having previously had contributions paid into their own personal pension plans. All other staff other are enrolled into the NEST pension scheme.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Eastleigh Baptist Church is located in Wells Place, Eastleigh and is a member of the Baptist Union of Great Britain. The church was founded in 1896 and was first registered as a charity under a charitable trust deed, Approved Governing Document (Constitution), adopted on 23rd October 2008 and updated on 6th January 2020.

ORGANISATION STRUCTURE

The Managing Trustees have met eleven times during the year to address specific charity business type issues as minuted. They also met on several other occasions to discuss strategic/visionary type matters. Some Trustees have an overseeing role for a particular aspect of the church's ministry.

Details of transactions with related parties are set out in the notes to the accounts.

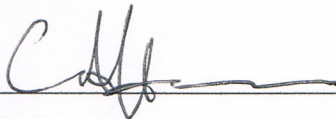
The Managing Trustees produce an annual prediction of estimated expenditure, collecting and allocating gifts to the church, reclaiming tax form HMRC on gift aided income, paying staff members, maintaining the financial accounts and distributing monies to those in need.

Day to day administration is carried out by a paid member of staff.

The Managing Trustees have assessed the major risks to which the Church is exposed, and are satisfied that systems are in place to mitigate exposure to major risks. These include having a comprehensive child protection policy, adults at risk policy, health and safety policy and Fire Policy.

All staff and volunteers who work regularly with children and adults at risk have a clear DBS check.

The Trustees Report was approved by the Trustees on 13th SEPTEMBER 2021 and signed on their behalf by



Charles Anthony Harrison (Trustee)

EASTLEIGH BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020


	Notes	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
INCOME					
Donations and legacies	2	247,902	7,791	255,693	343,034
Investments	3	14,824	3	14,827	15,966
Charitable activities	4	1,270	0	1,270	4,305
Total		<u>263,996</u>	<u>7,794</u>	<u>271,790</u>	<u>363,305</u>
EXPENDITURE					
Raising funds		1,953	0	1,953	1,608
Charitable activities	5	243,245	26,323	269,568	271,178
Total		<u>245,198</u>	<u>26,323</u>	<u>271,521</u>	<u>272,786</u>
Net income/(expenditure)		18,798	(18,529)	269	90,519
Gains on revaluation of fixed assets	9	0	0	0	283,509
Net movement in funds		<u>18,798</u>	<u>(18,529)</u>	<u>269</u>	<u>374,028</u>
Reconciliation of funds:					
Total funds brought forward		698,774	999,428	1,698,202	1,324,174
Total funds carried forward		<u><u>717,572</u></u>	<u><u>980,899</u></u>	<u><u>1,698,471</u></u>	<u><u>1,698,202</u></u>

**EASTLEIGH BAPTIST CHURCH
BALANCE SHEET
AS AT 31 DECEMBER 2020**

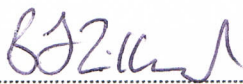
	Notes	2020 £	2019 £
Fixed Assets			
Tangible fixed assets	9	1,446,446	1,463,013
Social Investment	10	35,362	35,362
		<u>1,481,808</u>	<u>1,498,375</u>
Current Assets			
Debtors: amounts falling due within one year	11	15,946	40,556
Cash at bank		237,439	212,974
		<u>253,385</u>	<u>253,530</u>
Creditors: Amounts falling due within one year	12	(16,285)	(18,532)
Net Current Assets		<u>237,100</u>	<u>234,998</u>
Total Assets Less Current Liabilities		1,718,908	1,733,373
Creditors: Amounts falling due after one year	13	(20,437)	(35,171)
Net Assets		<u><u>1,698,471</u></u>	<u><u>1,698,202</u></u>
Funds			
Restricted funds:			
Revaluation reserve		128,000	128,000
Other restricted funds	14	852,899	871,428
		<u>980,899</u>	<u>999,428</u>
Unrestricted Funds:			
Revaluation reserve		155,509	155,509
General funds	15	562,063	543,265
		<u>717,572</u>	<u>698,774</u>
Total Funds		<u><u>1,698,471</u></u>	<u><u>1,698,202</u></u>

The financial statements were approved by the Board of Trustees on

13TH SEPTEMBER 2021 and signed on their behalf by



Charles Anthony Harrison (Trustee)



Bryan Zillwood (Trustee)

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting Policies

a Basis of preparation

The accounts are prepared in accordance with the accounting regulations set out under the Charities Act 2011, and with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP2015), issued by the Charity Commission, and the Financial Reporting Standard 102, under the historical cost convention, with the revaluation of the church and adjoining property.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b Income

Income is included in the accounts once the charity has entitlement, the amount can be measured with sufficient reliability and there is the probability of receipt. Earned income is included in the period in which the service is provided.

Donations are included when given, together with an estimate of the related gift aid due thereon.

Legacies are included when the date of probate is ascertained and the amount receivable can be reliably estimated.

c Expenditure

Expenditure is included on an accruals basis when incurred; that is when a legal or constructive obligation arises, and includes irrecoverable VAT. Future liabilities are included at the best estimate of the amount required to settle them.

d Tangible fixed assets

Assets are stated at cost less accumulated depreciation, except for the church and adjoining property, which is included at a depreciated valuation (see note 9) .

Assets costing £1,000 or more, with a useful life in excess of two years, are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	2% -5% on cost or valuation
Equipment, fixtures and fittings	10% -20% on cost

The net book value of the church and its improvements, is treated as restricted funds because, 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.

e Funds

Unrestricted funds can be used in accordance with the church's charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes, within the objects of the church. Restrictions arise when purpose of each restricted fund is included in the notes to the financial statements.

f Pension costs and other post-retirement benefits

The charity contributes deficit contributions to the Baptist Union Pension Scheme while in pastoral vacancy, and to personal pension schemes or the National Employment Savings Trust (NEST) for our ministers and other employees. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate. See note 17 for further information on pension liabilities.

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

INCOME

2 Donations and legacies

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Donations and Gifts	204,206	7,791	211,997	233,597
Donation from subsidiary undertaking	0	0	0	32,592
Legacies	0	0	0	27,888
Gift aid	43,696	0	43,696	48,957
	247,902	7,791	255,693	343,034

Restricted income in 2019 was £13,319 .

3 Investments

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Rents receivable	14,070	0	14,070	15,400
Bank interest	754	3	757	566
	14,824	3	14,827	15,966

4 Charitable activities

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Youth activities	967	0	967	1,937
Other events (eg. lunches etc.)	303	0	303	2,368
	1,270	0	1,270	4,305

EXPENDITURE

5 Charitable Activities

	Unrestricted	Restricted	2020	2019
	£	£	£	£
<u>Staff costs:</u>				
Ministers and manse	75,453	0	75,453	88,366
Other staff costs	60,121	0	60,121	44,529
Total staff costs (see note 7 below)	135,574	0	135,574	132,895
<u>Other costs:</u>				
Service resources and events	6,596	0	6,596	10,779
Premises expenditure	33,620	1,000	34,620	31,672
Management and administration costs	10,281	0	10,281	9,590
Outreach, youth and children	7,207	62	7,269	15,063
Communications	1,290	0	1,290	2,251
Equipment	4,889	0	4,889	304
Depreciation	11,161	18,950	30,111	22,068
Independent examination	1,477	0	1,477	750
Missions and donations (see note 6 below)	31,150	6,311	37,461	45,806
	243,245	26,323	269,568	271,178

Restricted expenditure in 2019 was £12,013 .

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 Missions and Donations

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Home Mission	15,300	378	15,678	15,464
Baptist Missionary Society	12,240	761	13,001	12,690
Counselling and support services	1,700	2,351	4,051	9,307
Churches Together in Eastleigh	1,400	0	1,400	2,020
Delvin Knower fund	0	0	0	3,180
Other donations under £2,000 each	510	2,821	3,331	3,145
	31,150	6,311	37,461	45,806

Restricted expenditure in 2019 was £11,364 .

7 Staff Costs

	2020	2019
	£	£
Salaries and rent of manses	113,764	98,106
Social security costs	3,858	2,215
Pension contributions	15,150	13,068
Pension deficit adjustments including interest (see note 16)	(11,643)	1,510
Ministers' and staff expenses	11,788	15,180
Training	2,657	2,816
	135,574	132,895

The average number of employees during the year was

7	7
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No employee received emoluments in excess of £60,000 p.a. full-time equivalent during the year (2019 - none).

The Church pays deficit pension contributions while in pastoral vacancy 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 the church paid £3,108 towards reducing its share of the multi-employer liability in 2020 (2019: £4,054). This is treated as a reduction of the liability now being recognised, and so is not classed as expenditure. The church pays pension contributions for our ministers and employees into the National Employment Savings Trust (NEST) and personal pension schemes. In December 2020, the ministers joined the Baptist Pension Scheme and therefore the church started to pay pension contributions to the Baptist Pension Scheme.

8 Trustees' remuneration and benefits

No sums were reimbursed to the trustees for their work as trustees (2019- 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. Employment and remuneration of other trustees is permitted under the Constitution with the approval of the Church Members' Meeting. It is on this basis that Emma Leggett who was appointed to the position of Church Operations Manager on 5th May 2017 and has received remuneration for her employment in this role. Emma was appointed as an ex officio trustee on 6th January 2020. The following amounts were receivable:-

	Salary	Rent, council tax and water	Pension contributions	Total 2020	Total 2019
Youth Minister - Christopher Walker	24,609	8,980	4,938	38,527	37,211
Community Minister - Toby Dodson	22,993	9,472	5,757	38,222	36,550
Operations manager - Emma Leggett	16,709	0	2,890	19,599	10,712

Emma Leggett also received a salary of £5,968 and employer pension contributions of £1,074 from the subsidiary company for her work for it during the year.

Payments totalling £1,824 were paid during the year to 3 trustees in respect of reimbursed expenses (2019: £1,604 to 5 trustees).

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9 Tangible Fixed Assets

	Freehold Properties (Restricted)	Freehold Properties (Unrestricted)	Equipment, Fixtures and Fittings (Unrestricted)	Total
	£		£	£
Valuation/Cost at 1 January 2020	950,000	524,093	130,937	1,605,030
Additions	0	0	13,544	13,544
Valuation/Cost at 31 December 2020	950,000	524,093	144,481	1,618,574
Depreciation at 1 January 2020	0	16,478	125,539	142,017
Charge for year	18,450	7,040	4,621	30,111
Depreciation at 31 December 2020	18,450	23,518	130,160	172,128
Net Book Value at 31 December 2020	931,550	500,575	14,321	1,446,446
Net Book Value at 31 December 2019	950,000	507,615	5,398	1,463,013

The church's main property was revalued as at 31 December 2019, by S Farndell MRICS and S Knight MRICS of Jones, Lang Lasalle , on a fair value basis at £950,000; which the trustees believed to be a reasonable estimate of the current value to the church in accordance with SORP 2015. It was previously included at a net book value of £822,000. For depreciation purposes the valuation has been apportioned £185,000 to the land and the remainder between the various buildings.

A residential property was revalued by the trustees as at 31 July 2019 at £242,000. It had previously been stated at a net book value of £86,491. For depreciation purposes the valuation has been apportioned £79,000 to the land and the remainder to the building.

10 Social Investment

	Shares in group undertakings (UK)
Wells Place Centre Community Interest Company:	
Cost and Net Book Value	
At 31 December 2020	35,362
At 31 December 2019	35,362

11 Debtors: Amounts falling due within one year

	2020	2019
	£	£
Tax refunds due	12,424	34,870
Other debtors: Manse rent and deposit due	3,425	3,425
Less provision for bad debt	(3,425)	(3,425)
Insurance claim due	0	3,561
Amounts due from subsidiary undertaking	0	0
Prepayments	3,522	2,125
	15,946	40,556

EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12 Creditors: Amounts Falling Due Within One Year	2020	2019
	£	£
Social security and other taxes	2,240	2,259
Amounts due to subsidiary undertaking	1,899	4,492
Pension deficit provision	4,127	4,144
Other creditors	6,419	6,037
Accruals	1,600	1,600
	16,285	18,532

13 Creditors: Amounts Falling Due After One Year	2020	2019
	£	£
Pension deficit provision	20,437	35,171
	20,437	35,171

14 Restricted Funds	At 1.1.20	Incoming resources	Resources expended	At 31.12.20
	£	£	£	£
Freehold Properties	963,000	0	(18,450)	944,550
Phase 2 Building funds	24,455	240	0	24,695
Delvin Knowler Mission fund	4,194	3	0	4,196
Specific Charities and Miscellaneous Gifts	7,779	7,551	(7,873)	7,458
	999,428	7,794	(26,323)	980,899

The Phase 2 Building Fund represents donations held towards the building costs of phase 2 of the development of Wells Place Centre.

The Delvin Knowler Mission Fund is for funding of mission work, both home and abroad.

The Specific Charities and Miscellaneous Gifts Fund represents monies collected for other specific charitable causes and purposes.

The restricted funds are held as bank balances, other than the freehold property.

15 Unrestricted Funds	At 1.1.20	Incoming resources	Resources expended	Transfers	At 31.12.20
	£	£	£	£	£
Designated - Delvin Knowler Mission Fund	3,233	0	0	0	3,233
Designated - Fabric Fund	22,850	0	0	0	22,850
Designated - Property Maintenance	0	0	0	20,000	20,000
Designated - Sanctuary Chairs	0	0	0	12,000	12,000
General fund	672,691	263,996	(245,198)	(32,000)	659,489
	698,774	263,996	(245,198)	0	717,572

The Delvin Knowler Mission Fund is for funding of mission work, both home and abroad.

The Fabric Fund represents money to be used for the refurbishing/rebuilding of the Desborough Hall (Wells Place Centre 2 project).

The Property Maintenance Fund is for future maintenance costs.

The Sanctuary Chairs Fund is for the replacement of the church chairs.

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16 Pensions

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 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. In December 2020 both ministers of the Church joined the defined contribution section of the scheme. Since 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.

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 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:

Type of financial assumption:	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	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

Post-retirement mortality in accordance with 80% of the S1NFA and S1NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% 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 31 December 2022.

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Recovery Plan

Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 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. However the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

Accounting date (year ending 31 December):	2020	2019
	£	£
Balance sheet liability at year start	39,315	41,859
Minus deficiency contributions paid	-3,108	-4,054
Interest cost (recognised in year)	642	956
Remaining change to balance sheet liability* (recognised in year)	-12,285	554
Balance sheet liability at year end	<u>24,564</u>	<u>39,315</u>

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

This 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:

Accounting date (year ending 31 December):	2020	2019	2018
Discount rate	0.4%	1.7%	2.4%
Future increases to Minimum Pensionable Income	3.0%	3.2%	3.3%

Cessation event

In 2020 the Church entered into a "Deferred Debt Arrangement". Under this arrangement the Church is no longer liable for this debt, but the Church continues to pay the ongoing deficiency contributions as outlined above. There are limited circumstances under the Deferred Debt Arrangement where the Church would become responsible for a debt equal to its share of the current BPS deficit (assessed by reference to the up to date cost of securing benefits by the purchase of annuities).

17 Related party transactions

During the year the church was charged £13,899 (2019: £9,676) by Wells Place Centre CIC for the use of the photocopier, utilities and other facilities, against which the peppercorn rent of £850 (2019: £1,200) and other charges of £1,929 (2019: £3,488) were offset. It owed £1,467 in respect of intercompany charges, net of pension contributions due, as at 31 December 2020 (2019: £4,492).

The son of the trustee, Paul Wilton, served as an unpaid intern with our Youth Minister. While volunteering he received lunches to the value of £131 and the church paid £265 for him to attend the SCBA conference and reimbursed £82 for the related travel costs.

The wife of Paul Wilton, trustee, is employed by the church on a salary commensurate with her role.

**EASTLEIGH BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18 Capital Commitments

31 12 2020: None

31 12 2019: None

19 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.

20 Statutory Information

The church is a registered charity, operating under a charitable trust deed, and registered with the Charity Commission in England and Wales.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EASTLEIGH BAPTIST CHURCH

I report on the financial statements of the charity for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, and related notes.

Respective responsibilities of trustees and examiner:

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

I am qualified to undertake the examination by being a qualified member of the Association of Independent Examiners.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements (under Section 145 of the 2011 Act);
- follow the procedures laid down in the General Directions given by the Charity Commissioners under Section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement:

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement:

In connection with my examination no matter, has come to my attention:

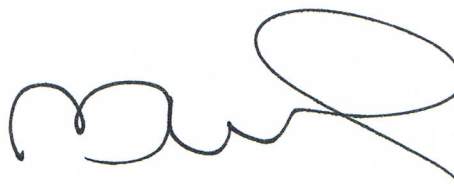
1 which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011 and
- to prepare financial statements which accord with the accounting records, comply with the requirements of the Charities Act 2011 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Mary Wallbank DChA, FCIE
Charity Management Services
19 Stinchar Drive
Chandlers Ford
Eastleigh
Hampshire
SO534QJ

Date:



18th October 2021