

**EASTLEIGH BAPTIST CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**



## *REFERENCE AND ADMINISTRATIVE DETAILS*

Registered Charity Number 1127325

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

### **Deacons/Trustees:**

David Ford	Minister, Team Leader and ex-officio trustee	appointed	01/09/2022
Christopher Walker	Youth Minister and ex-officio trustee	appointed	19/07/2012
Emma Leggett	Church Operations Manager and ex-officio trustee	appointed	01/01/2020
Toby Dodson	Community Minister and ex officio trustee	appointed	18/05/2013
Bryan Zillwood	Appointed Treasurer 19 <sup>th</sup> January 2017	appointed	28/04/2022
Charles (Tony) Harrison	Appointed Church Secretary 1 <sup>st</sup> October 2017	appointed	28/04/2022
Paul Wilton		appointed	26/11/2020
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
Maria Tennent		appointed	28/04/2022
Jason Collins		appointed	28/04/2022
Robert Ryder		appointed	28/04/2022
Peter Dodd		appointed	28/04/2022
Ruth Sichel		Stood down	01/01/2022
Christine Leaman		Stood down	28/04/2022
Alan Saunders		Stood down	28/04/2022
Jennifer Symington		Stood down	22/05/2022

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:**

F J Wilde FCCA MBA DChA  
Warner Wilde  
4 Marigold Drive  
Bisley  
Surrey  
GU24 9SF

### **Bank:**

Lloyds Bank Eastleigh, Hampshire, SO50 9YT

## **REPORT OF THE TRUSTEES for 1<sup>st</sup> January 2021 to 31<sup>st</sup> March 2022**

The Trustees present their report with the financial statements of the charity for 1<sup>st</sup> January 2021 to 31<sup>st</sup> March 2022.

Note: At a Church meeting held on 14<sup>th</sup> October 2021 a proposal was brought on the recommendation of the Trustees to change the church's financial year from a calendar year to April to March. The Church approved the proposal – with the current financial year being from Jan 2021 to end of March 2022 and then subsequent years April-March.

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 the year (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 2021 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 1<sup>st</sup> January 2021- 31<sup>st</sup> March 2022**

In the trustees report for 2020, it was commented that 2020 had been a year like no other – 2021 continued in the same vein with many challenges particularly with the changing landscape and regulations brought on by Covid.

It is a testament to the dedication of all involved that we as a church have been moving forward in the most challenging of times with extraordinary efforts, alacrity, inspiration, initiative and sheer hard work in pulling together to keep and develop the connection with each other and support the work of the church in spite of the circumstances.

In January 2021, we found ourselves with lockdown measures in place and that all staff were on furlough with the exception of the Church Administrator and the Ministry Team. We were livestreaming services with no face-to-face church. Our children's and youth groups were the first to come back to church starting with First Friends on 28<sup>th</sup> April. We didn't come back to face-to-face church until 1<sup>st</sup> August 2021 – and on that day we came back with a fabulous celebration of three baptisms!

### **Church Membership**

As of 31<sup>st</sup> March 2022, the number of Church Members was 212 (with 211 members on 31st December 2020).

To put this into perspective we had:

5 Members promoted to glory, 2 member resignations

We were blessed with 8 new members this year.

We had the joy of 4 baptisms this year.

### **Ministry Team**

The Church has had a pastoral vacancy for a Team Leader for the last 5 years, but at the Church Meeting on 17<sup>th</sup> March 2022 the church agreed to extend an invitation to Rev David Ford to become Team Leader for Eastleigh Baptist Church – which was subsequently accepted by David with a start date of 1<sup>st</sup> September 2022.

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 the vacancy for Team Leader filled with the appointment of Rev David Ford from 1<sup>st</sup> September 2022.

Rev Jonathan Edwards has continued as our moderator during the time of pastoral vacancy - We were 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 meeting on 23<sup>rd</sup> March 2021, we gave thanks for our two retiring deacons/trustees, Tom Fielder and Chris Harvey. Thanks, were also given to Chris Steggles (Church meeting held 14<sup>th</sup> October 2021) and Ruth Sichel (Church meeting 17<sup>th</sup> January 2022) as they stepped down from the Leadership Team.

At the Church meeting & AGM, 29<sup>th</sup> April 2021 - Sally James, Jon Callen, Angie Knight and Sara Henry were elected to serve as Deacons/Trustees on the Leadership Team.

### **Mission, Evangelism and Outreach**

*Supported Missions in 2021:* BMS and Pamoja.

*Harvest Appeal – BMS - I will Stand Appeal*

### **Wells Place Centre (Formerly Wells Place Centre CIC)**

The vision set out in 1996 for the Wells Place Centre was recorded as helping the church “to fulfil its mission and aim and to play a vital part in the life of the community. It is envisaged as a place that is relevant to the needs of Eastleigh

*today and that seeks to remain so into the new millennium.”*

*“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”*

This has been one of the toughest years for Wells Place Centre and staff. At the start of the year (2021) the Coffee shop was shut and Wells Place lettings were minimal. At the Church meeting on 29th April 2021 we agreed to

- To move our coffee shop and room hire trading activities from Wells Place Centre CIC to Eastleigh Baptist Church as soon as it is practical to do so (note – this took effect on 1st August 2021)
- To make Wells Place Centre CIC a dormant company.

This has been a year of significant change, with reductions in staffing and job changes – we would like to thank all staff and volunteers in supporting this ministry in the most difficult of times. It is encouraging to see the Coffee Shop back in place and this being a hub for Community Ministry and also to see that some of our previous lettings’ clients are returning.

**Small Group Ministry** – Our small groups have again done a vital job this year keeping our church family connected supported and providing pastoral care during another difficult season. Currently about half our congregation are part of a small group.

**Community Ministry** – Our Community Ministry Model is one that seeks to meet people’s basic needs first and in so doing opens a door to be able to go on to share our faith. Many of these folk connect with us through referrals to the Recovery Stop, Choices course or through the Wells Place Coffee Shop. Another key feature of our work with them is the partnership we have with Christian and secular social action initiatives – CAP, Basics Bank, Street Pastors, ARK, Town Rangers, Two Saints, Safe Families for Children, Mens Activity Network and New Foundations...through whom we seek to bring the right kind of help in each different set of circumstances. Much of the benefit of this is not easily visible but is manifest in feeling ‘part of’ and in emerging esteem and confidence from those we serve.

## **Youth and Children’s Work**

### Junior Church

During the first part of the year with Covid restrictions the groups met via Zoom for regular Sunday sessions along with events organised - Cooking with Katy, Zoom Olympics and Chatty craft sessions.

Junior Church led the way in the return to face to face church - we have had a steady stream of new families joining the church. We have the exciting challenge of groups being at capacity and we will soon need more leaders and helpers to support our growing ministry to children and young people. It is an enormous privilege to be able to teach children about Jesus and to watch them grow in their knowledge and understanding of the Bible, as well as being the most fun you can have at church. We are blessed to have a great team of gifted people who are committed to our children.

### Youth Work

We transitioned back to face-to-face youth work throughout this year and have enjoyed being back together in various different ways. For a lot of this year we have continued to work on relationship building and connection as well as navigating friendships as this was a need perceived by our young people during this season. We have also been exploring various elements of discipleship such as prayer and giving. This year, once again Limitless Online was attended, joining with the sessions remotely whilst all being gathered together in the church. The various study groups (for different age ranges) , have transitioned from Zoom to Face to Face meeting with Alive, #Trending and Pulse Lite. Lastly, there is Sunday Night Social, primarily a social group which is well attended on a Sunday evening .

## **Easter 2021 (all services on livestream only)**

Events kicked off with an Easter Quiz (livestreamed) on Friday 19th March, followed by an Easter Craft event on Zoom on Saturday on 27th March event on Zoom.

Each household was given a Marigold seed to grow and give to a neighbour as part of an invitation to our Easter Services.

Palm Sunday Service comprised contributions from Junior Church with A Donkey’s Tail, A job for a Friend and A View from the Crowd complete with testimonies from church members and Messages of Praise from the M&M small group.

Maundy Thursday - Our Maundy Thursday service took the form of a view through the eyes of Martha, Malchus, Pilate and John. This included taking communion (albeit virtually) and closed with the stone rolling from Jesus's tomb with the words from John 20:1-8 and John 21:25.

Good Friday - We were able to join with Churches Together in Eastleigh for our usual ecumenical Good Friday service. This was hosted online by Eastleigh Parish church.

Easter Sunday Sunrise Service Livestream hosted by Eastleigh Parish – 'Wherever You Are'

Easter Sunday Service Livestreamed from EBC – This included a timelapse of an Easter scene painting which is now resplendent in the church.

**Christmas 2021** – Theme 'Joy to the World'

27th November – Crafty Coffee Morning on Zoom with the Bear Ladies - a well-attended event with circa 50 people.

28th November – First Sunday in Advent - An advent candle for each household was made available with devotions being sent out by email daily during Advent.

Advent prayers were held each Monday during Advent on Zoom

5th December - Outreach Sunday, the opportunity for folks to host a meal for friends/neighbours at their homes and join in an afternoon livestreamed Christmas Quiz. Thanks go to the Operations Team for providing each team with a party box which included some clues/questions for the quiz. We had a good turnout with 26 teams participating.

Sunday 12th December – Children's led Service – this was with a live, face to face service (plus livestream) led by our young people in Epic with the convening of the First Ever Emergency Meeting of the Bethlehem Animal Committee – congratulations to the team for a brilliant service!

Sadly, this was the last face to face service of the year due to rising Covid numbers and we had to reluctantly go back to Livestream only – thankfully we already had a Plan B in place for such an eventuality.

Christmas Eve Crib Service – This was shown again on Livestream from the last year – however there was an explanatory prequel for 2021 provided by friends (puppets)... This had a total of 15 device connected on the day but with catchup this rises to 106.

Christmas Eve Carol Service 2021 – A fabulous service, complete with our own Music Group's video production of Hymn of Joy – on the evening we had a total of 100 devices connected on Livestream which equates to an audience of circa 150, total viewing including catchup is circa 160 devices. Hymn of Joy was posted separately on YouTube following the service and has garnered connection to date of 487 devices.

Christmas Day Service 2021 – This fun service was led by Charlie and Friends, complete with Ministry Team Quiz.... Total devices connecting on the day 132.

## **Church Meetings**

In total, 8 church meetings were held to agree and decide matters of strategy, mission, staffing, property and expenditure.

At the Church Meeting 23rd Jan 2021, the following policies were reviewed and agreed:

- Safe to Grow (children)
- Safe to Belong (vulnerable adults)
- Safe to Attend (Health and Safety)

## **Eastleigh Baptist Church Constitution changes**

At the Special Church meeting held on 17<sup>th</sup> March 2022 it was agreed to accept revision of the Church Constitution (Governing Document) to

### **A. (Section 10.5 of Governing Document) - to allow for Church Members Meetings to be held as follows**

A Church Members' Meeting may be held, as agreed by the Charity Trustees:

- in person;
- by suitable electronic means; or
- by a combination of a physical meeting and suitable electronic means

in which each participant may communicate with all the other participants. Any member participating at a Church Members' Meeting either in person or by suitable electronic means agreed by the Charity Trustees in which a participant or participants may communicate with all the other participants shall qualify as being present at the meeting. Church Members' Meetings must comply with rules for meetings, including chairing and the taking of minutes.

### **B. To revise the Appointment and Removal of Charity Trustees Section to increase number of votes required for a Deacon to be elected from the current 50% to 66%**

Section 15.12.2 of the constitution :

Voting shall be by secret ballot at an Ordinary Church Members' Meeting. Church Members shall be asked to vote for those nominated candidates who they believe would serve the church well as Charity Trustees. Each Member may vote for as many nominees as they believe meet this criterium. The number of candidates, being not more than the number of vacancies, receiving the highest number of votes shall be elected provided each candidate shall have received votes from at least 66% of those members voting.

## **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 General Fund budget for 2021, we anticipated that our expenses would exceed our income by about £36k. However, as we reached the end of 2021, we actually found that our income was looking to exceed expenses. We had expected a drop in regular giving due to job losses and other financial pressures, but the furlough scheme was extended and so most people were able to maintain or even increase their level of giving. We also received some very generous one-off donations. We are very grateful to all who give to support the work of the Church. Expenses were also significantly lower than forecast due to the support of the furlough scheme and the departure of our church administrator. And the impact of the Covid lockdown meant that we ran fewer events and activities, and carried out less maintenance than we had planned.

The biggest impact of the Covid lockdown however was on our subsidiary, Wells Place Centre CIC, which generated most of its income from providing conferencing facilities and room hire and therefore faced a significant loss of business to the extent that was in danger of becoming insolvent. The church therefore took 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 happened on 1<sup>st</sup> August 2021 when the assets of Wells Place Centre were transferred to Eastleigh Baptist Church and the church took on the remaining staff of Wells Place Centre.

This also means that expenses which were previously shared with Wells Place Centre became the full responsibility of Eastleigh Baptist Church so the church's costs increased. As a result of this increase in costs and the impact on our budget, the leadership suggested that we could no longer afford to appoint a new Ministry team leader. However, when we shared this 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 resumed our search for a new team leader and in March 2022 we invited Rev David Ford to become our

team leader which he accepted. We then asked people to make good on their pledges and began the task of finding a larger manse for David and his family.

At the end of 31<sup>st</sup> March 2022, the total value of funds held by the charity was £1,820,717. Of this total, £1,525,272 is in fixed assets (property and equipment) and the remaining balance of £295,445 is represented by current assets and liabilities (cash at bank and debtors, less creditors).

Until 1<sup>st</sup> August 2021, Wells Place Centre was accounted for separately as a Community Interest Company (05763294).

### **Reserves policy**

Prior to the transfer of Wells Place Centre to Eastleigh Baptist Church, our reserves policy was to maintain unrestricted cash funds at the bank of between £54,000 and £102,000. Since the transfer we set the target reserves to a static level of £93,000 which includes trading reserves. 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.

At the end of March 2022 we had just under £230k of unrestricted cash funds in our accounts, which is £137k above our target level. In addition to unrestricted cash funds, our accounts also held close to £36k of restricted 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 at £612k. 56 Desborough Road provides accommodation for our caretaker with one room used as a church office. 8 Bill Luffman Way has now been sold to help fund the purchase of a manse for our new team leader, which is a standard provision for a Baptist minister as part of their terms of appointment.

### **Principal funding sources**

Most of the income for the church is gifts from members. In addition, the church received £16,800 for the short-term letting of the manse. The church also received £700 rent from Wells Place Centre CIC, and the church now directly receives income from coffee shop sales, room hire, and conferencing services through its trading operation.

### **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 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 23<sup>rd</sup> October 2008 and updated on 17<sup>th</sup> March 2022.

### **ORGANISATION STRUCTURE**

The Managing Trustees have met thirteen 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 Trustee's Report was approved by the Trustees on 17/04/2023 and signed on their behalf by

C. Harrison Charles Anthony Harrison (Trustee)

# EASTLEIGH BAPTIST CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF EASTLEIGH BAPTIST CHURCH

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I report to the trustees on my examination of the financial statements of Eastleigh Baptist Church (the charity) for the period ended 31 March 2022.

#### **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**

Since the charity'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 Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

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

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



**F J Wilde FCCA MBA DChA**

Warner Wilde  
4 Marigold Drive  
Bisley  
Surrey  
GU24 9SF

Dated: 20 April 2023

# EASTLEIGH BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	357,788	2,438	360,226	247,902	7,791	255,693
Charitable activities	4	58,216	-	58,216	1,270	-	1,270
Investments	5	18,215	1	18,216	14,824	3	14,827
<b>Total income</b>		<b>434,219</b>	<b>2,439</b>	<b>436,658</b>	<b>263,996</b>	<b>7,794</b>	<b>271,790</b>
<b>Expenditure on:</b>							
Raising funds	6	2,016	-	2,016	1,953	-	1,953
Charitable activities	7	397,444	26,485	423,929	243,245	26,323	269,568
<b>Total expenditure</b>		<b>399,460</b>	<b>26,485</b>	<b>425,945</b>	<b>245,198</b>	<b>26,323</b>	<b>271,521</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>34,759</b>	<b>(24,046)</b>	<b>10,713</b>	<b>18,798</b>	<b>(18,529)</b>	<b>269</b>
Gross transfers between funds		13,000	(13,000)	-	-	-	-
<b>Net incoming/(outgoing) resources</b>		<b>47,759</b>	<b>(37,046)</b>	<b>10,713</b>	<b>18,798</b>	<b>(18,529)</b>	<b>269</b>
<b>Other recognised gains and losses</b>							
Revaluation of tangible fixed assets		111,532	-	111,532	-	-	-
<b>Net movement in funds</b>		<b>159,291</b>	<b>(37,046)</b>	<b>122,245</b>	<b>18,798</b>	<b>(18,529)</b>	<b>269</b>
Fund balances at 1 January 2021		717,572	980,899	1,698,471	698,774	999,428	1,698,202
<b>Fund balances at 31 March 2022</b>		<b>876,863</b>	<b>943,853</b>	<b>1,820,716</b>	<b>717,572</b>	<b>980,899</b>	<b>1,698,471</b>

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

The current period is 15 months and the prior period was 12 months. This should be noted when considering comparative figures.

All income and expenditure derive from continuing activities.

# EASTLEIGH BAPTIST CHURCH

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,525,272		1,446,446
<b>Current assets</b>					
Debtors	12	29,097		15,946	
Investments	13	2		35,362	
Cash at bank and in hand		296,851		237,439	
		325,950		288,747	
<b>Creditors: amounts falling due within one year</b>	14	(8,381)		(16,285)	
Net current assets			317,569		272,462
<b>Total assets less current liabilities</b>			1,842,841		1,718,908
<b>Creditors: amounts falling due after more than one year</b>	15		(18,700)		(20,437)
<b>Provisions for liabilities</b>			(3,425)		-
<b>Net assets</b>			1,820,716		1,698,471
<b>Income funds</b>					
General restricted funds		815,853		852,899	
Revaluation reserve		128,000		128,000	
	17		943,853		980,899
<b>Unrestricted funds</b>					
General unrestricted funds		609,822		562,063	
Revaluation reserve		267,041		155,509	
			876,863		717,572
			1,820,716		1,698,471

The financial statements were approved by the Trustees on 17/04/2023

  
C Harrison  
Trustee

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

Eastleigh Baptist Church is an association, constituted 23 October 2008.

##### 1.1 Reporting period

FRS 102 3.10 An entity shall present a complete set of financial statements (including comparative information as set out in paragraph 3.14) at least annually. When the end of an entity's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose the following: (a) that fact; (b) the reason for using a longer or shorter period; and (c) the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

##### 1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

##### 1.3 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.

##### 1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

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

##### 1.5 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.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 MARCH 2022**

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### **1 Accounting policies**

**(Continued)**

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.

#### **1.6 Expenditure**

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

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

#### **1.7 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 land and buildings	2%-5% on cost or valuation
Fixtures and fittings	10%-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.

#### **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 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

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

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

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

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

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

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

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

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

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

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

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

#### 1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

#### 1.12 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.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.13 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 20 for further information on pension liabilities.

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2020 £	2020 £	2020 £
Donations and gifts	357,788	2,438	360,226	247,902	7,791	255,693
<b>Donations and gifts</b>						
Donations and Gifts	268,206	2,000	270,206	204,206	7,791	211,997
Gift Aid	54,467	438	54,905	43,696	-	43,696
Transfer of Activities from Wells Place Centre CIC	35,115	-	35,115	-	-	-
	357,788	2,438	360,226	247,902	7,791	255,693

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 4 Charitable activities

	EBC 2022 £	WPC 2022 £	Total 2022 £	EBC 2020 £
Sales within charitable activities	1,313	-	1,313	1,270
Grants	-	3,858	3,858	-
Coffee Shop	-	16,287	16,287	-
Income from trading	-	36,758	36,758	-
	<u>1,313</u>	<u>56,903</u>	<u>58,216</u>	<u>1,270</u>

### 5 Investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Rental income	17,500	-	17,500	14,070	-	14,070
Interest receivable	715	1	716	754	3	757
	<u>18,215</u>	<u>1</u>	<u>18,216</u>	<u>14,824</u>	<u>3</u>	<u>14,827</u>

### 6 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2020 £
Fundraising and publicity		
Other fundraising costs	2,016	1,953
	<u>2,016</u>	<u>1,953</u>

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 7 Charitable activities

	<b>EBC 2022 £</b>	<b>WPC 2022 £</b>	<b>Total 2022 £</b>	<b>EBC 2020 £</b>
Staff costs	167,831	34,738	202,569	132,772
Depreciation and impairment	73,418	-	73,418	30,111
Missions and donations	35,997	-	35,997	37,461
Staff training and expenses	16,829	48	16,877	2,802
Premises	50,139	519	50,658	34,620
Management and admin	11,094	2,290	13,384	10,281
Communications	2,168	-	2,168	1,290
Equipment	1,740	-	1,740	4,889
Outreach, youth and children	4,841	-	4,841	7,269
Service resources and events	7,431	-	7,431	6,596
Sundry expenses	-	56	56	-
Catering	-	11,403	11,403	-
	<u>371,488</u>	<u>49,054</u>	<u>420,542</u>	<u>268,091</u>
Share of governance costs (see note 8)	3,387	-	3,387	1,477
	<u>374,875</u>	<u>49,054</u>	<u>423,929</u>	<u>269,568</u>
<b>Analysis by fund</b>				
Unrestricted funds	348,390	49,054	397,444	243,245
Restricted funds	26,485	-	26,485	26,323
	<u>374,875</u>	<u>49,054</u>	<u>423,929</u>	<u>269,568</u>

Depreciation and impairment includes £35,360 which relates to the writing down of the investment in Wells Place Centre CIC. Once the CIC had donated its assets to the church, as part of reabsorbing the Wells Centre activities into the charity, the shares issued by the CIC no longer had a value greater than their face value (£1 each).

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2020 £
Legal and professional	-	2,122	2,122	-	-	-
Independent Examiner	-	1,265	1,265	-	1,477	1,477
	<u>-</u>	<u>3,387</u>	<u>3,387</u>	<u>-</u>	<u>1,477</u>	<u>1,477</u>
Analysed between						
Charitable activities	-	3,387	3,387	-	1,477	1,477
	<u>-</u>	<u>3,387</u>	<u>3,387</u>	<u>-</u>	<u>1,477</u>	<u>1,477</u>

Governance costs includes payments to the Independent Examiner of £1265 (2020- £1477).

### 9 Trustees

None of the trustees were reimbursed by the charity during the period for their work as trustees (2020: none).

Payments totalling £2,389 were paid during the year to 5 trustees in respect of reimbursed expenses (2020: £1,824 to 3 trustees). 1 trustee received a leaving gift to the value of £25.

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.

The following amounts were paid:-

	Total 2021/22	Total 2020
Youth Minister - Christopher Walker	50,405	38,527
Community Minister - Toby Dodson	49,723	38,222
Operations Manager - Emma Leggett	36,411	19,599

Emma Leggett also received salary and pension contributions of £3,730 (2020: £7,042) from the subsidiary company for her work for it during the year.

### 10 Employees

The average monthly number of employees during the period was:

2022 Number	2020 Number
9	7
<u>9</u>	<u>7</u>

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 10 Employees

(Continued)

Employment costs	2022 £	2020 £
Wages and salaries	178,836	113,764
Social security costs	14,283	3,858
Other pension costs	9,450	15,150
	<u>202,569</u>	<u>132,772</u>

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

### 11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2021	1,474,093	144,481	1,618,574
Additions	-	5,352	5,352
Revaluation	87,907	-	87,907
	<u>1,562,000</u>	<u>149,833</u>	<u>1,711,833</u>
At 31 March 2022			
<b>Depreciation and impairment</b>			
At 1 January 2021	41,968	130,160	172,128
Depreciation charged in the period	8,238	6,195	14,433
	<u>50,206</u>	<u>136,355</u>	<u>186,561</u>
At 31 March 2022			
<b>Carrying amount</b>			
At 31 March 2022	<u>1,511,794</u>	<u>13,478</u>	<u>1,525,272</u>
At 31 December 2020	<u>1,432,125</u>	<u>14,321</u>	<u>1,446,446</u>

A valuation of 8 Bill Luffman Way by Trinity Rose Chartered Surveyors was commissioned when the church put the property up for sale. The valuation date is 12th April 2022 and the market valuation is £370,000. This valuation date is only 12 days after the financial year end date of 31st March 2022 so the trustees consider this a suitable valuation to use for the 2021-2022 accounts.

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 value to the church. For depreciation purposes the valuation has been apportioned £185,000 to the land and the remainder between the various buildings.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 12 Debtors

	2022 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,037	-
Other debtors	17,191	12,424
Prepayments and accrued income	2,869	3,522
	<u>29,097</u>	<u>15,946</u>

### 13 Current asset investments

	Notes	2022 £	2020 £
Investments in subsidiaries	20	<u>2</u>	<u>35,362</u>

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

	2022 £	2020 £
Other taxation and social security	2,262	2,240
Amounts owed to subsidiary undertakings	-	1,899
Other creditors	3,243	10,546
Accruals and deferred income	2,876	1,600
	<u>8,381</u>	<u>16,285</u>

### 15 Creditors: amounts falling due after more than one year

	2022 £	2020 £
Other creditors	<u>18,700</u>	<u>20,437</u>

#### Provisions for liabilities

	2022 £	2020 £
Manse Rent	<u>3,425</u>	<u>-</u>

Movements on provisions:

	Manse Rent £
At 1 January 2021 and 31 March 2022	<u>3,425</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE PERIOD ENDED 31 MARCH 2022***

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

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.

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

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

\*\* A transfer of £13,000 has been processed so that the restricted property reserve agrees to the carrying value of the restricted property in the balance sheet. This is in respect of a property revaluation dated 31/12/2019 where accounting for the revaluation resulted in a £13,000 difference between the two figures.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	616,785	908,487	1,525,272	501,896	944,550	1,446,446
Current assets/ (liabilities)	282,203	35,366	317,569	236,113	36,349	272,462
Long term liabilities	(18,700)	-	(18,700)	(20,437)	-	(20,437)
Provisions	(3,425)	-	(3,425)	-	-	-
	<u>876,863</u>	<u>943,853</u>	<u>1,820,716</u>	<u>717,572</u>	<u>980,899</u>	<u>1,698,471</u>

### 19 Related party transactions

The following disclosable related party transactions occurred during the period -

The church was charged £6,949 (2020: £13,899) by Wells Place Centre CIC for the use of the photocopier, utilities and other facilities, against which the peppercorn rent of £700 (2020: £850) and other charges of £37 (2020: £1,929) were offset.

The son of a trustee, Paul Wilton, served as an unpaid intern with our Youth Minister. He was reimbursed £225 (2020: £478) for various expenses incurred while working in this capacity.

The wife of a trustee, Paul Wilton, was employed by Wells Place Centre on a salary commensurate with her role and was made redundant in September 2021, receiving a redundancy payment of £2,601.

The wife of a trustee, Michael Dodd, served as a worship leader in the church and was reimbursed £150 in training expenses for this role.

### 20 Subsidiaries

These financial statements are separate charity financial statements for Eastleigh Baptist Church.

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Wells Place Centre CIC	UK	Dormant	Ordinary	100.00 100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Wells Place Centre CIC	-	2

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE PERIOD ENDED 31 MARCH 2022*

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### 20 Subsidiaries

(Continued)

Wells Place Centre CIC is a dormant company as at 31 March 2022 the activity and assets having been transferred to Eastleigh Baptist Church during the accounting period. The original authorised share capital for the company was 100 £1 ordinary shares, there is some uncertainty over the authorised share capital of the company on conversion to a CIC in 2013, the trustees plan to obtain advice to clarify the position and ensure the shares are held in accordance with the constitution of the CIC. The issued share capital is held on trust for Eastleigh Baptist Church as an unincorporated charity cannot hold property or enter into contracts in its own right.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 MARCH 2022

#### 21 Pensions

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.

#### 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% 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 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 is due to take place not later than as at 31 December 2022.

# EASTLEIGH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

### 22 Pensions (continued)

#### 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.

#### 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:

Year Ending	31-Mar-22	31-Mar-20
Balance sheet liability at year start	24,564	39,315
Minus deficiency contributions paid	(5,287)	(3,108)
Interest cost (recognised in SoFA)	88	642
Actuarial (gains)/losses on re-measurement of liability (recognised in SoFA)	(665)	(12,285)
Balance sheet liability at year end	18,700	24,564

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	31-Mar-22	31-Mar-21	31-Mar-20
Discount rate	3.0%	0.4%	1.7%
Future increases to Minimum Pensionable Income	4.9%	3.0%	3.2%

The Church has been advised that the cost for the church to buyout their Pension Scheme liabilities at 31 December 2022 was approximately £8,400.

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).