

EASTLEIGH BAPTIST CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



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	
Emma Leggett	Church Operations Manager and ex-officio trustee	
Toby Dodson	Community Minister and ex officio trustee	
Bryan Zillwood	Treasurer	
Paul Wilton		
Michael Dodd		stood down 27/04/2023
Sally James		
Sara Henry		
Angela Knight		
Jonathan Callen		
Maria Tennent		appointed 28/04/2022
Jason Collins		appointed 28/04/2022
Robert Ryder		appointed 28/04/2022
Peter Dodd		appointed 28/04/2022
Sian Whiffin		appointed 27/04/2023
Olufemi Bodede		appointed 27/04/2023
Charles (Tony) Harrison	Church Secretary	stood down 27/04/2023
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 1st April 2022 to 31st March 2023

The Trustees present their report with the financial statements of the charity for 1st April 2022 to 31st March 2023.

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

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.

RISK MANAGEMENT

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

ACTIVITIES 1st April 2022 – 31st March 2023

In the Secretary's report for 2021 – 22 our outgoing secretary commented on how the Covid pandemic had continued to affect the life of the church and the work it sought to undertake. As we reflect back on the last 12 months as trustees, whilst Covid may no longer be as disruptive to daily life, there are many external factors which have continued to both impact and challenge the life of EBC.

It is a testament to the dedication of all involved that we as a church have continue to move with extraordinary effort, inspiration, initiative and sheer hard work in pulling together to keep rebuilding a sense of community that was somewhat lost in the midst of the pandemic.

The nadir of the pandemic might be behind us but the subsequent challenges and changes to our habits and the wider implications for society continue to have an impact on the working of the church and Wells Place Centre. However, throughout these last 12 months we have seen green shoots bursting forth and blessing not only those within the congregation but the community of Eastleigh.

Church Membership

As of 31st March 2023, the number of Church Members was 205 (with 212 members on 31st March 2022).

To put this into perspective we had:

2 Members promoted to glory, 19 member resignations

We were blessed with 14 new members this year.

We had the joy of 2 baptisms this year.

Ministry Team

During the year the Rev. David Ford joined as Team Leader, taking up post on 1st Sept. 2022. His induction was held in October 2022.

The Ministry Team therefore now comprises of Rev Chris Walker (Youth Minister), Toby Dodson (Community Minister), Emma Leggett (Church Operations Manager) and Rev David Ford from 1st September 2022. (Tony Harrison stepped down from his role as Church secretary at the April AGM.

At the induction we were also able to offer our thanks and heartfelt gratitude to Rev. Jonathan Edwards as he stepped down from his role as Moderator after five years.

Leadership Team Changes

The AGM was moved to April 27th 2023 but at that meeting we gave thanks for our two retiring deacons/trustees, Mike Dodd and Tony Harrison.

At the Church meeting & AGM, 27th April 2023 – Sian Whiffin, Femi Bodede and Paul Wilton (re-elected) were elected to serve as Deacons/Trustees on the Leadership Team.

Mission, Evangelism and Outreach

Supported Missions in 2022 - 23: BMS, Pamoja, OM and Compassion.

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”

After one of the toughest times for many trading companies Wells Place, both the coffee shop and room hire have bounced back. The levels of footfall and income are still short of the pre-pandemic numbers but many customers have returned and new ones have found the space both welcoming and conducive for business and practical meetings.

The church's decision to take Wells Place under the wing of EBC was implemented – the logistics and background work required for this was extraordinary and the Operations team, with considerable input from some expert volunteers worked tirelessly to ensure this did not affect the public facing work of WPC.

The coffee shop continues to be a place where ministry happens – Toby and his team, as well as a raft of volunteers ensure that anyone in the community can be assured of a warm welcome.

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 has continued going from strength to strength over the last 12 months. It 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.

A new aspect of community ministry has seen several volunteers open up a Renew Well-being café where the strapline is: "It is ok not to be ok" and many people have found this another helpful space in which to find love and support.

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

Starting with the youngest – we have come to recognise that we suddenly find ourselves surrounded by young babies and have begun the conversation with the church family as to the provision of creche for those youngest members of our family.

Twinklers (3 – 5 years) has continued to provide both a fun, safe and educational setting for children on a Sunday morning. Each week is planned and prepared to ensure both the leaders and the children have a wonderful time together.

EPIC (School Y1 – Y6)

2022 – 23 was another fabulous year for EPIC. The numbers have continued to grow with attendance between 20 – 35 each week. The children have explored several themes including: finding your way around the Bible, Parables of Jesus, and The Lord's Prayer.

Their Christmas theme culminated in the children leading the whole church on a Sunday morning with the Christmouse story where 26 children retold the nativity dressed as mice.

More than 20 adults have given their time and skills to helping this work grow.

Youth Work (Y7 – Y13)

Our youth (both the the young people and also the leaders) have grown this year and shared many fantastic experiences. Big events such as Satellites (August 2022), youth weekend away (Oct. 22) were augmented by the regular activities; Pulse Lite and Pulse Heavy (Sunday mornings); Sunday night social (Sunday evenings – obviously); and #trending (Tuesday evenings) as well as one off socials such as fireworks evenings.

The team have worked tirelessly to ensure that the young people are made to feel valued, encouraged to grow and finding joy in socialising with people of all ages.

Easter 2022

Palm Sunday Service – Chris W led a service with the theme “Forsaken and Rejected”

Maundy Thursday – a reflective service exploring the question “Who do you say I am?”

Good Friday - We were able to join with Churches Together in Eastleigh for our usual ecumenical Good Friday service. This included following the story of Easter around various locations in the town.

Easter Sunday Sunrise Service from Eastleigh Lakes

Easter Sunday Service continued the theme of “Who do you Say I am?”

Christmas 2022 – Theme ‘Presence’

For the first time in several years EBC hosted the Nativity Experience. This was built during the week of 14th November and opened to the public on 19th November.

Schools were invited in between 17th – 25th November. In total, with the schools, escape rooms and 19th November open day more than 2,000 people went through the Labyrinth.

Our advent theme of Presence was our theme for our Sunday morning services.

Highlights included our EPIC team leading the Christmouse story, Christmas Eve community carol service and a unique and joyful Christmas Day service.

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 30th June 2022 the following policies were reviewed and agreed:

- Safe to Grow (children)
- Safe to Belong (vulnerable adults)

Eastleigh Baptist Church Constitution changes

At the Special Church meeting held on 2nd March 2023 it was agreed to accept revision of the Church Constitution (Governing Document) to change the date of the year end. The proposal was stated thus:

- **The church’s annual financial year will run from the 1st April to 31st March.**

This was accepted unanimously by the church meeting.

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 budget for the year, we anticipated that our expenses would exceed our income by nearly £85k. This expected deficit was mainly due to the need to draw upon our reserves to purchase a larger manse for our incoming Ministry Team Leader and his family.

However, at the end of the year were able to report that our expenses only exceeded our income by approximately £2.5k. This significant reduction in our annual deficit was because we sold our previous manse for more than its valuation, we were able to purchase a larger manse for less than we had anticipated, and we received some very generous one-off donations. We are very grateful to the ‘manse search team’ who put in a remarkable amount of time and effort in researching and viewing properties when the housing market was so competitive, and found a great

property at a great price in time for the arrival of our incoming minister and his family, with the wonderful help of a member of the church family who gave up their home temporarily to provide accommodation to bridge a small gap before the completion of the purchase.

We were delighted to have successfully concluded our search for a new Ministry Team Leader, with Revd David Ford's appointment in September 2022. Obviously this has increased the church wage bill but we had only resumed this search on the receipt of pledges to meet 80% of the forecast budget deficit which included the additional staffing costs, so we asked the church family to make good on their pledges when we confirmed David's appointment. It should be noted that these include a very generous single pledge of £100k which is being given over 5 years, so we know that we will have a significant increase to our budget deficit in a few years, and therefore we are already considering how we might address this.

The trading activity of the church as Wells Place Centre has picked up well since the impact of Covid pandemic and our decision to make Wells Place Centre CIC a dormant company. At the end of the financial year we were able to transfer £29k of trading profit into our general fund, which was another significant factor in the reduction of our budget deficit as we had only expected £7k of trading profit.

At the end of 31st March 2023, the total value of funds held by the charity was £1,885,084. Of this total, £1,561,598 is in fixed assets (property, equipment and shares in Wells Place Centre CIC) and the remaining balance of £323,486 is represented by current assets and liabilities (cash at bank and debtors, less creditors).

Reserves policy

Our reserves policy is to maintain at least £93k of unrestricted cash funds at the bank. 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 the year we had just over £220k of unrestricted cash funds (including designated funds) in our accounts, which is £127k above our target level.

In addition to unrestricted cash funds, our accounts also held just over £49k of restricted funds at the end of the year.

Our reserves also include the value of the properties at 56 Desborough Road and 163 Passfield Avenue which together are valued just over £662k. 56 Desborough Road provides accommodation for our caretaker with one room used as a church office. 163 Passfield Avenue is our manse for providing our Ministry Team Leader and his family with accommodation 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 and profit from our trading activity.

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 23rd October 2008 and updated on 17th March 2022.

ORGANISATION STRUCTURE

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 15.01.2024 and signed on their behalf by



Revd David Ford (Minister and Trustee)

EASTLEIGH BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EASTLEIGH BAPTIST CHURCH

I report to the trustees on my examination of the financial statements of Eastleigh Baptist Church (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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: 17 January 2024

EASTLEIGH BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	339,711	35,343	375,054	357,788	2,438	360,226
Charitable activities	4	106,555	-	106,555	58,216	-	58,216
Investments	5	2,065	30	2,095	18,215	1	18,216
Total income		448,331	35,373	483,704	434,219	2,439	436,658
Expenditure on:							
Raising funds	6	-	56	56	2,016	-	2,016
Charitable activities	7	388,625	40,655	429,280	397,444	26,485	423,929
Total expenditure		388,625	40,711	429,336	399,460	26,485	425,945
Gross transfers between funds		-	-	-	13,000	(13,000)	-
Net incoming/(outgoing) resources		59,706	(5,338)	54,368	47,759	(37,046)	10,713
Other recognised gains and losses							
Revaluation of tangible fixed assets		10,000	-	10,000	111,532	-	111,532
Net movement in funds		69,706	(5,338)	64,368	159,291	(37,046)	122,245
Fund balances at 1 April 2022		876,863	943,853	1,820,716	717,572	980,899	1,698,471
Fund balances at 31 March 2023		946,569	938,515	1,885,084	876,863	943,853	1,820,716

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

All income and expenditure derive from continuing activities.

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

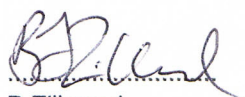
EASTLEIGH BAPTIST CHURCH

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11	1,561,598		1,525,272	
Current assets					
Debtors	12	69,380		29,097	
Investments	13	2		2	
Cash at bank and in hand		269,134		296,851	
		338,516		325,950	
Creditors: amounts falling due within one year	14	(15,030)		(8,381)	
Net current assets		323,486		317,569	
Total assets less current liabilities		1,885,084		1,842,841	
Creditors: amounts falling due after more than one year	15	-		(18,700)	
Provisions for liabilities		-		(3,425)	
Net assets		1,885,084		1,820,716	
Income funds					
General restricted funds		810,515		815,853	
Revaluation reserve		128,000		128,000	
	17	938,515		943,853	
Unrestricted funds					
General unrestricted funds		791,060		609,822	
Revaluation reserve		155,509		267,041	
		946,569		876,863	
		1,885,084		1,820,716	

The financial statements were approved by the Trustees on 15/01/2024



B Zillwood
Treasurer

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

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

Freehold 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.

1.7 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).

1.8 Cash and cash equivalents

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

1.9 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.

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The charity contributes to the Baptist Union Pension Scheme 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 22 for further information on pension liabilities.

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	339,711	35,343	375,054	357,788	2,438	360,226
Donations and gifts						
Donations and Gifts	280,452	28,395	308,847	268,206	2,000	270,206
Gift Aid	59,258	6,948	66,206	54,467	438	54,905
Transfer of Activities from Wells Place Centre CIC	-	-	-	35,115	-	35,115
Other	1	-	1	-	-	-
	339,711	35,343	375,054	357,788	2,438	360,226

4 Charitable activities

	EBC	WPC	Total	EBC	WPC	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Sales within charitable activities	3,621	61,123	64,744	1,313	-	1,313
Grants	-	-	-	-	3,858	3,858
Coffee Shop	-	27,037	27,037	-	16,287	16,287
Income from trading	-	14,774	14,774	-	36,758	36,758
	3,621	102,934	106,555	1,313	56,903	58,216

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Rental income	-	-	-	17,500	-	17,500
Interest receivable	2,065	30	2,095	715	1	716
	<u>2,065</u>	<u>30</u>	<u>2,095</u>	<u>18,215</u>	<u>1</u>	<u>18,216</u>

6 Raising funds

	Restricted funds	Unrestricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Other fundraising costs	56	2,016
	<u>56</u>	<u>2,016</u>

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	EBC	WPC	Total	EBC	WPC	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Staff costs	154,513	49,252	203,765	167,831	34,738	202,569
Depreciation and impairment	29,773	-	29,773	73,418	-	73,418
Missions and donations	27,881	-	27,881	35,997	-	35,997
Staff training and expenses	15,842	465	16,307	16,829	48	16,877
Premises	85,807	-	85,807	50,139	519	50,658
Management and admin	11,317	1,894	13,211	11,094	2,290	13,384
Communications	1,921	-	1,921	2,168	-	2,168
Equipment	2,070	-	2,070	1,740	-	1,740
Outreach, youth and children	17,658	-	17,658	4,841	-	4,841
Service resources and events	6,964	-	6,964	7,431	-	7,431
Sundry expenses	-	155	155	-	56	56
Catering	-	22,040	22,040	-	11,403	11,403
	<u>353,746</u>	<u>73,806</u>	<u>427,552</u>	<u>371,488</u>	<u>49,054</u>	<u>420,542</u>
Share of governance costs (see note 8)	1,713	15	1,728	3,387	-	3,387
	<u>355,459</u>	<u>73,821</u>	<u>429,280</u>	<u>374,875</u>	<u>49,054</u>	<u>423,929</u>
Analysis by fund						
Unrestricted funds	314,804	73,821	388,625	348,390	49,054	397,444
Restricted funds	40,655	-	40,655	26,485	-	26,485
	<u>355,459</u>	<u>73,821</u>	<u>429,280</u>	<u>374,875</u>	<u>49,054</u>	<u>423,929</u>

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Legal and professional	-	228	228	-	2,122	2,122
Independent Examiner	-	1,500	1,500	-	1,265	1,265
	<u>-</u>	<u>1,728</u>	<u>1,728</u>	<u>-</u>	<u>3,387</u>	<u>3,387</u>
Analysed between						
Charitable activities	-	1,728	1,728	-	3,387	3,387
	<u>-</u>	<u>1,728</u>	<u>1,728</u>	<u>-</u>	<u>3,387</u>	<u>3,387</u>

Governance costs includes payments to the Independent Examiner of £1,500 including VAT for accounts preparation and independent examination (2022- £1,500, which was paid 2023/24).

9 Trustees

None of the trustees were reimbursed by the charity during the year for their work as trustees (2022: none).

Payments totalling £1,698 were paid during the year to 3 trustees in respect of reimbursed expenses (2022: £2,389 to 5 trustees, plus 1 trustee received a leaving gift to the value of £25). 3 trustees also received employment benefits totalling £5,815.

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 2023	Total 2022
Youth Minister - Christopher Walker	41,083	50,405
Community Minister - Toby Dodson	39,882	49,723
Operations Manager - Emma Leggett	34,182	36,411
Minister - David Ford	19,644	Nil

10 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
<u>11</u>	<u>9</u>

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	195,537	178,836
Social security costs	8,469	14,283
Other pension costs	(241)	9,450
	<u>203,765</u>	<u>202,569</u>

In the 2022 accounts, a liability was recorded in respect of the BU pension scheme shortfall. As of June 2022, the scheme no longer had a shortfall so this liability was derecognised against other pension costs.

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

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	1,562,000	149,833	1,711,833
Additions	435,000	1,099	436,099
Disposals	(380,000)	-	(380,000)
Revaluation	10,000	-	10,000
	<u>1,627,000</u>	<u>150,932</u>	<u>1,777,932</u>
At 31 March 2023			
Depreciation and impairment			
At 1 April 2022	50,206	136,355	186,561
Depreciation charged in the year	24,640	5,133	29,773
	<u>74,846</u>	<u>141,488</u>	<u>216,334</u>
At 31 March 2023			
Carrying amount			
At 31 March 2023	<u>1,552,154</u>	<u>9,444</u>	<u>1,561,598</u>
At 31 March 2022	<u>1,511,794</u>	<u>13,478</u>	<u>1,525,272</u>

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 YEAR ENDED 31 MARCH 2023

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	6,611	9,037
Other debtors	59,409	17,191
Prepayments and accrued income	3,360	2,869
	<u>69,380</u>	<u>29,097</u>

The significant increase in Other debtors as at 31st March 2023 is due to a gift aid claim for the period April 2022 to February 2023 of approximately £55,200, which was received in April 2023.

13 Current asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	20	<u>2</u>	<u>2</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	3,433	2,262
Trade creditors	613	-
Other creditors	5,157	3,243
Accruals and deferred income	5,827	2,876
	<u>15,030</u>	<u>8,381</u>

15 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	<u>-</u>	<u>18,700</u>
Provisions for liabilities	2023 £	2022 £
Manse Rent	<u>-</u>	<u>3,425</u>

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Restricted funds

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

	Movement in funds				Movement in funds			
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£	£
Freehold property	944,550	-	(23,063)	(13,000)	908,488	12,507	(30,957)	890,038
Phase 2 Building Funds	24,695	-	-	-	24,695	-	-	24,695
Delvin Kowner Mission Fund	4,197	1	-	-	4,197	12,531	-	16,728
Specific Charities and Misc Gifts	7,457	2,438	(3,422)	-	6,473	10,335	(9,754)	7,054
	<u>980,899</u>	<u>2,439</u>	<u>(26,485)</u>	<u>(13,000)</u>	<u>943,853</u>	<u>35,373</u>	<u>(40,711)</u>	<u>938,515</u>

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 Kowner Mission Fund is for funding of mission work, both home and abroad.

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	671,560	890,038	1,561,598	616,785	908,487	1,525,272
Current assets/ (liabilities)	275,009	48,477	323,486	282,203	35,366	317,569
Long term liabilities	-	-	-	(18,700)	-	(18,700)
Provisions	-	-	-	(3,425)	-	(3,425)
	<u>946,569</u>	<u>938,515</u>	<u>1,885,084</u>	<u>876,863</u>	<u>943,853</u>	<u>1,820,716</u>

19 Related party transactions

The following disclosable related party transactions occurred during the year - None.

2022:

The church was charged £6,949 by Wells Place Centre CIC for the use of the photocopier, utilities and other facilities, against which the peppercorn rent of £700 and other charges of £37 were offset.

The son of a trustee, Paul Wilton, served as an unpaid intern with our Youth Minister. He was reimbursed £225 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 2023 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	0	2

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2023***

20 Subsidiaries

(Continued)

Wells Place Centre CIC is a dormant company as at 31 March 2023, the activity and assets having been transferred to Eastleigh Baptist Church during the prior accounting period.

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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%.

EASTLEIGH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2023***

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.