

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020
FOR
DAGNALL STREET BAPTIST CHURCH
ST ALBANS**

Trustees' Annual Report for 2020

The trustees present their Annual Report and financial statements for 2020.

Objectives and activities

The principal purpose of the charity (which throughout this report will be referred to as the Church) is the advancement of the Christian faith according to the principles of the Baptist denomination to include the advancement of education, community service and such other general charitable purposes in such parts of the United Kingdom and the world as the Church shall determine.

When planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit and in particular the specific guidance on charities for the advancement of religion. The trustees try to enable ordinary people to live out their faith as part of our Church community. In order to achieve the principal objective which is set out above, the Church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with Him as living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. These services take place most Sundays at 10 30 am. There are also services at other times. The Church's activities were affected by the COVID19 epidemic and for much of the year was not meeting on the premises. During this time a weekly podcast was transmitted and pastoral and social activities met on Zoom. The children's Sunday and weekday programmes were suspended, but virtual activities were organised via YouTube. The Church seeks to be a friendly welcoming community and anybody is free to attend any of these services. Prayer is offered after morning worship. Prayer weeks are organised on an occasional basis.

The Church runs a series of house groups for the growth of faith and discipleship in the homes of some members and at the Church. Also from time to time, the Church runs courses for people interested in discovering more about Christianity.

The Church is responsible for a weekly term time Toddler Group which meets on the Church premises on Wednesday mornings and monthly, on Saturday mornings, 'Who Let the Dads Out' meets with the purpose of assisting the community and demonstrating the love of Jesus Christ. The Church runs various organisations and events for Children and Young People. The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to the Disclosure and Barring Service. The Church has two Designated Persons and their photographs are displayed alongside the photographs of the ministers and deacons and all the employed staff at the Church and Cross Street Centre Limited.

The Cross Street cafe is wholly owned and run by the Church, open four days a week for four hours each day. The directors of the company limited by guarantee - Cross Street Centre Limited - manage the cafe. The surplus from trading is covenanted to the Church each year. The Cross Street Centre provides a meeting point for both formal and informal meetings. Many community groups use these premises on a regular and also on a one off basis. The Cross Street Centre also runs a games group, a knitting group and a book library. These are all open to members of the community.

Achievements and Performance During

2020:

The Church does not measure the success of its programmes only in numbers, including financial numbers, but also in less tangible areas like fellowship and encouragement. The Trustees recognise that these are difficult to measure, especially given the disruption to activities in the last year, but believe that 2020 was a positive year in the life of the Church, and that it will be able to pursue its mission purposes in 2021 with renewed enthusiasm.

At 31 December 2020 the membership stood at 94 (2019: 104). There were no new members added during the year, 5 members died, 1 was removed and 4 transferred to other churches. An associate minister left to move to another church in August 2020 having served the church for 3 years.

The Church is actively promoting the use of the premises by groups that are working for the benefit of the local community. This means that the Church premises are occupied for around 30 hours from Monday – Saturday. The groups that use the premises are pastorally supported by the Cross Street Centre staff and by the ministry team.

Financial Review

The Church continues to raise the funds, which it needs to carry on its activities from within its own membership and congregation. Some income is generated from hire of premises. No wider public appeal was made for funds during the year.

The most significant 'Ministry' expense represents the costs of the Ministers - Rev Simon Carver & Rev Jonny Fillis (until

Dagnall Street Baptist Church

August 2020), who lead and co-ordinate the Church's activities including the Sunday Services, provide pastoral care for the congregation and other people, and equip and encourage the membership in their life, Christian witness and service. The Church employs a full-time site manager, Mr David Hobbs. The ministers and site manager live in accommodation provided by the Church.

The Church expressed its part in the life of the wider Church by making grants to local, national, international Christian and socially aware organisations and societies with aims and objectives compatible with the Church's own charitable purpose.

The Church is heavily dependent on its membership working as volunteers in all aspects of the Church's activities, many of which run with little or no impact on the Church's expenditure, but nevertheless contribute substantially to the achievement of the Church's objectives.

The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements. The Church had an excess of expenditure over income of £55,980 in the year (2019: £8,915). This includes one off expenditure on new lighting of the main church hall, a new boiler for the church and the final period of the 3 year employment of a second minister,. This reduced general reserves £148,725 (2019: £204,369). These reserves are needed to cover future expenditure of the Church and are in addition to the designated reserves of £60,000 held in relation to our reserves policy.

Reserves

The Trustees have established a Reserves Policy and are satisfied that they have sufficient reserves at the Balance Sheet date, together with ongoing income anticipated, to enable the Church to function effectively in the coming year. Our medium term plan is to maintain a minimum of six months of total expenditure reserves and we are using the remainder of our reserves to pay for a second minister for three years (this commenced in 2017 and ended in August 2020).

Risk Management

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

Plans for the future

The Cross Street Centre Café continues to provide a valuable service to the local community and to this end, in conjunction with the Associate Minister, an in depth review of its operation was undertaken.

Structure, governance and management

The Charity's governing document is the Constitution of the Baptist Union of Great Britain which was adopted by the Charity on 19th January 2006.

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

The members' Meeting normally takes place six times per year and has responsibility for the overall policy of the Church. In accordance with the Constitution, the members appoint Trustees, who, together with the Ministers, are collectively known as the Diaconate. The diaconate is responsible for the day to day running of the Church's work and witness, and the financial and legal aspects of the charity.

All Church members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

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

Thanks to volunteers

The trustees would particularly like to thank the large number of its membership working as volunteers in all aspects of the Church's activities, many of which run with little or no impact on the Church's expenditure, but nevertheless contribute substantially to the achievement of the Church's objectives.



Chris Penn Secretary

November 2021

28/10/2021

Reference and Administration

Registered Name: DAGNALL STREET BAPTIST CHURCH ST ALBANS

Charity No. 1127791

Church Address: 1 Cross Street St Albans Hertfordshire AL3 5EE

Trustees:

Simon Carver (Minister)
Jonathan Fillis (Associate Minister) (Resigned 31 August 2020)
Chris Penn (Secretary)
Trevor Oakley (Finance Deacon) (Reappointed 1 January 2021)
Alison Ashmore
Shannon Beadle (resigned 31 December 2020)
Velma Eyre (Appointed 1 January 2021)
Paula Iddiols
Florence Mintern (resigned 31 December 2020)
Janis Morse
Jill Potter (resigned 31 December 2020)
Diane Saunders
Danny Smith (resigned 14 June 2021)
Megan Thompson (resigned 31 December 2020)

Bankers

NatWest
10 St Peters Street St Albans
Hertfordshire
AL1 3LY

Independent Examiner

Martin Hannah

Independent examiner's report to the trustees of Dagnall Street Baptist Church St Albans

I report to the trustees on the accounts of the Charity for the year ended 31 December 2020, which are set out on pages 6 to 13

The accounts have been prepared in accordance with the Charities (Accounts and Reports) Regulations 2008 and Accounting and Reporting by Charities SORP2015 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard FRS102 published in September 2015.

Responsibilities and basis of report

The charity's trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). The charity's trustees consider that an audit is not required for this year under section 144(2) of the Act and that an independent examination is needed.

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

Independent examiner's statement

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

- the accounting records were not kept in accordance with section 130 of the Charities 2011 Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 to be part of an independent examination.

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

Signed:



Date:

30/10/21
~~November 2021~~

Name: Martin Hannah

Relevant professional qualification or body:

Member of Association of Chartered Certified Accountants of England and Wales

Address: 8 Damson Way, St Albans, AL4 9XU

2020 Statement of Financial Activities

	Notes	Unrestricted funds	Restricted & Endowment funds	Total funds 2020	Total funds 2019
Incoming and Endowments from:		£	£	£	£
Offertory and hire income	2	114,824	2,722	117,546	176,276
Charitable activities		3,925	868	4,793	8,006
Investments		494		494	1,477
Other		19,056		19,056	31,208
Total		138,299	3,590	141,889	216,967
Expenditure on:					
Charitable activities	3 - 6	178,626	3,760	182,386	201,600
Other	12	15,483		15,483	24,282
Total		194,109	3,760	197,869	225,882
Net (expenditure)/income		(55,810)	(170)	(55,980)	(8,915)
Transfer between funds	8	-	-	-	-
Net movement in funds		(55,810)	(170)	(55,980)	(8,915)
Reconciliation of funds					
Total funds brought forward		744,213	2,925,435	3,669,648	3,678,563
Total funds carried forward		688,403	2,925,265	3,613,668	3,669,648

Statement of financial position

	Notes	2020	2019
Fixed assets:			
Tangible assets	7	<u>3,384,923</u>	<u>3,384,923</u>
Current assets:			
Debtors and Prepayments		14,349	16,956
COIF Charities Deposit Fund		54,874	54,874
Baptist Union		50,813	50,706
Scottish Widows Account		63,810	63,658
Cash at Bank and Cash in hand		<u>57,366</u>	<u>106,422</u>
Total current assets		241,213	292,616
Current liabilities			
Creditors and Accruals		12,468	7,891
Net current assets		228,745	284,725
Total Net Assets		<u>3,613,668</u>	<u>3,669,648</u>
Funds:			
Endowment funds	9	2,924,561	2,924,561
Restricted funds	9	704	874
Unrestricted funds			
General		148,725	204,369
Designated	8	<u>539,678</u>	<u>539,844</u>
Total Unrestricted		688,403	744,213
Total Charitable Funds		<u>3,613,668</u>	<u>3,669,648</u>

The financial statements on page 6 to 13 were approved by the Trustees and signed on its behalf by:



Chris Penn

~~November 2021~~

28/10/2021

Notes to the Accounts

Year ended 31 December 2020

Note 1 - Accounting Policies*Basis of preparation*

The financial statements have been prepared in accordance with the Accounting Regulations set out under the Charities Act 2011 and with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard FRS102 and the UK Generally Accepted Accounting Principles (GMP) as they apply from 1 January 2015.

Going Concern

The Church meets its day to day working capital requirements through its cash facilities. Projections are prepared that take into account possible changes in income and expenditure. Having assessed the principal risks, the Trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Donations

Donations are accounted for gross when received.

Legacies

Legacies are accounted for when 'there is legal entitlement; they are measurable and their receipt is probable.

Investment Income

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

Fund raising and publicity costs

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

Grants payable

The Church makes grants to other organizations whose charitable objects complement its work. They are accounted for in the year in which they are paid.

Governance costs

This represents direct expenditure on the governance of the Church. Volunteers carry out most of the management without charge. This intangible cost is not included in the Statement of Financial Activities since there is no measurable cost to the volunteers for their service.

Fixed Assets

The Church premises, the manse and 37 and 39 Spencer Street are included in the balance sheet at historic insurance value when first capitalized in 2006, because reliable cost information is not available, and valuation would incur significant costs which would be onerous compared with the additional benefit gained by the user of the accounts.

Depreciation

Depreciation has not been charged on the Church or other premises, because in the opinion of the Trustees, the buildings are maintained to a good standard.

Note 2 - Special Collections including tax refund

	2020	2019
	£	£
Christian Aid	90	4,222
DEC Appeal	-	63
Gift Day	2,212	3,022
Birthday fund	420	-
Total	2,722	7,307

Note 3 Ministry

	2020	2019
	General	General
Minister	49,255	50,729
Admin costs of Ministry	26,208	35,091
Music and Books for Ministry	<u>844</u>	<u>4,265</u>
Total	76,307	90,085

Note 4 - Mission Spending and Special Collections Paid Over

	Mission Budget	Special Collections
Overseas Mission	£	£
BMS World Mission	6,000	420
BMS Relief Appeal		
Christian Aid		
Release International	300	
TWAM	300	
Manipur Charitable Trust	300	
Gifts for J Cook & Vokhuls	300	
DEC Appeal	250	
Total Overseas Mission	7,450	420
 National Mission		
Home Mission	7,000	
Knit for Peace	300	
Bible Society	300	
Regent Park College Oxford	1,400	
Central Baptist Association	190	
Total National Mission	9,190	
 Local Mission		
Centre 33	300	
STEP	300	
Open Door	300	
Saltmine	640	
Herts Syrian Family	300	
Herts Young	100	
Light for Life	100	
Regional Ministers Fund	150	
Fund for the Future	300	
Houghton Regis CDC		1,106
Marshalwick Project		1,106
Total Local Mission	2,490	2,212
	19,130	2,632

Note 5 – Property Costs

	2020	2019
	General	General
	£	£
Insurance	5,431	5,436
Utilities	10,706	10,093
Caretaker and cleaning	22,492	22,664
Maintenance and repairs	<u>32,586</u>	<u>19,261</u>
Total	71,215	57,364

Note 6 - Expenditure on Charitable Activities

	2020	2019
	£	£
Mission Spending	19,130	24,696
Ministry Costs	76,307	90,085
Property Costs	71,215	57,364
Admin Costs	11,196	12,703
Designated Funds	778	977
Total	178,626	185,824

Staff Costs and Trustee Expenses – included within above

The staff costs (excluding CSC) were as follows:

	2020	2019
	£	£
Salaries	74,727	81,933
Social security Costs	6,245	6,757
Pension costs	12,010	12,357
Total	92,982	101,047

The average number of employees in the year was 5 (2019: 5)

No employee received emoluments in excess of £60,000 in the year (2019 none).

The Minister and Associate Minister were the only Trustees to receive money for expenses: £6,168 (2019: £4,171)

The Church previously paid pension contributions for its Ministers to the Baptist Ministers Pension Trust Limited, which was a final salary defined benefit scheme until 31st December 2011, which was not contracted out of the State second pension. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the Church. In accordance with FRS17 therefore, the scheme has been accounted for as a defined contribution scheme (see Note 11). Since 1st January 2012, pension provision has been made through a defined contribution scheme.

Note 7 - Tangible Fixed Assets

	Church including Cross Street Centre	The Manse	37 and 39 Spencer Street	Total
Cost or Valuation	£	£	£	£
1st January 2020	2,924,562	248,684	211,677	3,384,923
Additions				
Disposals				
31st December 2020	2,924,562	248,684	211,677	3,384,923
Depreciation				
1st January 2020				
Charge for the year				
31st December 2020				
Net Book Value				
31st December 2020	2,924,562	248,684	211,677	3,384,923
31st December 2019	2,924,562	248,684	211,677	3,384,923

For the first time in 2006 we included our buildings on the Balance Sheet as Fixed Assets. We included them at insured value as at 01.01.2006 and then capitalised the building work, which took place during 2006. This work was performed on the Manse and 37 and 39 Spencer Street.

Note 8 - Designated Funds

	01.01.2020	Incoming	Outgoing	Transfers In(Out)	31.12.2020
Manse, 37&39 SS	460,361				460,361
Special Reserve	60,000				60,000
Equipment Reserve	14,401				14,401
Toddlers	4,106	562	(778)		3,890
Others	976	50			1,026
Total	539,844	612	(778)	-	539,678

Manse, 37 and 39 Spencer Street

This fund represents the Manse and 37 and 39 Spencer Street.

Special Reserve

This represents funds that are not immediately needed for the current activities of the Church. It is held in the event of an unknown expense for ministry, mission or property. The balance held at the year-end is based on the estimated cost of covering circa four months expenses in the event of a loss of funding (£60,000). Additional funds are held in general reserve.

Equipment Reserve

This represents money paid to the Church from Cross Street Centre Limited for the hire of all the kitchen equipment. This money is kept separate to finance the next purchases of equipment.

Toddlers

This represents income and costs for the DSBC Toddler Group. A weekly amount is collected and pays to run the group.

Others

This comprises the Flower Fund.

Note 9 - Restricted and Endowment Funds

	01.01.2020	Incoming	Outgoing	Transfers In/(out)	31.12.2020
Restricted	£	£	£	£	£
Daycare	874	868	(1,128)		614
Special Collections	-	2,722	(2,632)		90
Endowment					
Church premises	2,924,561				2,924,561
Total	2,925,435	3,590	(3,760)	-	2,925,265

Note 10 - Analysis of Net Assets

	Fixed Assets	Net Current Assets and Investments	Total
	£	£	£
General Funds		148,725	148,725
Designated Funds	460,361	79,317	539,678
Restricted Funds		704	704
Endowment	2,924,561		2,924,561
Total	3,384,922	228,745	3,613,668

Note 11 – Pensions

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity, which is administered by the Pension Trustee (Baptist Pension Trust Limited).

The Minister(s) and Associate Minister are eligible to join the Scheme.

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. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

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

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions.

The Trustees and the Council agreed a 50% reduction for all deficiency contributions between 1 July 2020 and 31 December 2020.

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020, including a lump sum of £30m in 2018. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

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 increases (CPI plus 0.75%pa)	3.20

Dagnall Street Baptist Church

Assumed investment returns:	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases:	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension Increases	2.70

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church was in 20120 £12,357 (2018 £12,357).

The next actuarial valuation of the DB Plan within the Scheme is due as at 31 December 2022.

Note 12 – Related Party Transactions

The 'Cross Street cafe' is wholly owned and run by the Church. The directors of Cross Street Centre Limited, a company limited by guarantee, manage the cafe. The two director shareholders are the Finance Manager, Mrs Liz Blight and the Church Secretary, Chris Penn and they hold their shares as nominees for the church.

During the year Cross Street Centre Limited paid the Church for use of premises £Nil (2019 £nil) and the trading loss which it covenants to the Church. In 2020 this trading loss is confirmed to be £1,411 (2019 Surplus £7,397).

In addition Cross Street Centre Limited reimbursed the following costs incurred on its behalf by the Church; wages £15,483 (2019 £23,811).

There are no other related party transactions.