

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2023
FOR
DAGNALL STREET BAPTIST CHURCH
ST ALBANS**

Trustees' Annual Report for 2023

The trustees present their Annual Report and financial statements for 2023.

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. Worship also takes place at other times. 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 prayer and share group for the growth of faith and discipleship at the Church and a prayer hour is held once a month. Also, from time to time, the Church runs courses for people interested in discovering more about Christianity and study groups are organised at various times eg. during Lent.

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 encourages and enables Children and Young People to engage with local Christian organisations who run youth events and activities. 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 minister and deacons and employed staff at the Church and Cross Street Centre Limited.

The Cross Street Centre 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 the church premises on a regular and also on a one off basis. The Cross Street Centre also runs a games group, a scrabble club and a book library. These are all open to members of the community.

A monthly magazine is available to all and copies are displayed in the Cross Street Centre and in Church to highlight services, activities, church news and to encourage engagement and participation with what is on offer

Achievements and Performance During 2023

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 over recent years, but believe that 2023 was a positive year in the life of the Church, and that it will be able to pursue its mission purposes in 2024 with continued enthusiasm.

At 31 December 2023 the membership stood at 92 (2022: 93). There was 1 new member added during the year, 2 members died and nil transferred to other churches.

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 40 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 and the annual covenant from Cross Street Centre Limited. No wider public appeal was made for funds during the year.

The most significant 'Ministry' expense represents the costs of the Minister - Rev Simon Carver - who leads and co-ordinates the Church's activities including the Sunday Services, provides pastoral care for the congregation and other people, and equips and encourages the membership in their life, Christian witness and service. The Church employs a full-time site manager, Mr. David Hobbs. The minister and site manager live in accommodation provided by the Church.

Dagnall Street Baptist 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 trustees reviewed the utilities spend in 2022 (which was low after covid lockdowns and a surplus in our gas/electric accounts) and budgeted £25k after reviewing our usage and predicted spiralling energy costs per unit for 2023. We were pleased that 2023 costs came in well within budget.

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 net expenditure of £32,428 in the year (2022: net income £10,998) which decreased general reserves to £130,762 (2022: increase £162,417). 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.

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

Rev. Simon Carver, our minister of 17 years, retired on 3 September 2023 and we began the process of searching for a new minister following guidelines set out by the Baptist Union of Great Britain.

The Cross Street Centre Café continues to provide a valuable service to the local community and in 2023 a new Café Manager took over the running of our café.

During 2022 we became aware of major repair works required to the main church roof and spire. Total costs for the repairs in 2023 were in region of £100k with the majority funded from our reserves and a £40k donation from another Baptist church. Works are now complete.

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 and amended at a special church meeting held on 1st March 2022.

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



30 October 2024

Dagnall Street Baptist Church

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) retired 3 September 2023

Chris Penn (Secretary)

Trevor Oakley (Finance Deacon)

Alison Ashmore

Paula Iddiols

Janis Morse (Safeguarding Trustee)

Diane Saunders

Janet Moverly-Peers

Jill Potter

Bankers

NatWest

10 St Peters Street St Albans

Hertfordshire

AL1 3LY

Independent Examiner

Valerie Harden

Dagnall Street Baptist Church**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 2023, 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 October 2024**Name:** Valerie Harden**Relevant professional qualification or body:**

Member of Association of Chartered Global Management Accountants

Address:

12 The Park, St Albans, Hertfordshire AL1 4RY

2023 Statement of Financial Activities

	Notes	Unrestricted funds	Restricted & Endowment funds	Total funds 2023	Total funds 2022
Incoming and Endowments from:		£	£	£	£
Offeritory and hire income	2	131,573	1,801	133,374	130,744
Charitable activities		42,320		42,320	11,147
Investments		4,565		4,565	1,548
Other income		44,966		44,966	45,006
Total		223,424	1,801	225,225	188,445
Expenditure on:					
Charitable activities	3 - 6	232,607	1,731	235,338	156,293
Other	12	22,245		22,245	21,426
Total		255,852	1,731	257,583	177,719
Net (expenditure)/income		(32,428)	70	(32,358)	10,726
Transfer between funds	8	-	-	-	-
Net movement in funds		(32,428)	70	(32,358)	10,726
Reconciliation of funds					
Total funds brought forward		701,398	2,925,681	3,627,079	3,613,353
Total funds carried forward		668,970	2,925,751	3,594,721	3,627,079

Dagnall Street Baptist Church**Statement of financial position**

	Notes	2023	2022
Fixed assets:			
Tangible assets	7	<u>3,384,923</u>	<u>3,384,923</u>
Current assets:			
Debtors and Prepayments		17,881	18,336
COIF Charities Deposit Fund		54,874	54,874
Baptist Union		3,102	52,180
Scottish Widows Account		64,419	63,913
Cash at Bank and Cash in hand		<u>81,426</u>	<u>62,717</u>
Total current assets		221,702	252,020
Current liabilities			
Creditors and Accruals		<u>11,904</u>	<u>9,864</u>
Net current assets		209,798	242,156
Total Net Assets		3,594,721	3,627,079
Funds:			
Endowment funds	9	2,924,562	2,924,562
Restricted funds	9	1,189	1,119
Unrestricted funds			
General		130,763	162,415
Designated	8	<u>538,207</u>	<u>538,983</u>
Total Unrestricted		668,970	701,398
Total Charitable Funds		3,594,721	3,627,079

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



Chris Penn

30 October 2024

Notes to the Accounts

Year ended 31 December 2023

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

	2023	2022
	£	£
Christian Aid	70	954
Gift Day	852	1,285
Birthday fund	879	694
Total	1,801	2,933

Note 3 Ministry

	2023	2022
	General	General
Minister	33,916	49,853
Admin costs of Ministry	4,002	3,873
Music and Books for Ministry	<u>1,980</u>	<u>2,571</u>
Total	39,898	56,297

Note 4 - Mission Spending Paid Over

	Mission Budget
Overseas Mission	£
BMS World Mission	6,000
BMS Relief Appeal	
Christian Aid	
Release International	
TWAM	
Manipur Charitable Trust	300
J Cook & Vokhuls	400
Total Overseas Mission	6,700
 National Mission	
Home Mission	7,000
Regents Park College	700
Bible Society	300
Projects -CBA	200
 Total National Mission	 8,200
 Local Mission	
STEP	300
Herts refugees	300
 Saltmine	 370
Open Door	
YWAM	500
Unlock Walk	
Regional Ministers Fund - CBA	200
Fund for the Future	300
 Total Local Mission	 1,970
	 16,870

Note 5 – Property Costs

	2023	2022
	General	General
	£	£
Insurance	6,777	6,141
Utilities	22,157	4,700
Caretaker and cleaning	27,510	25,851
Spire repairs	80,187	-
Maintenance and repairs	<u>22,859</u>	<u>29,298</u>
Total	159,490	65,990

Note 6 - Expenditure on Charitable Activities

	2023	2022
	£	£
Mission Spending	16,870	17,220
Ministry Costs	39,898	56,297
Property Costs	159,490	65,990
Admin Costs	15,417	12,250
Designated Funds	1,932	1,331
Total	233,607	153,088

Staff Costs and Trustee Expenses – included within above

The staff costs (excluding CSC) were as follows:

	2023	2022
	£	£
Salaries	54,479	61,353
Social security Costs	4,327	5,433
Pension costs	3,607	10,923
Total	62,413	77,079

The average number of employees in the year was 3 (2022: 4)

No employee received emoluments in excess of £60,000 in the year (2022 none).

The Minister was the only Trustee to receive money for expenses: £5,617 (2022: £6,063)

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 2023	2,924,562	248,684	211,677	3,384,923
Additions				
Disposals				
31st December 2023	2,924,562	248,684	211,677	3,384,923
Depreciation				
1st January 2023				
Charge for the year				
31st December 2023				
Net Book Value				
31st December 2023	2,924,562	248,684	211,677	3,384,923
31st December 2022	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

	01.01.2023	Incoming	Outgoing	Transfers In(Out)	31.12.2023
Manse, 37&39 SS	460,361				460,361
Special Reserve	60,000				60,000
Equipment Reserve	14,401		(808)		13,593
Toddlers	3,295	1,157	(1,124)		3,328
Others	926				926
Total	538,983	1,157	(1,932)	-	538,208

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.

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Note 9 - Restricted and Endowment Funds

	01.01.2023	Incoming	Outgoing	Transfers In/(out)	31.12.2023
Restricted	£	£	£	£	£
Daycare	614				614
Special Collections	505	1,801	(1,731)		575
Endowment					
Church premises	2,924,562				2,924,562
Total	2,925,681	1,801	(1,731)	-	2,925,751

Note 10 - Analysis of Net Assets

	Fixed Assets	Net Current Assets and Investments	Total
	£	£	£
General Funds		130,762	130,762
Designated Funds	460,361	77,847	538,208
Restricted Funds		1,189	1,189
Endowment	2,924,562		2,924,562
Total	3,384,923	209,798	3,594,721

Note 11 – 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.

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 increases (above CPI)	0.5
Assumed investment returns:	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases:	
- Pre April 2009	3.20

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- Post April 2009	2.50
Pension Increases	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 was due to take place not later than as at 31 December 2022. However, the DB Plan is to be wound up, and the process to wind it up was started with effect from 31 March 2024 and therefore no formal valuation is due to take place.

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 were payable until June 2026.

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. These contributions are payable under the recovery plan until June 2026. The outstanding deficiency contributions due under the Recovery Plan are not considered material and therefore have not been included in the balance sheet.

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 (2021 £nil) and the trading profit which it covenants to the Church. In 2023 this trading profit is confirmed to be £8,321 (2022: £9,180).

In addition, Cross Street Centre Limited reimbursed the following costs incurred on its behalf by the Church; wages £22,245 (2022 £21,426).

There are no other related party transactions.