

East Sheen Baptist Church
Church Officers Report and Accounts
For the Year Ended 31 December 2020

Report of the Independent Examiner to the Trustees of East Sheen Baptist Church on the accounts for the year ended 31 December 2020

Respective responsibilities of Trustees and Examiner

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

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Charities Act or
- the accounts do not accord with the accounting records
- the accounts 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 come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed by or on behalf of the Examiner

Date

Name: J Clarke

Relevant Professional Qualifications or body

FCA

Address: 98 East Sheen Avenue, London SW14 8AU

15/11/2021 J Clarke

EAST SHEEN BAPTIST CHURCH

CHURCH OFFICERS REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

The Church Officers present their report and accounts for the year ended 31st December 2020. The accounts have been prepared in accordance with the accounting policies set out in in note 1 to the accounts and comply with the Church's Trust Deed and the Charities Act 2011.

Structure, Governance and Management.

The Church was established in 1920 and formally constituted by a charitable trust deed in 1930. Following changes in legislation requiring individual Churches to be registered as separate entities, rather than under the overseeing bodies registration, in this case the Baptist Union of Great Britain, East Sheen Baptist Church was registered during the year 2009 and now operates as an independent U.K. registered charity, No.1129174.

The Trust Deeds for the property are retained by The London Baptist Property Board Limited. The day to day administration of the working funds of the Church is under the administration of the Church Officers, who are all trustees in compliance with our new charitable status. The Church Officers/Trustees who served during the year were:

Rev. Dr. Louisa Hearn (Senior Minister)
Miss Doris Humphrey
Mr. Ian Hearn
Mr. Martyn Jackman
Miss. Pauline Sutehall
Mrs. Abi Aminu
Mr. Edward Banner

As the need arises, new Church Officers (Trustees) are recruited from within the Church Fellowship. After prayerful consideration suitable candidates are nominated by the Church members. The ultimate decision on the appointment of a new Officer, or the returning of a retiring Officer, rests with the members, who vote by secret ballot, the result of which is then reported openly at a Church members' meeting.

The Church Officers have assessed the major risks to which the Church is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

Objectives and Activities.

The Church's main mission objective is to promote the Christian faith, in accordance with the principles of the Baptist Denomination, to people of all ages and backgrounds by holding regular services, prayer meetings, Bible studies and other meetings. The Church provides appropriate support freely to its formal members, its congregation and also to the local community, irrespective of their faith perspective (or none), background or circumstances. In

addition the Church conducts adult baptisms, dedications, marriages and funerals when required.

When planning our activities, the Church Officers take into account the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. During 2020, until Covid restrictions, the Church continued with its regular programme of Sunday services for the sharing of the gospel and the spiritual growth and development of those attending; with mid-week activities having the same aims but also providing friendship, stability and social cohesion in different ways to different groups.

The Church also reaches out to and supports the local community through the provision of suitable educational and social activities mid-week. These provide public benefit; many of those attending these are not members of the Church or congregation, but they do see this as their Church. This is particularly true of the young people attending during the week; children and young people are provided with a safe and secure environment in which they can learn and play and develop, and this is greatly appreciated by their parents. Other weekly local outreach activities include a parent and toddler group, a mid-week club for younger people, a lunch and board-games afternoon for older people in collaboration with FiSH (another local charity), a computer drop-in centre in collaboration with Age UK, a men's cooking skills session and a Ladies Craft Group and fellowship. The latter sponsors a child in the Third World. It is hoped that most of these activities will be revived once Covid restrictions come to an end in view of the social support they provide in the local community.

The Church plays its part in the community in a number of other ways, including allowing the Council to use the premises as a polling station, and initiating a local, and successful, campaign to have a public access defibrillator installed in the area. The Church has also hosted defibrillator training sessions.

The Church also supports the international community through the support of a number of reputable and accountable socially and spiritually focused missionary organisations working to relieve hunger, disease and poverty, particularly in Third World countries.

Achievements and Performance in 2020.

East Sheen Baptist Church marked its 100th anniversary in 2020, and celebrated this with a special service. The decoration of the Church for the occasion was widely admired locally by the public.

As a result of Government measures to contain Covid brought in from the middle of March 2020, most of our activities normally held at the Church, including Sunday worship services, had to be suspended for several months during the year. Happily, our principal Ministry activities transferred on line very successfully. LiveStream enabled us to conduct our Sunday Worship services online: they reached most of our regular worshippers, and indeed extended to several others. Likewise, the mid-week collective prayer sessions continued on-line. There were a number of innovations that were well received, most notably a weekly on-line Bible Study and also a daily 10-15 minute Biblical meditation with prayer transmitted in the early morning. Covid continued to cause much stress, and the Church leaders have carried on providing telephone and video support, and counselling services, throughout. Thanks to social distancing measures being implemented along Government guidelines the Church could be re-opened gradually once the most severe lock-down measures were lifted in early summer. The

first activity to be re-instated at the Church was mid-week private prayer; Sunday worship services soon followed.

Our Youth Ministry and local community outreach activities were sadly more severely disrupted. The mother-and-toddler group, Little Angels, having been oversubscribed for many years, had to close. Many Youth Group activities continued on line, helped by our interns from Brazil and our Trainee Minister, and sessions at the Church resumed in the autumn. We were able to hold our annual Nativity Play and most of our other traditional Christmas activities before restrictions were re-imposed.

Financial Review

The Church had an overall deficit of £23,926 in 2020 compared with £18,460 in 2019. This represents a considerably smaller deficit than our budgeted deficit of £28,400. Despite closure of the Church for a considerable period (including Christmas and Easter) in 2020, due to the Covid restrictions, regular collections from members and worshippers were up by 1% helped by the growth of online banking. Total income in 2020 overall was 11% lower than in 2019, partly because 2019 benefited from some significant special donations.

The regular collections, and the associated tax refunds, covered about 75% of the direct expenses related to remuneration of Ministers and to administration.

Interest and income from investments contributed some 15% of total income, a significant drop from 2019 due to the poor interest rate environment. This income is used partly to finance the ongoing maintenance of the Church, the buildings and the Manse; and partly to contribute to Christian Missionary projects and charities, both in the UK and overseas.

The Church holds substantial liquid reserves. In accordance with the trust deed the Church Officers have the power to invest any funds not immediately required for the Church's objectives in such assets as they see fit. It is the Church's current policy to seek secure income at minimum risk, and accordingly monies available are placed in cash deposits with a number of different U.K. banks and Building Societies, with varying maturity rates, in order to spread financial risk. Funds have also been placed in the Charibond Charities Investment Fund in order to achieve a higher rate of return than the banks are currently offering.

The reserves policy is regularly reviewed by the Church Officers; they are satisfied that the Church is in a strong enough financial position at the year-end to maintain the current level of activities. In recent years the Church has drawn on reserves, firstly to help with the upkeep and maintenance of the Church buildings so that they can serve their proper function; and secondly to maintain the accommodation for the ministerial staff (who need to live near the Church in order to fulfil their responsibilities).

Our Goals and Aspirations for 2021 are as follows: -

Our over-riding aim in 2021 is to weather the Covid storm. Whilst we intend to resume our regular programme of live worship services and community outreach as soon as practicable, the events of 2020 demonstrated the need to expand our online ministry. The periodic closure of the Church, in common with places of worship nationwide, forced regular services and prayer meetings to migrate on line; these were well subscribed during the lockdowns. The experience has opened the Church's eyes to opportunities to develop and grow a more interactive and creative digital ministry. Two of our interns, who, along with the Trainee Minister, finished their two-year terms late in 2020, greatly encouraging the Church in this area whilst also leaving a legacy of expanded 'live' evangelical outreach to the community despite the Covid restrictions. In 2021 we want to move towards closer integration of on-line and 'live'

ministry, using social media to reach out to younger people. Two new ventures of this kind include an expansion of Bible studies and an Alpha course.

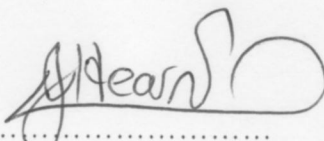
In addition to re-starting our well-established local outreach ventures across the wide range of ages once regulations allow, two new 'live' community activities of a social nature are planned: a weekly children's music and dance class in conjunction with local volunteers, and a mid-week 'coffee shop'. We have also significantly expanded our music ministry.

In terms of our facilities, we converted some of our upper meeting-rooms so as to provide residential accommodation and catering facilities for our interns, but the 2019 plan to extend the foyer has been deferred.

Our goals for 2021 continue to be ambitious and focus on maintaining and further improving our ability to service the core goals of our charity and to increase our value to our community.

On behalf of the Church Officers:

Signed



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(Rev Dr L Hearn)

RECEIPTS AND PAYMENTS ACCOUNTS

				2020	2019
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
RECEIPTS					
Collections		37534	1020		38554
Tax Refunds		10235			10235
Bank Interest		3910			3910
Investment Income		6509			6509
Thankoffering			1075		1075
Donations		60			60
Other incl Legacies		2650			2650
TOTAL RECEIPTS		60898	2095		62993

PAYMENTS					
Staff Costs	46197			46197	55133
Support of Ministry	16171			16171	10177
Establishment	8018			8018	6988
Administration	3183			3183	4855
Mission (Direct)	2365			2365	2713
Benevolent Giving		385		385	0
Missionary Giving			2215	2215	0
Church insurance reserve	6491			6491	
Equipment fund	1893			1893	
Payments Discretionary					9600
TOTAL PAYMENTS	84319	385	2215	86919	89466

NET RECEIPTS (PAYMENTS)	-23421	1710	-2215	-23926	-18460
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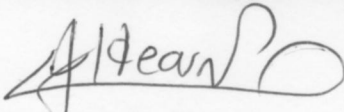
Transfers between funds	22107	-22107
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Net after Transfers	-1314	-20397	-2215	-22410	10089
Balances B/F 01/01/2020	2187	897467	23972	921608	929979
Balances C/F 31/12/2020	370	877070	21757	899198	921608

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020

Notes				2020	2019
	Unrestricted Funds	Designated Funds	Restricted Funds	Years' Total	Year's Total
Cash Funds					
Cash Balances					
Bank Current Accounts	38975			38975	3355
Deposit Accounts	63528			63528	61261
	102503			102504	66616
Investment Assets					
Term Deposits		423193	21757	444951	564988
Quoted Investments	3	342005		342005	351743
		765198	21757	786956	916731
Total cash & Inv Assets	102503	765198	21757	889460	940068
Non Monetary Assets Retained For Church Use					
Church Buildings	4	2200510		2200510	2200510
Minister's House	4	418641		418641	418641
Ass Minister's Flat	4	307333		307333	307333
Equipment	4	135070		135070	135070
Church Motor Vehicle	4	600		600	1500
		3062154	0	3062154	3063054
Other Monetary Assets					
Gift Aid Receivable					939
TOTAL ASSETS				3951614	4004105
Liabilities					
Independent Exam					-780
Net Assets				3951614	4003325

The accounts were approved by the Church Officers on 15/11/21 and signed on their behalf by


Rev. Dr. Louisa Hearn
(Senior Minister)


Mr I R Hearn
(Treasurer)

The notes below form part of these accounts

EAST SHEEN BAPTIST CHURCH

NOTES TO FINANCIAL STATEMENTS YEAR ENDING 31 December 2020

1. Accounting Policies

The Financial Statements have been prepared in accordance with the Charities Act 2011 on the Receipts and Payments basis.

2. Analysis of Funds Movements For The Year

(a) **Unrestricted Funds** may be used by the Church for any of its ordinary purposes. The movements in the fund are as shown in the Receipts and Payments Account.

(b) **Designated Funds** represent sums set aside out of ordinary unrestricted funds for designated purposes but they can be transferred back into general funds at any time.

(c) **Restricted Funds** represent monies given for a specific purpose. These funds may only be spent on the specific purpose for which they were given. Any balance remaining unspent must be carried forward as a balance on that fund, and cannot be absorbed into general funds.

3. Investment Assets

Quoted investments consists of 272,557 income shares held in Charibond investments. These quoted investments shown at the market value of £342,005 at 31 December 2020. All other investments shown are cash assets.

4. Assets for Church Purposes

Assets and property which are retained for or are occupied for Church purposes and which are not investment assets are listed on the Statement of Assets and Liabilities as non monetary assets.

The Church is the beneficial owner of the Church premises, the Manse and Flat. However, the legal title to these assets is held by the Church's Trustee, The London Baptist Property Board. Limited. These buildings are shown at insured value on those owned prior to 1997 and at cost for additions thereafter.

5. Payments To Trustees

	2020	2019
Expenses paid to trustees (other than ministers)	0	0
Number of trustees paid expenses	0	0
Trustees receiving other benefits	0	0

None of the Trustees received any payment during the year in their capacity as Trustees. However Rev. Dr. Louise Hearn and Mr Matthew Banthorpe were both paid in their capacity as ministers, and Mr Hearn received £1,980 (2019-£1,956) in payment for cleaning services provided to the Church in the year.

		2020	2019
Rev.Dr. Louise Hearn	Senior Minister	27,768	27,000
Mr Matthew Banthorpe	Minister in Training	8,534	4,550

6. Staff Costs

Staff costs include the following:-

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). Pension Trustee (Baptist Pension Trust Limited).

The Minister(s) [and some members of the Church staff] is/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, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income (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 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million. This valuation revealed a deficit of assets compared with liabilities of £93 million (equivalent to a past service funding level of 70%). As a result of the valuation, in addition to the contributions to the DB 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 a lower contribution. In addition, the Baptist Union of Great Britain is expected to make a number of one-off contributions totalling £33.5 million by 31 December 2023, including a lump sum of £30 million made in 2018. The Recovery Plan envisages deficiency contributions continuing until 31 December 2028.

A later actuarial valuation of the DB Plan within the Scheme was completed on 31 December 2019. This revealed a much improved situation, with a higher Scheme value of £298m. This takes the estimated funding level up to 94%.

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its exact share of the underlying assets and liabilities of the scheme. The receipts and payments charge for the period represents the employer's contributions payable. The total pension cost for the Church in 2020 was £5,957 (2019, £4,175)

Date: