

Report of the Independent Examiner to the Trustees of East Sheen Baptist Church on the accounts for the year ended 31 December 2021

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 the 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:

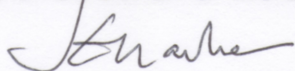
- accounting records were not kept in accordance with section 130 of the Charities Act or
- the accounts do not accord with the accounting records
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) 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



7 August 2022

Relevant Professional Qualifications or body

FCA

Address: 98 East Sheen Avenue, London SW14 8AU

EAST SHEEN BAPTIST CHURCH CHURCH OFFICERS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021

The Church Officers present their report and accounts for the year ended 31st December 2021. The accounts have been prepared in accordance with the accounting policies set out 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
Mr. Edward Banner
Mrs Abi Aminu
Mr. Kayode Arokodare

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 2021, as Covid restrictions were gradually eased, the Church was able to resume its 'live' activities; regular Sunday services resumed in the Church in mid-February for the sharing of the gospel and the spiritual growth and development of those attending. Mid-week activities, providing friendship, stability and social cohesion in different ways to different groups, also gradually re-started as 2021 progressed.

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 community café and a Ladies Craft Group and fellowship. The latter sponsors a child in the Third World. Most of these activities were revived once Covid restrictions came to an end; they continue to provide social support in the local community. Further expansion of our outreach initiatives is under way for 2022 and beyond.

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 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 2021

Covid once again disrupted our Christmas celebrations and outreach in December 2020, and in the first weeks of 2021, but we were able to resume live worship at the Church as from Valentine's Day,

2021 was a year that demonstrated that for East Sheen Baptist Church post-Covid the environment was going to be very different. Changes in the demographics of the congregation and membership reduced our income but we were blessed with a significant bequeathment and the foresight of the leadership team in renting out the Church manse flat. The combination of these two income streams resulted in a financial outcome significantly better than budget.

The loss of two interns mid term was disappointing but the value of their contributions to the life and ministry at ESBC was clearly demonstrated by the help they were able to give with on-line ministry in the worst periods of Covid. This has proved an enduring legacy as we now have a more integrated on-line and 'live' ministry. Undoubtedly the interns also helped us to accelerate resumption of our outreach activities; these included the Little Angels nursery, children's music and dance class ('Rhyme Time'), the re-opening of the Solid Rock Café,

which grew in popularity significantly with the local community, and Ladies Craft sessions, as restrictions eased. Overseas, the Church continued to support missionary activity, particularly in North-East Brazil and in Haiti.

We were especially blessed by Erik Fauss who has joined our Ministry team. Erik initially contacted us in April 2021 to hire the hall for concerts, which have proved very popular locally. Erik quickly agreed to work with us part time as a worship leader. Erik, a classically trained viola player, with a great feel for the piano and a strong singing voice, has revitalised our worship - he has been enthusiastically supported by two others. From a missionary family, Erik quickly identified opportunities to advance the gospel based on his talents. This led to a number of successful initiatives: an Alpha Course attracted a loyal following, as did a series of weekly meetings where people gathered to watch and discuss episodes of the series The Chosen.

In this “post-Covid restrictions” year of significant change and challenge, the need for flexibility and re-evaluation of our *modus operandi* became clear at an early stage to our Senior Minister, who fulfilled a valuable role in developing and presenting strategies to the membership to ensure the long term health of the charity. She was instrumental in implementing those strategies, effectively changing our approach to lettings, creation of our café styled outreach, and in inviting Erik to fill the role of Worship Leader. The members agreed to change the way in which the Church was allowed to raise funds. Up until now this could only be done by direct giving, but we are now letting out some of our various premises, including the church flat and (for certain external mid-week activities) the Church premise. This change has been key to the generation of income in a devastatingly low interest environment.

There were two baptisms, and several new members have joined the Church. This is a great encouragement for ESBC’s future.

Financial Review 2021

The Church had an overall deficit of £4,872 in 2021 which represents a considerably smaller deficit than our budgeted figure of £37,103. Due to the Covid restrictions on Church worship and activities our income from collections fell considerably, but our expenses were also lower.

Interest from investments is extensively used in part to finance the Church’s needs, and in part to help fund Missionary projects of other Christian charities in the U.K. and overseas.

The continuing low interest rate environment has remained a major drag on our income. Collections from members and worshippers have held up satisfactorily. The Church Officers are satisfied that the Church remains in a strong enough financial position at the year-end to maintain the current level of activities. Our income benefited from renting out some of our property assets: letting income should be significantly increasing in future years.

The reserves policy is regularly reviewed by the Church Officers. The main objective of holding funds is to be able to adequately remunerate and provide suitable accommodation for its existing ministerial staff (who need to live near the Church in order to fulfil their ministerial responsibilities) and to enlarge the ministerial work force as necessary. Funds are also retained

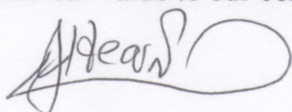
to keep the Church buildings in good order and carry out repairs and maintenance to ensure they can serve their proper function.

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 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 banks are currently offering. Funds are also maintained in accounts with varying maturity dates in order to spread interest rate risk.

Our Goals and Aspirations for 2022

After we weathered the Covid storms of 2020 and 2021, which restricted Church activities for so much of those two years, the Church has been able to resume focus on extension of its worship activities and community outreach in a wide variety of ways. We have capitalised on the closer integration of on-line and 'live' ministry which began in 2020, with an Alpha course and also an expansion of Bible studies. We have revived relationships with local schools and forged a new connection with Roehampton University. In addition, as a low-key form of outreach, we have staged a number of concerts which have been well attended locally and widely viewed on line. The Solid Rock Café venture has been a resounding success and has attracted a loyal following from Barnes and Richmond. The venture has proved a valuable informal environment where visitors can enjoy a cup of coffee and where both spiritual and life issues can be aired. Little Angels, the toddler group, reopened in September 2021 and continues to be fully subscribed. We have been encouraged that this has all contributed to growth in the number of worshippers, particularly young families.

In summary, our goals for 2022 and beyond continue to be ambitious, and to sustain the 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 (Rev Dr L Hearn : dated)....7/08/22.....

The notes below form part of these accounts

EAST SHEEN BAPTIST CHURCH

RECEIPTS AND PAYMENTS ACCOUNTS

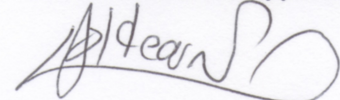
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2021 Total £	2020 Total £
RECEIPTS						
Collections		£35,919			£35,919	£38,534
Tax Refunds		£3,740			£3,740	£10,235
Bank Interest		£1,007			£1,007	£3,910
Investment Income		£5,315			£5,315	£6,509
Thank offering				£605	£605	£1,075
Donations						£60
Other		£14,949			£14,949	£2,650
For Missionary Work						£20
Legacies		£18,000			£18,000	£0
Transfers in		340.47			£340	
TOTAL RECEIPTS		£79,270		605	£79,875	£62,993
PAYMENTS						
Staff Costs		£42,370			£42,370	£46,197
Support of Ministry		£16,935			£16,935	£16,171
Establishment		£9,610			£9,610	£8,018
Administration	9	£2,746			£2,746	£3,183
Missionary Giving		£2,657	£2,466	£605	£5,728	£2,215
Benevolent giving		£167			£167	£385
Mission (Direct)		£555		£1,465	£2,020	£2,365
Insurances		£5,173			£5,173	£6,491
Vehicle Replacement						£1,893
TOTAL PAYMENTS		£80,212	£2,466	£2,070	£84,748	£86,918
NET RECEIPTS (PAYMENT)		-£941	-£2,466	£1,465	-£4,872	-£23,925
Transfers From general fur		£571	£0	£0	£0	
Net after Transfers		-£370	-£2,466	£1,465	-£4,302	-£22,410
Balances B/F 01/01/2021		£370	£877,070	£21,757	£899,198	£921,608
Balances C/F 31/12/2021		£0	£874,604	£20,292	£894,896	£899,198

STATEMENT OF ASSETS AND LIABILITIES AS AT 31-Dec-21

Notes				2021	2020	
		Unrestricted Funds	Designated Funds	Restricted Funds	Years' Total	Years' Total
Cash Funds						
Cash Balances						
Bank Current Accounts		£11,052			£11,052	£38,975
Deposit Accounts		£37,223	£50,000		£87,223	£63,528
		£48,275	£50,000	£0	£98,275	£102,503
Investment Assets						
Term Deposits			£424,585	£20,292	£444,877	£444,951
Quoted Investments	3		£351,743		£351,743	£342,005
Property						
Other						
		£48,275	£776,328	£20,292	£796,620	£786,956
Total cash & Inv Assets				£20,292	£894,896	£889,459
Non Monetary Assets Retained For Church Use						
Church Buildings	4	£2,200,510			£2,200,510	£2,200,510
Minister's House	4	£418,641			£418,641	£418,641
Ass Minister's Flat	4	£307,333			£307,333	£307,333
Equipment	4	£135,070			£135,070	£135,070
Church Motor Vehicle	4	£1,500			£1,500	£600
		£3,063,054	£0	£0	£3,063,054	£3,062,154
TOTAL ASSETS		£3,159,605	£826,328	£20,292	£3,957,950	£3,951,613
Liabilities						
		£0	£0	£0	£0	£0
Net Assets		£3,079,794	£898,052	£25,479	£3,957,950	£3,951,613

The accounts were approved by the Church Officers on

and signed on their behalf by



Rev. Dr. Louisa Hearn (Senior Minister)



Mr I R Hearn (Treasurer)

The notes on pages 8 to 11 form part of these accounts

East Sheen Baptist Church

Notes to Financial Year Ending 31 December 2021

1. ACCOUNTING POLICIES

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

2. CLASSIFICATION OF FUNDS

(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 unspent must be carried forward as a balance on that fund and cannot be absorbed into general funds.

3. INVESTMENT ASSETS

Quoted investments represents 272,138 income shares held in Charibond investments

These quoted investments are shown at cost and had a market value at 31/12/2021 of £330,258 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 Property 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

	2021	2020
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 E Fauss were paid in their capacity as ministers, and Mr Hearn received £2016 (2020, £1,900) in payment for cleaning services and caretaker role provided to the church in the year.

		2021	2020
Rev Dr Louise Hearn	Senior Minister	28,364	27,768
Mr E Fauss	(Lay worship Pastor)	3,500	0
Mr M Banthorpe	Minister in Training	0	8534

6. 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.

As From January 2012, pension provision is 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.

The valuation of the DB Plan revealed a deficit of assets compared with the value of 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 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 would 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.

An actuarial valuation of the DB Plan within the Scheme as of 31 December 2019 revealed a much-improved situation, with a Scheme value of £298m. This was just £18m short of the target of £316m needed to pay benefits, taking the estimated funding level to 94% vs 70% in 2016.

The key financial assumptions underlying the valuation were as follows:

Type of Assumption	%
RPI price inflation assumption	3.5
CPI price inflation assumption	2.75
Minimum Pensionable Income increase (CPI plus 1.0%pa)	3.5
Assumed investment returns	
Pre-retirement	3.5
Post retirement	2.25
Deferred pension increases	
Pre April 2009	3.5
Post April 2009	2.5
Pension Increases	
Main Pension Scheme Pre April 2006	2.7
Main Pension Scheme Post April 2006	2.0

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, due to the nature of the Scheme, the profit and loss charge for the period represents the employer's contributions payable. The total pension cost for the Church is £5,957 (2019: £4,175)