

Report of the Independent Examiner to the Trustees of East Sheen Baptist Church on the accounts for the year ended 31 December 2023

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.

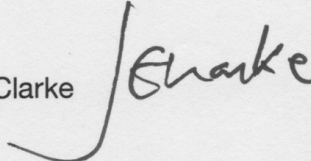
Independent Examiner's statement

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 31/10/2024 Name: J Clarke 
FCA

Relevant Professional Qualifications or body

Address: 98 East Sheen Avenue, London SW14 8AU

EAST SHEEN BAPTIST CHURCH CHURCH OFFICERS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2023

The Church Officers present their report and accounts for the year ended 31st December 2023. 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
Mr. Edward Banner
Mrs Abi Aminu
Erik Fauss
Mr. Kayode Arokodare (Church Secretary)

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.

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 and carers. Other weekly local outreach activities include a parent and toddler group, a mid-week club for younger people, a dynamic café, and a Ladies Craft Group and fellowship. The latter sponsors a child in the Third World. Once a month there is a Men's Fellowship, which meets to share problems and to debate discuss topics of Christian concern, both personal and wider social issues from a Christian perspective. The mens fellowship includes men from the community who do not regularly attend services. All of these activities provide social support in the local community. Further expansion of our outreach initiatives, including lunch for the homeless, is under way for 2024 and beyond. The Church continues to offer food and snacks to passers-by on special occasions, such as Halloween, the annual summer barbecue and (in 2023) Coronation Day.

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 for local and national Elections, and initiating a local, and successful, campaign to have a public access defibrillator installed in the area. The Church has also hosts defibrillator training sessions.

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

Achievements and performance in 2023

East Sheen Baptist Church continues to be mightily blessed and is going from strength to strength. 2023 was another exciting year of growth, helped to a considerable extent by the efforts of our two interns from Ghana, Joel and Emanuel, who arrived towards the end of 2022 and serve to assist the Senior Minister. Joel was ordained as a Minister during the year. They also do a lot of work in promoting the Gospel in East Sheen and the surrounding area. The mix of worshippers continued to be increasingly international; greetings at the Nativity Play were once again given in several different languages! The developments flagged last year in the section of our report covering goals and aspirations for 2023 continued and expanded beyond expectations. Within the church there was a significant rise in the number of worshippers, many bringing their young families, at our Sunday services. Men's and Women's fellowship groups were started, there was a revival of our Youth ministry, expansion of the younger children's ministry at our Sunday services,

Our community outreach showed considerable growth as well. Thanks to the dramatic growth in our music ministry in the past two years, inspired by our part-time worship leader and our Hong Kong Chinese worshippers, we were able to stage a number of international evenings featuring concerts using in some cases local instruments, which raise money for charitable causes. These events attracted a lot of outside interest, both local and indeed from elsewhere in London and the 'Home Counties'. The success of the Solid Rock café has continued, and remains an attractive forum for informal sharing of the Gospel and for relaxed discussion of related issues over delicious coffee and home made food. The cafe is a safe space for toddlers and carers which enhances our support of the community. The Little Angels nursery continues to be very popular, as does the children's music and dance class Rhyme Time.

The expansion has continued throughout 2024 and we remain very positive in our aspirations for the future of the Church.

FINANCIAL REVIEW 2023

From late 2022 we have been letting out some of our various premises, including the church flat and (for certain external mid-week activities) the Church Hall. This change was the result of Members allowing the Church, at the instigation of our Senior Minister, to use its hall and flat to raise funds. Up until then funds were only raised by direct giving. This liberalisation has been a key to the generation of higher income in 2023.

The 2023 surplus was £25,841, over three times the £7,752 achieved in 2022 and a deficit of £4,873 in 2021. For the second year running there was a significant and very encouraging rise in collection income - up by 30% in 2022 and nearly twice the 2021 figure. This has been driven by growth in the number of worshippers and increased giving per head despite the challenge of mounting cost-of-living pressures in the year. There was also a useful 50% rise in investment income.

The value of our quoted investments in 2023 recovered after falling in 2022. The financial position of the Church overall has strengthened, and there has been further recovery in 2024.

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 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 so as 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 2024

The growth in the number of worshippers was extended into 2024, and the numbers attending our outreach events has also risen. The arrival of two interns from Ghana has enabled the launch of outdoor evangelism locally, while the other outreach successes of the last two years are continuing to bear fruit. The morning activities at the Church, such as the nursery and dance class, are all increasingly becoming environments for airing spiritual issues in an informal manner. The monthly Men's Fellowship, at which spiritual issues can be shared and discussed in greater depth, has attracted a significant and loyal following. The Ladies craft and fellowship groups continue to provide a valuable service to the older members of the local community.

Looking forward to 2024, the outlook is promising both spiritually and financially. Growth in the Church is allowing expansion of outreach activities whilst income should rise further as a result of growth in the Church. a modest rise in renting out the Church premises rentals, and the persistence of higher interest rates through 2024 which will have boosted investment income. Some significant expenditure was, however, deferred to 2024.

EAST SHEEN BAPTIST CHURCH

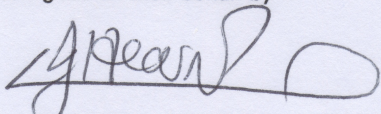
RECEIPTS AND PAYMENTS ACCOUNTS

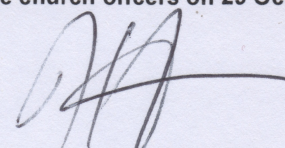
				2023	2022	
	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £	Total £
RECEIPTS						
Collections		£64,596		£520	£65,116	£50,261
Tax Refunds		£13,316			£13,316	£15,023
Bank Interest		£4,092			£4,092	£1,251
Investment Income		£7,080			£7,080	£5,996
Thank offering				£450	£450	£547
Donations						
Other income		£46,174			£46,174	£35,347
Legacies						
Transfers in						
TOTAL RECEIPTS		£135,258		£970	£136,228	£108,425
PAYMENTS						
Staff Costs		£50,064			£50,064	£47,007
Support of Ministry		£8,289			£8,289	£9,222
Establishment		£13,546			£13,546	£15,946
Administration		£15,144			£15,144	£3,865
Evangelism and Missionary		£2,077			£2,077	£8,251
Mission (Direct)		£2,214		£8,000	£10,214	£2,118
Benevolent giving			£1,641		£1,641	£249
Insurances		£0			£0	£3,515
Vehicle Replacement		£0			£0	£4,295
Small fund transfers		£0	£9,413		£9,413	£1,179
Tythe fund					£0	£5,027
TOTAL PAYMENTS		£91,333	£11,054	£8,000	£110,387	£100,674
NET RECEIPTS (PAYMENTS)						
		£43,924	-£11,054	-£7,030	£25,841	£7,751
Transfers From general fund					£0	£0
Net after Transfers						
		£43,924	£0	£0	£765	-£4,302
Balances B/F 01/01/2023		£370		£21,757	£894,896	£899,198
Balances C/F 31/12/2023		£0		£5,417	£895,661	£894,896

STATEMENT OF ASSETS AND LIABILITIES AS AT 31-Dec-23

Notes				2023	2022
	Unrestricted Funds	Designated Funds	Restricted Funds	Years' Total	Years' Total
Cash Funds					
Cash Balances				0	
Bank Current Accounts	£109,773			£109,773	£109,526
Deposit Accounts	£71,184	£50,000		£121,184	£121,184
	£180,957	£50,000	£0	£230,957	£230,710
Investment Assets					
Term Deposits		£346,978	£12,897	£359,875	£359,875
Quoted Investments	3	£304,828		£304,828	£295,207
Property					
Other					
	£48,275	£651,806	£12,897	£664,703	£655,082
Total cash & Inv Assets					
			£12,897	£895,660	£885,792
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	£4,295		£4,295	£4,295
		£3,065,849	£0	£3,063,054	£3,063,054
TOTAL ASSETS					
	£3,295,081	£701,806	£12,897	£3,958,714	£3,948,846
Liabilities					
	£0	£0	£0	£0	£0
Net Assets					
	£3,079,794	£898,052	£25,479	£3,958,714	£3,948,846

The accounts were approved by the Church meeting including the church officers on 29 October 2024 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 Year Ending 31 December 2022

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 market value at 31/12/2023 of £295,207 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

	2023	2022
Expenses paid to trustees (other than ministers)		0
Number of trustees paid expenses	0	0
Trustees receiving other benefits		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 £2154 (2022, £2,136) in payment for cleaning services and caretaker role provided to the church in the year.

		2023	2022
Rev Dr Louise Hearn	Senior Minister	35,200	32,000
Mr E Fauss	Lay worship Pastor	9,848	7,795

6. STAFF COSTS

These 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 where 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.

In June 2022 a statement was released following a buy-in by Just which stated “effectively there is no shortfall debt at the present time.”

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 in 2023 was £2,862 (2022 £4,882, of which £2,452 was the contribution to the deficit in the Baptist Pension Scheme). The scheme was bought out by Just in 2022, so East Sheen Baptist Church is now relieved of any responsibility to make contributions.