

HARROW BAPTIST CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

HARROW BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Deacons

Trustees

Linda Artus	
Cristian Dubac	
Barbara Etheridge	Church Secretary
Doug Etheridge	Church Treasurer
Carol Fox	
Roger Hughes	
Andrew Jackson (Revd)	Minister
Julie Jackson-Hales	Chair of Finance
Mark Jeffreys	Chair of Fabric
Brian Leech	
John Newby	

Non-Trustees

Lizzy Nkolobe	Co-opted as advisor on COVID
Sue Whalley	Minister in Training

Charity number

1129832

Registered office

College Road
Harrow
HA1 1BA

Banks

Barclays Bank	Triodos Bank
Station Road	Deanery Road
Harrow	Bristol
HA1 2AW	BS1 5AS

Independent examiner

Nicholas Corden, Summers Morgan
First Floor, Sheraton House
Lower Road
Chorleywood
Hertfordshire
WD3 5LH

Investment management

Rathbone Investment Management Limited
1 Curzon Street
London
W1J 5FB

Property management

Carter Jonas
Mayfield House
56 Banbury Road
Summertown
Oxford
OX2 7DE

HARROW BAPTIST CHURCH

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HARROW BAPTIST CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and accounts for the year ended 31 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 Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland published in October 2019.

Objectives and activities

The Charity is governed by an Approved Governing Document which states that the principal purpose of the charity 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. In particular, the charity has the purpose of providing for the advancement of the Christian faith in Harrow and beyond, providing instruction for children, young people and adults in the Christian faith, holding public Christian worship, and having Christian fellowship with other Christians.

Governance

Harrow Baptist Church is an unincorporated charity.

The charity is governed in accordance with a Constitution dated 28 November 2008 supplemented by approved relevant notes, a copy of which is available to members of the charity.

The freehold of the church building is held on trust by the London Baptist Property Board, with the church having the beneficial ownership of the premises.

Public Benefit

When planning the church's activities, the Deacons/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 consider that the charity is fulfilling its requirement to deliver a public benefit, as shown by:

The church's worship services are open to all and we operate an open communion table. The church building is open for much of the week and the premises are used by, or hired to, people of all backgrounds. There is a strong emphasis on providing services to the local community. To allow this to happen, the church employs a warden (resident) and a deputy warden, both trained, to welcome our visitors, to allow the church to be open much of the week, and to provide security to visitors and the premises. All our activities are advertised on the Church website.

The church made its accommodation available to charitable and social causes at a fair cost to cover expenses. These included Rethink and Mind (mental health charities), Diabetes UK, Firm Foundation, and NHS Harrow.

The church continued to support a number of charities by means of grants, especially Baptist Home Mission and BMS World Mission, Christian Aid, St Luke's Hospice and 'Embrace the Middle East'. Details are included in the Accounts. The church also raised funds for several other charities directly through coffee mornings, concerts, stalls, etc. and indirectly, by giving discounts on hall bookings.

Membership

Members are admitted in accordance with the provisions of the Constitution by vote of the Church Meeting on the basis of their profession of Christian faith, either by Believers' Baptism or by affirmation. This year we have a membership of 90. The list of members and friends is carefully reviewed as required. Members are encouraged to assist the work of the church by volunteering to help in various organisations of the church.

Trustees

The managing Trustees of the charity are the Minister of the Church (appointed by the Church Meeting for an unspecified period), the Church Secretary and Treasurer and up to twelve deacons (appointed by the Church Meeting for a period of three years). The last election took place in March 2020. The Trustees meet at least nine times per year to review operations, the financial position and any developments to ensure the Church's objectives are being fulfilled.

HARROW BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Fraud Prevention

A Fraud Prevention and Tax Evasion policy is in place to ensure there will be greater awareness of the risks we face in this area, the necessary behaviours we expect from staff and volunteers and ways in which we are seeking to prevent fraud.

Data Protection

A Data Protection policy and procedures are in place to support our compliance with the General Data Protection Regulations (GDPR). This includes privacy notices and consent forms with on-line tools being used as much as possible for easier operation. The church is registered with the Information Commissioner's Office.

Church Members' Meeting

A meeting of Church members is held 6 times per year. One of the meetings incorporates the constitutional Annual Church Members' Meeting to receive the annual accounts and report, to appoint an Independent Examiner, and to consider proposals for the strategy and vision of the church in the coming year, along with other appropriate matters.

The Budget for the year is discussed and agreed at the first meeting of the year.

During the 2021 Covid-19 restrictions the Church Members' Meetings were held electronically on Zoom. Votes were by show of "electronic hands".

The Church Meeting has responsibility for the overall policy of the church, in accordance with the Constitution. Relevant matters may be submitted to the Church Meeting by the Trustees for guidance, or may be raised by members in a Church Meeting for further consideration by the Trustees.

Achievements and performance

Objectives and activities

Core activities

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 public community. The church's aim is, by following Jesus' example, to work to show God's love to all through worship and service.

Public worship services are held every Sunday morning, usually at 10:30am with communion included on the first Sunday of the month. These were severely interrupted by the COVID-19 pandemic and the subsequent restrictions and lockdown. Following advice, it was agreed that the Minister would prepare the service as usual and make a video recording which could be shown on YouTube. To keep in contact with the congregation, after service Zoom meetings were arranged.

Details of the sites were distributed by email. For those members who did not have access to the internet, the full order of service, including the sermon verbatim, was printed and sent by post, with the recommendation to read it at the same time as the usual service. This proved to be very successful, and we understand that members of the public, outside the church membership, used YouTube to join our service.

We were concerned that the church had to be aware of the issues affecting our members and the people of Harrow in general. Our Minister, Andrew, attended the church building on his own to "be there" for people. We were able to set up "WhatsApp" groups for members to keep in touch and these were well used. Other members called others who did not have access to the Internet with regular telephone calls.

The second wave of the COVID pandemic, which started in December 2020, dominated our lives for most of 2021. It was agreed that as a church we would follow all the guidance but still attempt to continue with our aims of showing God's love to all.

Our pastor continued with preparing the Sunday services as before.

During the year we covered some interesting topics, from "Meeting Jesus in Mark's gospel" to worshipping in the wilderness. We were unable to have an Easter walk of witness but held an ecumenical stations of the cross on Zoom.

All through the lockdown, the church sanctuary was available for private prayer at set times during the week. Entry was limited but this facility was used by a few. The pastor was available at this time.

After Easter, with thoughts of the end of the lockdown, we considered how we could "Grow back better".

With continued use of the "Whatsapp" system. Harrow Baptist became a prayerful church again. There was still concern for those who did not have the ability to chat online, and many telephone calls were exchanged.

HARROW BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Having set up a system to look after our congregation, the pastor and deacons looked to more activities and arranged midweek Zoom meetings to cover prayer (during Lent) and Wellbeing.

During May 2021, the government relaxed the lockdown and in person services were allowed. The pastor set up a system for registration using "Eventbrite" so the church could control the numbers attending. Services were also livestreamed for those at home.

As England emerged from the lockdown, our services became more open and social coffee after the services was allowed. The booking system was closed down.

We continued with the midweek Zoom meetings and during the autumn, discovered the more notorious people found in the Bible!

Throughout this period, our children were not forgotten, and there were special Zoom activities on Sunday mornings, and Sunday School started when we were able to meet.

Administration

As the deacons were unable to meet in person, the trustee meetings were held on Zoom and minutes were taken as usual. There were also Zoom church meetings, even an AGM although we were unable to have a deacons' election. All hand sanitisers and other COVID safety equipment were used appropriately at all times.

Finance

As reported last year, many of the congregation moved to Bank Standing Orders for their donations to the church and this continued in 2021. There was also a trial of Sumup over the Christmas period, to allow us to take payment by card, rather than deal with excess cash. It proved a success and is likely to be available during 2022.

The income from our portfolio was lower than expected but the value of the stock rose during the year, to give an increase of over £4,000.

The shop at Malmesbury, which has been a good investment over the years, became a significant drain on our financial resources. Our tenants left the building at the end of 2019, and although they paid the rent until the end of the contracted period, they did not pay the council tax, nor the insurance for the premises. As the building was unoccupied, the insurance company would not cover the property, and new insurers were sought.

Although we managed to negotiate fair premiums, the church had to guarantee that someone would visit the property every week to inspect and report the state of the building. It was not possible to do this ourselves personally, and we arranged for a local handyman to visit at our expense. Fortunately, he was able to ensure that secure locks were fitted and there were no issues.

Our agents found a purchaser during the summer, and the sale was completed on the 4th January 2022. The sale is not recorded in the accounts for 2021.

Activities

The church was able to restart activities in September. Some of our regular renters have returned, but there have also been a number of organisations that have not survived the lockdown. The coffee morning has restarted, but only on one day a week, rather than the previous three. It was decided by the committee that any profits would be donated to St Luke's Hospice. The mother and Toddlers Group has also restarted, with an Eventbrite booking system in place.

Risks and Issues

There is a risk that the number of people attending services will not return to what they were before the pandemic. It is a difficult decision to make concerning the streaming of services on YouTube. If they are good then there is evidence that some of the members will stay at home to watch rather than venture out. It will be difficult to work out if someone has not attended church because of some event or illness which we would need to investigate or whether they just wanted to stay at home. If we stop the streaming, then those who are housebound will miss the service they have enjoyed over the last 18 months.

There are risks to the structure of the church building. The neighbouring office block has received planning permission for two additional storeys to the five floor block. After some negotiation it was agreed that they could oversale our land to build the necessary scaffolding. The timescale was for 6 months, starting in March 2021. The scaffolding is still in situ at the 31st December and there are no signs of it coming down. The workmen have not been careful and items have fallen from their work, damaging some church roof tiles.

We have taken this up with Rapleys, the surveyor retained by the London Baptist Property Board, who carried out a condition survey before the work started, to supervise that any damage can be made good.

HARROW BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

Treasurer's Report, 2021

The COVID 19 pandemic dominated the activities during the year. For most of the year there was no onsite activities so there was no need for our staff, and we took advantage of the Furlough arrangements put in place by the government. We were able to claim £18,113 which helped us to continue to pay the staff at full salary.

I am pleased to congratulate and thank the congregation for their continued financial support during the year, using Standing orders and cheques in place of cash. I hope this will continue since our local bank has decided to take coins on only specific days.

As reported last year, the tenant for our shop in Malmesbury decided not to renew their lease and ceased paying rents from April 2021. The church has had to pay for insurance and council taxes which has been a drain on our resources. I am pleased to report that our agent has found a buyer although the transaction was delayed until January 2022 so does not appear in these accounts.

The accounts show a deficit for the year of £62,270 which is unacceptable if the church is to continue to function. The problem is trying to find the best way to use our resources which are mostly capital and under trust.

Structure, governance and management

John Newby
Doug Etheridge
Penelope Hunt
Revd Andrew Jackson
Lin Artus
Carol Fox
Christian Dubac
Mark Jeffrys
Barbara Etheridge
Ruth Lovegrove
Bhavani Sakthivel
Julie Jackson-Hales
Brian Leech

Doug Etheridge

.....
Doug Etheridge

Trustee

Date: 24 October 2022
.....

HARROW BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HARROW BAPTIST CHURCH

I report to the trustees on my examination of the financial statements of Harrow Baptist Church (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 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 financial statements to be reached.


Nicholas Corden ACA
Summers Morgan

First Floor, Sheraton House
Lower Road
Chorleywood
Hertfordshire
WD3 5LH

Dated: 28 October 2022

HARROW BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
Income from:						
Donations and legacies	3	88,199	527	2,187	90,913	94,289
Charitable activities	4	17,934	-	370	18,304	16,101
Investments	5	42,608	-	-	42,608	54,604
Total income		148,741	527	2,557	151,825	164,994
Expenditure on:						
Raising funds	6	10,844	-	-	10,844	8,052
Charitable activities	7	198,045	579	4,627	203,251	200,597
Total expenditure		208,889	579	4,627	214,095	208,649
Net gains/(losses) on investments	12	(15,120)	-	-	(15,120)	(367,644)
Net movement in funds		(75,268)	(52)	(2,070)	(77,390)	(411,299)
Net movement in funds		(75,268)	(52)	(2,070)	(77,390)	(411,299)
Fund balances at 1 January 2021		3,257,653	19,323	4,361	3,281,337	3,692,636
Fund balances at 31 December 2021		3,182,385	19,271	2,291	3,203,947	3,281,337

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HARROW BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	89,461	-	4,828	94,289
Charitable activities	4	15,918	-	183	16,101
Investments	5	54,604	-	-	54,604
Total income		159,983	-	5,011	164,994
<u>Expenditure on:</u>					
Raising funds	6	8,052	-	-	8,052
Charitable activities	7	196,034	1,983	2,580	200,597
Total expenditure		204,086	1,983	2,580	208,649
Net gains/(losses) on investments	12	(367,644)	-	-	(367,644)
Net movement in funds		(411,747)	(1,983)	2,431	(411,299)
Fund balances at 1 January 2020		3,669,400	21,306	1,930	3,692,636
Fund balances at 31 December 2020		3,257,653	19,323	4,361	3,281,337

HARROW BAPTIST CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	1,945,035		1,960,542	
Investment properties	14	435,000		500,000	
Investments	15	647,991		603,715	
		3,028,026		3,064,257	
Current assets					
Debtors	16	13,998		14,740	
Investments	17	143,902		193,788	
Cash at bank and in hand		35,518		12,752	
		193,418		221,280	
Creditors: amounts falling due within one year	18	(17,497)		(4,200)	
Net current assets		175,921		217,080	
Total assets less current liabilities		3,203,947		3,281,337	
Income funds					
Restricted funds	19	2,291		4,361	
Unrestricted funds - designated		19,271		19,323	
<u>Unrestricted funds - general</u>					
Designated funds	21	19,271		19,323	
General unrestricted funds		3,163,114		3,238,330	
		3,182,385		3,257,653	
		3,203,947		3,281,337	

The financial statements were approved by the Trustees on 24 October 2022

Doug Etheridge

Doug Etheridge
Trustee

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Harrow Baptists Church is an unincorporated Charity registered with the Charity commission in England and Wales (number 1129832); its principle address is detailed within the legal and administration section of the trustees report.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. Thus the Church continues to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis.

Grants and donations paid are accounted for when paid out.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	1% on freehold buildings
Plant and machinery	between 10% and 33%
Fixtures, fittings & equipment	between 10% and 33%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

None of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or related entity.

1.12 Tax Status

Harrow Baptist Church is a registered charity and therefore it is not assessable to income tax on any charitable funds with the scope of Section 505 of the Income and Corporation taxes Act 1988.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	9,838	230	621	10,689	10,463	4,828	15,291
Legacies receivable	41,222	297	1,166	42,685	43,484	-	43,484
Gift aid Refund	11,235	-	-	11,235	14,888	-	14,888
Donations from organisations	7,791	-	400	8,191	5,290	-	5,290
Other	18,113	-	-	18,113	15,336	-	15,336
	<u>88,199</u>	<u>527</u>	<u>2,187</u>	<u>90,913</u>	<u>89,461</u>	<u>4,828</u>	<u>94,289</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
St Luke's coffee morning	-	-	183	183
Other coffee mornings	370	492	-	492
Lunches and suppers	329	191	-	191
Hall bookings	17,535	15,235	-	15,235
Other	70	-	-	-
	<u>18,304</u>	<u>15,918</u>	<u>183</u>	<u>16,101</u>
Analysis by fund				
Unrestricted funds - general	17,934	15,918	-	15,918
Restricted funds	370	-	183	183
	<u>18,304</u>	<u>15,918</u>	<u>183</u>	<u>16,101</u>

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Rental income	18,905	32,400
Income from listed investments	18,448	16,284
Interest receivable	5,255	5,920
	<u>42,608</u>	<u>54,604</u>

6 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
<u>Costs incurred for activities</u>		
Rental property costs and other charges	5,685	-
Investment management costs	5,159	8,052
	<u>10,844</u>	<u>8,052</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Charitable Activities 2021 £	Charitable Activities 2020 £
Staff costs	66,152	67,426
Depreciation and impairment	15,867	16,768
Ministry	47,429	45,642
Visiting ministers	650	100
Organist/pianist	1,100	700
Mission	3,282	1,726
Fees	1,095	3,990
Insurance	9,505	10,464
Office costs	2,551	1,547
Maintenance	9,925	19,956
Heating and light	11,478	12,443
Other	8,653	36
	<u>177,687</u>	<u>180,798</u>
Grant funding of activities (see note 8)	14,536	10,341
Share of support costs (see note 9)	6,828	5,258
Share of governance costs (see note 9)	4,200	4,200
	<u>203,251</u>	<u>200,597</u>
Analysis by fund		
Unrestricted funds - general	198,045	196,034
Unrestricted funds - designated	579	1,983
Restricted funds	4,627	2,580
	<u>203,251</u>	<u>200,597</u>

Ministry costs comprise the salary of the minister and the costs of the manse.

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Grants payable

	Charitable Activities 2021 £	Charitable Activities 2020 £
Grants to institutions:		
Baptist World Mission (BMS)	4,472	5,380
Home Mission	4,085	2,841
Biblelands	1,766	1,500
St Lukes Hospice	2,500	620
Other (Operation Agri - Harvest)	1,713	-
	<u>14,536</u>	<u>10,341</u>

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Office Costs	4,683	-	4,683	5,258	-	5,258
Cleaning Contract	2,145	-	2,145	-	-	-
Independent Examination	-	2,040	2,040	-	2,040	2,040
Accountancy	-	2,160	2,160	-	2,160	2,160
	<u>6,828</u>	<u>4,200</u>	<u>11,028</u>	<u>5,258</u>	<u>4,200</u>	<u>9,458</u>
Analysed between Charitable activities	<u>6,828</u>	<u>4,200</u>	<u>11,028</u>	<u>5,258</u>	<u>4,200</u>	<u>9,458</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year for their role as a trustee. Trustee Andrew Jackson received £22,820 for his role as a Minister.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Minister	1	1
Mission and administration	4	4
	<u>5</u>	<u>5</u>
Total	<u>5</u>	<u>5</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Employees

(Continued)

Employment costs	2021 £	2020 £
Wages and salaries	66,152	67,426

There were no employees whose annual remuneration was more than £60,000.

12 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Revaluation of investments	(14,036)	(360,782)
Gain/(loss) on sale of investments	(1,084)	(6,862)
	(15,120)	(367,644)

13 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2021	1,924,472	134,381	288,823	2,347,676
Additions	-	-	360	360
At 31 December 2021	1,924,472	134,381	289,183	2,348,036
Depreciation and impairment				
At 1 January 2021	20,802	90,733	275,599	387,134
Depreciation charged in the year	1,676	8,280	5,911	15,867
At 31 December 2021	22,478	99,013	281,510	403,001
Carrying amount				
At 31 December 2021	1,901,994	35,368	7,673	1,945,035
At 31 December 2020	1,903,670	43,648	13,224	1,960,542

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Investment property

	2021 £
Fair value	
At 1 January 2021	500,000
Net gains or losses through fair value adjustments	(65,000)
	<u>435,000</u>
At 31 December 2021	<u>435,000</u>

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2021 £	2020 £
Cost	246,430	246,430
Accumulated depreciation	-	-
	<u>246,430</u>	<u>246,430</u>
Carrying amount	<u>246,430</u>	<u>246,430</u>

	2021 £	2020 £
Freehold	250,000	250,000
Long leasehold	-	-
Short leasehold	-	-
	<u>250,000</u>	<u>250,000</u>

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2021	588,802	14,914	603,716
Additions	66,931	8,401	75,332
Valuation changes	4,376	-	4,376
Disposals	(27,032)	-	(27,032)
	<u>633,077</u>	<u>23,315</u>	<u>656,392</u>
At 31 December 2021	<u>633,077</u>	<u>23,315</u>	<u>656,392</u>
Carrying amount			
At 31 December 2021	<u>633,077</u>	<u>23,315</u>	<u>656,392</u>
At 31 December 2020	<u>588,802</u>	<u>14,914</u>	<u>603,715</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	13,998	14,740
	<u>13,998</u>	<u>14,740</u>
17 Current asset investments	2021	2020
	£	£
Unlisted investments	143,902	193,788
	<u>143,902</u>	<u>193,788</u>
18 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	11,348	-
Accruals and deferred income	6,149	4,200
	<u>17,497</u>	<u>4,200</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Embrace Middle East Baptist World Mission (BMS)	785	1,163	-	1,948	729	(1,266)	1,411
Baptist Union Home Mission	45	1,380	(1,380)	45	504	(472)	77
St Lukes General	16	961	(961)	16	85	(85)	16
St Lukes Coffee morning	100	210	-	310	200	(300)	210
Coffee Morning	867	183	-	1,050	37	(1,087)	-
Other Institutions	117	1,114	(239)	992	333	(826)	499
	-	-	-	-	669	(591)	78
	<u>1,930</u>	<u>5,011</u>	<u>(2,580)</u>	<u>4,361</u>	<u>2,557</u>	<u>(4,627)</u>	<u>2,291</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Retirement benefit schemes

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

The Minister and some members of the church staff are eligible to join the Scheme.

Since January 2012, pension provision has been made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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

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

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income/ Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020.

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

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	2.70

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church is £13,804 (2020 £13,555).

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

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020	Resources expended	Balance at 1 January 2021	Movement in funds		Balance at 31 December 2021
	£	£	£	Incoming resources	Transfers	£
Christmas Fund	1,877	(1,827)	26	527	-	553
Evening Collection	2,367	(156)	2,211	-	(579)	1,632
Reserves and Legacies	17,032	-	17,032	-	-	17,032
Maintenance Fund	30	-	30	-	-	30
Others	-	-	24	-	-	24
	<u>21,306</u>	<u>(1,983)</u>	<u>19,323</u>	<u>527</u>	<u>(579)</u>	<u>19,271</u>

The Christmas Fund covers our activities over a Christmas period, sale of cards, cakes and handicraft which can be purchased by visitors as well as members. The membership can also exchange Greetings on the Church notice board, and make a gift instead of postage. It has been a tradition that these funds should be given to Charities, and the Church Members continue to uphold this tradition. Thus these gifts are collected in this fund and allocated during the year. In 2021, with the COVID restrictions, the church had no events, so no additional income.

The Evening Collection is another continuing tradition. Whenever the church has an evening service, less often these days, there is a closing voluntary collection. This fund is used to support special or urgent requests for funds by a charity in need. It is not often used, and was not added to in 2021. However the church considers this an important fund.

The Reserves and Legacies, as the name implies, is a fund set up to take any legacies the church receives. Yet another tradition is that a legacy should not just be added to the general fund and should be used for a specific activity to help the church meet its objectives. For instance the chairs in our meeting room were provided from this fund. The "Reserves" in the title are the remnants of any other fund which was unspent on the task. An example is the money in the Boiler Fund which was not used. It is likely that as the Maintenance Fund has not been used it will become part of this during 2021.

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	1,945,035	-	-	1,945,035	1,960,542	-	-	1,960,542
Investment properties	435,000	-	-	435,000	500,000	-	-	500,000
Investments	647,991	-	-	647,991	603,715	-	-	603,715
Current assets/(liabilities)	156,475	19,271	175	175,921	193,396	19,323	4,361	217,080
	<u>3,184,501</u>	<u>19,271</u>	<u>175</u>	<u>3,203,947</u>	<u>3,257,653</u>	<u>19,323</u>	<u>4,361</u>	<u>3,281,337</u>

HARROW BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

23 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).