

Charity registration number 1129832

**HARROW BAPTIST CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# HARROW BAPTIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### LEGAL AND ADMINISTRATIVE INFORMATION

#### Deacons

#### Trustees

Linda Artus	
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

**Charity number** 1129832

**Registered Address** College Road  
Harrow  
HA1 1BA

<b>Banks</b>	Barclays Bank Station Road Harrow HA1 2AW	Triodos Bank Deanery Road Bristol BS1 5AS
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**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**

# HARROW BAPTIST CHURCH

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# HARROW BAPTIST CHURCH

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The trustees present their report and accounts for the year ended 31 December 2022.

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.

#### **Charitable objectives**

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 Connex 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 2022. 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 2022*

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### **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.

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.

### **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. We had three main themes for preaching during the year. One was carried over from the latter part of 2022, where we looked at the story of faith as it was unpacked in Hebrews 11. This concluded with a retelling of the story of Harrow Baptist Church and all those who by faith had played a significant part in our unfolding story.

After Easter we looked at the theme of Resurrection People, with the help of Engage Worship resources. Then for much of the year we followed the Credo theme, unpacking the ideas behind the Apostles' Creed. There were those who had significant issues with the use of a creed, thinking it somewhat 'unBaptist.' In response the trustees decided that there are many aspects of modern Baptist churches that early Baptists would have considered unBaptist and even our forebears didn't attach much importance to creeds, they still saw fit to come up with considered confessions of faith which were creeds by any other name.. There was not a single word or idea used that would have been considered heretical. We move on and we all see the world differently. It would be boring if we always agreed. The Creed was also a subject for some of Zoom studies, whilst at Lent we returned to the 24-7 Prayer movement for our course, with the Be Still course, on the importance of the Quiet Time.

# HARROW BAPTIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 DECEMBER 2022*

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In May, we joined with the Baptist Assembly's Sunday worship session online.

One of highlights of the year was the baptismal service . It has been one of the most amazing aspects of church life post Covid to see how Jesus has transformed lives and brings excitement as baptism approaches. It is always a delight to baptise followers of Jesus and to see the joy it brings them. And it was great to have the baptistry filled for the first time since the last baptism in the very different pre-lockdown world.

Another huge high point was the party we had to mark the Queen's Platinum Jubilee. It was good to have an excuse to have a bouncy castle at one of our events. Our minister has tried to slip it into many occasions in the previous 8 years - but finally his dream came true! It was unfortunate that, at the last moment, we had to move the event indoors, but that did not stop it being a very special occasion, at which we had quite a number of visitors.

Another occasion which led to a packed church was the event to raise funds to help those made refugees as a result of the war in Ukraine. It was wonderful to see people of all sorts of backgrounds, of different faiths (and no faith) coming together to recognise our common humanity.

Both of these events owe a lot to a small group of people who put them on. Events like these are a great team effort and there is no way you could thank everyone who got involved in some way or another, so "thank you" to everyone who helped, no matter how significant or insignificant you think your contribution was.

Earlier in the year, in January, the Harrow Churches Together United Service was held here at HBC. Our speaker on that occasion was Mark Woods, whose ministry was always appreciated. It was great to have a fairly full building for the occasion and, at last, after missing so many of our joint activities, to be able to worship together in-person, rather than just over Zoom.

There were some bittersweet moments in the year. Sue Whalley finished her initial training for ministry at Northern. It was a great moment for Sue but it meant she left us in September. It was unfortunate that Covid meant we never really got to spend enough time with Sue and that the ways in which we had to operate during the pandemic were not always helpful to her. Nonetheless, we were blessed to have had her over the 3 years. She enriched our lives and we keep her in our prayers as she seeks to establish her ministry amongst the Deaf community.

Other occasions which were greatly appreciated were the two Holiday at Home events we held, over the summer and just before Christmas. It was great to have these back after a long lay off due to the pandemic. They have become quite a feature of our church calendar. We were very grateful again to all the people who make these days happen, be it in publicity, setting up and planning craft activities, looking after catering, chatting with those who come... it is a real team effort.

# HARROW BAPTIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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Towards the end of the year, we had to reschedule our carol service as the usual date clashed with the final of the World Cup. We held it on 21 December hoping people might have finished work, schools might have finished and we might have got a few more people. This switch did prove quite effective (although some had already gone off to be with relatives for Christmas). We also had a few visitors whose first connection with us was from Warm Hub.

Warm Hub was an idea which emerged from an *At Home Day* which we held in October. With the cost of living crisis and rising fuel costs there had been some publicity around public buildings being open so that people could stay warm, perhaps getting something to eat and drink. As a result of this we got in touch with Voluntary Action Harrow, an organisation doing a lot of good work in our community. We opened our doors in early December. Things started very slowly and we wondered if this was an area where the number of available warm spaces was greater than the demand to take them up. It wasn't really until 2023 that this began to take off. We are very grateful to all those who have made it work.

But above all we give thanks to the One who is the same yesterday, today and forever, who loves us with an everlasting love which will never let us go.

#### Administration

The trustees met 9 times during the year to manage the workings of the church, one of which was on Zoom during the very hot weather of July 2022.

The church members met 6 times during the year, as planned. The major issues discussed were the poor health of many of the members, all of whom were prayed for; how well were we welcoming our visitors; the poor state of the church finances; the future of the organ, now we have some idea of how much it will cost to fully repair the rain damage; and the future development of a west entrance onto the piazza. At all meetings, minutes were taken as required by the trust deeds.

#### Finance

As reported last year, many of the congregation moved to Bank Standing Orders for their donations to the church and this continued in 2022. 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 2023.

The income from our portfolio was lower than expected at £22,700 and the value of the stock fell during the year by £27,284. Obviously having sold the shop, there was no rental which reduced the church annual income and the church finally realised the effect of the poor retail environment after the pandemic, receiving only £435,000 for a property which we had valued at £1 million only three years ago based on the insurance value and rental.

#### Activities

Many church activities restarted during the year, but coffee morning could no longer support opening three days a week, both for staffing and customers, so it has continued as a weekly activity, on Tuesday mornings. It still raises funds for St Luke's Hospice in Kenton.

The church sanctuary is open for private prayer every morning, with a formal prayer meeting on Tuesday mornings which is available on Zoom.

Childrens activities and sporting events have resumed as before.

#### Risks and Issues

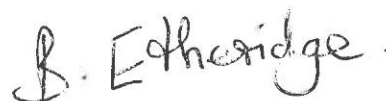
Our concerns about our congregation not returning after the pandemic have proved unfounded although we still record the service for Facebook live and YouTube.

The risk for HBC is similar to many other churches, the helpers are getting fewer and older, the younger people are having to work longer to earn a living and do not have time or energy to volunteer in the church.

  
Minister

22/10/23

  
Treasurer

  
Secretary

22/10/23

Secretary

# HARROW BAPTIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Treasurer's Report, 2022**

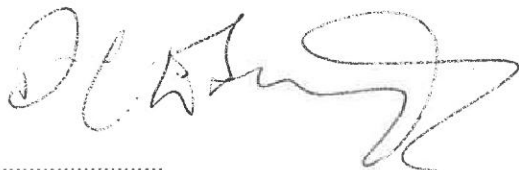
I am pleased to congratulate and thank the congregation for their continued financial support during the year, using Standing orders and cheques in place of cash. I hope this will continue since our local bank has decided to take coins on only specific days.

The accounts show a deficit for the year of £98,322 which is unacceptable if the church is to continue to function.

The church still has significant assets, 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  
Revd Andrew Jackson  
Lin Artus  
Carol Fox  
Mark Jeffrys  
Barbara Etheridge  
Julie Jackson-Hales  
Brian Leech  
Roger Hughes



.....  
Doug Etheridge

**Trustee**

Date: 22/10/23 .....

# HARROW BAPTIST CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF HARROW BAPTIST CHURCH

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I report to the trustees on my examination of the financial statements of Harrow Baptist Church (the charity) for the year ended 31 December 2022.

#### **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.

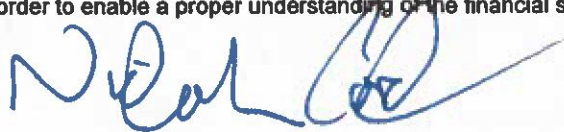
#### **Independent examiner's statement**

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: 29/10/2023

# HARROW BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

### Current financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes					
<b>Income from:</b>						
Donations and legacies	3	72,105	198	6,614	78,917	90,913
Charitable activities	4	35,801	-	2,476	38,277	18,304
Investments	5	38,761	-	-	38,761	42,608
<b>Total income</b>		<b>146,667</b>	<b>198</b>	<b>9,090</b>	<b>155,955</b>	<b>151,825</b>
<b>Expenditure on:</b>						
Raising funds	6	12,818	-	-	12,818	10,844
Charitable activities	7	200,248	537	8,269	209,054	203,251
<b>Total expenditure</b>		<b>213,066</b>	<b>537</b>	<b>8,269</b>	<b>221,872</b>	<b>214,095</b>
Net gains/(losses) on investments	12	(32,405)	-	-	(32,405)	(15,120)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(98,804)</b>	<b>(339)</b>	<b>821</b>	<b>(98,322)</b>	<b>(77,390)</b>
Gross transfers between funds		(79)	79	-	-	-
<b>Net movement in funds</b>		<b>(98,883)</b>	<b>(260)</b>	<b>821</b>	<b>(98,322)</b>	<b>(77,390)</b>
Fund balances at 1 January 2022		3,182,385	19,271	2,291	3,203,947	3,281,337
<b>Fund balances at 31 December 2022</b>		<b>3,083,502</b>	<b>19,011</b>	<b>3,112</b>	<b>3,105,625</b>	<b>3,203,947</b>

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

All income and expenditure derive from continuing activities.

*[Handwritten signature]*  
Trustee  
Treasurer Harrow Baptist Church  
28/10/23

# HARROW BAPTIST CHURCH

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

FOR THE YEAR ENDED 31 DECEMBER 2022

### Prior financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	88,199	527	2,187	90,913
Charitable activities	4	17,934	-	370	18,304
Investments	5	42,608	-	-	42,608
<b>Total income</b>		<u>148,741</u>	<u>527</u>	<u>2,557</u>	<u>151,825</u>
<b>Expenditure on:</b>					
Raising funds	6	<u>10,844</u>	<u>-</u>	<u>-</u>	<u>10,844</u>
Charitable activities	7	<u>198,045</u>	<u>579</u>	<u>4,627</u>	<u>203,251</u>
<b>Total expenditure</b>		<u>208,889</u>	<u>579</u>	<u>4,627</u>	<u>214,095</u>
Net gains/(losses) on investments	12	<u>(15,120)</u>	<u>-</u>	<u>-</u>	<u>(15,120)</u>
<b>Net (outgoing)/incoming resources before transfers</b>		<u>(75,268)</u>	<u>(52)</u>	<u>(2,070)</u>	<u>(77,390)</u>
<b>Net movement in funds</b>		<u>(75,268)</u>	<u>(52)</u>	<u>(2,070)</u>	<u>(77,390)</u>
Fund balances at 1 January 2021		<u>3,257,653</u>	<u>19,323</u>	<u>4,361</u>	<u>3,281,337</u>
<b>Fund balances at 31 December 2021</b>		<u><u>3,182,385</u></u>	<u><u>19,271</u></u>	<u><u>2,291</u></u>	<u><u>3,203,947</u></u>

# HARROW BAPTIST CHURCH

## BALANCE SHEET


AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,934,513		1,945,035
Investment property	15		-		435,000
Investments	16		608,958		647,991
			<u>2,543,471</u>		<u>3,028,026</u>
<b>Current assets</b>					
Debtors	18	16,149		13,998	
Investments	19	542,045		143,902	
Cash at bank and in hand		22,339		35,518	
		<u>580,533</u>		<u>193,418</u>	
<b>Creditors: amounts falling due within one year</b>	20	(8,379)		(17,497)	
Net current assets			<u>572,154</u>		<u>175,921</u>
<b>Total assets less current liabilities</b>			<u>3,115,625</u>		<u>3,203,947</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(10,000)		-
<b>Net assets</b>			<u><u>3,105,625</u></u>		<u><u>3,203,947</u></u>
<b>Income funds</b>					
Restricted funds	23		3,112		2,291
Unrestricted funds - designated			19,011		19,271
<u>Unrestricted funds - general</u>					
Designated funds	24	19,011		19,271	
General unrestricted funds		3,064,491		3,163,114	
		<u>3,083,502</u>		<u>3,182,385</u>	
		<u><u>3,105,625</u></u>		<u><u>3,203,947</u></u>	

The financial statements were approved by the Trustees on 22 March 2023 (AGM)



Doug Etheridge  
Trustee

 22/10/23

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **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.

#### **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.

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

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%
Computer equipment	50% straight line

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 property

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.

#### 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.

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **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 2022

### 3 Donations and legacies

	Unrestricted funds general		Unrestricted funds designated		Restricted funds		Total	Unrestricted funds general		Unrestricted funds designated		Restricted funds		Total
	2022	£	2022	£	2022	£	2022	2021	£	2021	£	2021	£	2021
Donations and gifts	7,950		173		3,891		12,014	9,838		230		621		10,689
Legacies receivable	44,364		25		2,523		46,912	41,222		297		1,166		42,685
Gift aid Refund	13,521		-		-		13,521	11,235		-		-		11,235
Donations from organisations	6,077		-		200		6,277	7,791		-		400		8,191
Other	193		-		-		193	18,113		-		-		18,113
	<u>72,105</u>		<u>198</u>		<u>6,614</u>		<u>78,917</u>	<u>88,199</u>		<u>527</u>		<u>2,187</u>		<u>90,913</u>

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Other coffee mornings	1,861	370
Lunches and suppers	430	329
Hall bookings	35,340	17,535
Christmas activities	25	-
Other	621	70
	<u>38,277</u>	<u>18,304</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	35,801	17,934
Restricted funds	2,476	370
	<u>38,277</u>	<u>18,304</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	general	general
	2022	2021
	£	£
Rental income	8,400	18,905
Income from listed investments	18,279	18,448
Interest receivable	12,082	5,255
	<u>38,761</u>	<u>42,608</u>

### 6 Raising funds

Unrestricted funds	Unrestricted funds
general	general
2022	2021
£	£

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

<b>6</b>	<b>Raising funds</b>	<b>(Continued)</b>	
	<u>Costs incurred for activities</u>		
	Rental property costs and other charges	7,604	5,685
		<hr/>	<hr/>
	Investment management costs	5,214	5,159
		<hr/>	<hr/>
		12,818	10,844
		<hr/>	<hr/>
<b>7</b>	<b>Charitable activities</b>		
		<b>Charitable Activities 2022 £</b>	<b>Charitable Activities 2021 £</b>
	Staff costs	63,292	66,152
	Depreciation and impairment	14,525	15,867
	Ministry	44,079	47,429
	Visiting ministers	1,210	650
	Organist/pianist	2,800	1,100
	Mission	5,098	3,282
	Fees	2,786	1,095
	Insurance	8,115	9,505
	Office costs	3,303	2,551
	Maintenance	19,166	9,925
	Heating and light	14,001	11,478
	Other	3,824	8,653
		<hr/>	<hr/>
		182,199	177,687
		<hr/>	<hr/>
	Grant funding of activities (see note 8)	16,806	14,536
		<hr/>	<hr/>
	Share of support costs (see note 9)	5,849	6,828
	Share of governance costs (see note 9)	4,200	4,200
		<hr/>	<hr/>
		209,054	203,251
		<hr/>	<hr/>
	<b>Analysis by fund</b>		
	Unrestricted funds - general	200,248	198,045
	Unrestricted funds - designated	537	579
	Restricted funds	8,269	4,627
		<hr/>	<hr/>
		209,054	203,251
		<hr/>	<hr/>

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 2022

### 8 Grants payable

	Charitable Activities 2022 £	Charitable Activities 2021 £
Grants to institutions:		
Baptist World Mission (BMS)	4,550	4,472
Home Mission	4,103	4,085
Biblelands	2,500	1,766
St Lukes Hospice	-	2,500
Other (Ukraine Support)	3,345	1,713
Other	2,308	-
	<u>16,806</u>	<u>14,536</u>

### 9 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Office Costs	4,052	-	4,052	4,683	-	4,683
Cleaning Contract	1,797	-	1,797	2,145	-	2,145
Audit fees	-	2,040	2,040	-	2,040	2,040
Accountancy	-	2,160	2,160	-	2,160	2,160
	<u>5,849</u>	<u>4,200</u>	<u>10,049</u>	<u>6,828</u>	<u>4,200</u>	<u>11,028</u>
Analysed between Charitable activities	<u>5,849</u>	<u>4,200</u>	<u>10,049</u>	<u>6,828</u>	<u>4,200</u>	<u>11,028</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 £22,662 for his role as a Minister.

### 11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Minister	1	1
Mission and administration	4	4
Total	<u>5</u>	<u>5</u>

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Employees

(Continued)

Employment costs	2022 £	2021 £
Wages and salaries	63,292	66,152

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

#### 12 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investments	(29,063)	(14,036)
Gain/(loss) on sale of investments	(3,342)	(1,084)
	(32,405)	(15,120)

#### 13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 14 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2022	1,924,472	134,381	289,183	-	2,348,036
Additions	2,970	-	912	121	4,003
At 31 December 2022	1,927,442	134,381	290,095	121	2,352,039
<b>Depreciation and impairment</b>					
At 1 January 2022	22,478	99,013	281,510	-	403,001
Depreciation charged in the year	1,676	8,280	4,508	61	14,525
At 31 December 2022	24,154	107,293	286,018	61	417,526
<b>Carrying amount</b>					
At 31 December 2022	1,903,288	27,088	4,077	60	1,934,513
At 31 December 2021	1,901,994	35,368	7,673	-	1,945,035

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 14 Tangible fixed assets (Continued)

#### 15 Investment property

	2022 £
<b>Fair value</b>	
At 1 January 2022	435,000
Sale of property	(435,000)
	<u>          </u>
At 31 December 2022	<u>          </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:

	2022 £	2021 £
Cost	-	246,430
Accumulated depreciation	-	-
	<u>          </u>	<u>          </u>
Carrying amount	<u>          </u> -	<u>          </u> 246,430

	2022 £	2021 £
Freehold	-	250,000
	<u>          </u>	<u>          </u>

#### 16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 January 2022	624,676	23,315	647,991
Additions	65,749	-	65,749
Valuation changes	(41,200)	-	(41,200)
Cash movement	-	(11,750)	(11,750)
Disposals	(51,832)	-	(51,832)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2022	597,393	11,565	608,958
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 December 2022	597,393	11,565	608,958
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2021	624,676	23,315	647,991
	<u>          </u>	<u>          </u>	<u>          </u>

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

<b>17 Financial instruments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	542,045	143,902
<b>18 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	16,149	13,998
<b>19 Current asset investments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Unlisted investments	542,045	143,902
<b>20 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	297	11,348
Accruals and deferred income	8,082	6,149
	8,379	17,497
<b>21 Creditors: amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Borrowings	10,000	-

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 22 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 £12,117 (2021 £13,804).

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 2022

#### 23 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 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
Embrace Middle East Baptist World Mission (BMS)	1,948	729	(1,266)	1,411	540	-	1,951
Baptist Union Home Mission	45	504	(472)	77	576	(550)	103
St Lukes General	16	85	(85)	16	87	(103)	-
St Lukes Coffee morning	310	200	(300)	210	-	-	210
Coffee Morning	1,050	37	(1,087)	-	-	-	-
Ukraine Appeal	992	333	(826)	499	2,001	(2,500)	-
Other Institutions	-	-	-	-	5,115	(5,115)	-
	-	669	(591)	78	770	-	848
	<u>4,361</u>	<u>2,557</u>	<u>(4,627)</u>	<u>2,291</u>	<u>9,090</u>	<u>(8,268)</u>	<u>3,112</u>

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 24 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 2021 £	Movement in funds			Balance at 1 January 2022 £	Movement in funds			Transfers £	Balance at 31 December 2022 £
		Incoming resources £	Transfers £			Incoming resources £	Resources expended £			
Christmas Fund	26	527	-		553	173	(537)		-	189
Evening Collection	2,211	-	(579)		1,632	-	-		79	1,711
Reserves and Legacies	17,032	-	-		17,032	25	-		-	17,057
Maintenance Fund	30	-	-		30	-	-		-	30
Others	24	-	-		24	-	-		-	24
	<u>19,323</u>	<u>527</u>	<u>(579)</u>		<u>19,271</u>	<u>198</u>	<u>(537)</u>		<u>79</u>	<u>19,011</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.

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 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.

# HARROW BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

25 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total Unrestricted funds		Designated funds		Restricted funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£
Fund balances at 31 December 2022 are represented by:														
Tangible assets	1,934,513		-		-		1,934,513	1,945,035	-		-		1,945,035	
Investment properties	-		-		-		-	435,000	-		-		435,000	
Investments	608,958		-		-		608,958	647,991	-		-		647,991	
Current assets/(liabilities)	572,154		-		-		572,154	154,359	19,271		2,291		175,921	
Long term liabilities	(10,000)		-		-		(10,000)	-	-		-		-	
	3,105,625		-		-		3,105,625	3,182,385	19,271		2,291		3,203,947	

# **HARROW BAPTIST CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **26 Related party transactions**

There were no disclosable related party transactions during the year (2021 - none).