

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31st December 2021
for
Testwood Baptist Church

Testwood Baptist Church

Contents of the Financial Statements for the Year Ended 31st December 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 18

Testwood Baptist Church

Reference and Administrative Details for the Year Ended 31st December 2021

TRUSTEES

The Revd M Huckle (Senior Pastor as from 1.9.21)
Mr H Francis (Treasurer)
Mr S Reynolds (resigned 1.4.22)
Mrs M Murray
Mr P Pike
Mr C Ridout
Mrs K Elkins (Administrator) (resigned 7.11.21)
Mr J Frowd
Mr R King
Mr J Murray (resigned 15.3.21)
Mr A Price (appointed 13.7.22)
Mr N Tuck (appointed 13.7.22)

PRINCIPAL ADDRESS

283a Salisbury Road
Totton
Southampton
SO40 3LZ

REGISTERED CHARITY NUMBER

1129913

INDEPENDENT EXAMINER

D A Sanders BA (Hons) FCA
Sheen Stickland Chartered Accountants
4 High Street
Alton
Hampshire
GU34 1BU

BANKERS

Lloyds Bank plc
30 Commercial Road
Totton
Southampton

PROPERTY TRUSTEES

The Baptist Union Corporation Limited
Baptist House
129 Broadway
Didcot
Oxfordshire
OX11 8RT

Testwood Baptist Church

Report of the Trustees for the Year Ended 31st December 2021

The trustees present their Annual Report and financial statements in respect of the year ended 31st December 2021.

OBJECTIVES AND ACTIVITIES

Charitable Object

The Charity is governed by an Approved Governing Document dated 20th March 2008 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.

The Church occupies premises, which are held by the Baptist Union Corporation Ltd, on Trusts which are entirely compatible with the above object.

Covid 19/Senior Pastor

As for many 2021 continued to be a challenging year with the impact of Covid 19 still keenly felt, as was the tragic death of our Senior Pastor, Gordon Tuck in November 2020. The Covid pandemic of the previous year (2020) continued into 2021 and we continued to hold on-line services on Sunday mornings. The lockdowns came and went but there were many stringent rules, regulations and restrictions in force, however, these eased somewhat towards the latter part of 2021. Activities that had not been possible or were much reduced began to flourish again as the year progressed. The thanksgiving service for Gordon took place in September 2021. Matt Huckle, previously our Associate Pastor who had acted as our interim Senior Pastor, was appointed to the role permanently as from 1 September 2021, following a vigorous selection process and his induction service was held in early October.

Testwood Baptist Church

Report of the Trustees for the Year Ended 31st December 2021

OBJECTIVES AND ACTIVITIES

Objectives and Activities

In order to achieve the principle objective which is set out above, the Church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with Him as living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. These services would normally take place in person each Sunday at both 9.30am and 11.15am in the morning and 7.00pm in the evening however due to Covid restrictions we were unable to provide these. We were though, through the extraordinary teamwork of both staff and volunteers, able to ensure a public service of worship was transmitted via online and social media every Sunday morning without fail. In so doing we reached not just our own community but many more beyond our local community.

As 2021 progressed we were able to return to more normal "in person" church services but retained and developed the online capability to serve the parallel needs of a digital community.

Normally there are also occasional services at other times which are advertised on the Church Notice Board, weekly Church Newsletter and the website at www.testwoodbaptist.org. There is usually a full children's programme during the morning services. When we could not meet in person due to the Covid restrictions the Children and Youth pastors and their teams and volunteer's utilised social media widely to engage with the children and youth of our community.

As the year progressed and we began to meet in person again the children and youth programme returned. The Church seeks to be a friendly and welcoming community and everybody is free to attend any of these services.

The Church runs a series of house groups for the growth of faith and discipleship in the homes of some members, and further details of these can be obtained from the Trustees on request, or at any Sunday services of worship. At the start of 2021 most House groups were still unable to meet in person but most of the house groups met regularly on-line via Zoom and the use of social media. The majority of the groups were meeting back in a member's home by the end of 2021 although some continue to use zoom. House groups provide an excellent support function helping members to cope more easily with the impact of Covid and life in general.

The Church is responsible for a Mums and Babies group and a Toddler group which both normally meet in the Church premises on Friday mornings, with the purpose of assisting the community and demonstrating the love of Jesus Christ, see TBC Friday below.

The Church hosts a State Registered Pre-School which provides Pre-School education and is available to the whole community. Although there were many covid restrictions especially at the start of 2021 the Pre School managed to remain open and operated within these restrictions and provided a welcome facility especially for key workers.

The Church would normally run various events for Young People, including Girls Brigade and Youth Clubs, as well as those with disabilities. The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to the Disclosure and Barring Service and Safeguarding legislation. Again whilst government restrictions were in place we were unable to run most face to face events but our Children's pastor and our Youth Pastor ran events and kept in contact with the young people, by the use of social media. See TBC Fridays.

Testwood Baptist Church

Report of the Trustees for the Year Ended 31st December 2021

OBJECTIVES AND ACTIVITIES

The Church has active links with the local schools and colleges and normally they would regularly utilise our facilities. We were unable to progress these links in person whilst restrictions were in place but the schools have been keen we renew these post the pandemic.

Following a review of our youth and children's work, September 2021 saw the launch of TBC Fridays, a community day for all the family. There are groups for parents and tots, kids, and youth at various times throughout the day. This provides a great opportunity for parents to come and bring children, hang out with other parents and enjoy a nice coffee and a chat. Each week there are different types of activities. Friday Tots run from 10am to 11.30am, Friday Kids (for primary aged children) 5.30pm to 6.45pm and Friday Youth (secondary age) 7.30pm to 9.00pm.

TBC Fridays has been very successful and a year later 70 families each week attend Friday Tots, and on average 100 children and young people each attend Friday Kids or Friday Youth.

Once a year the Church normally turns out in force to run and support the local Totton Family Fun Day which is normally attended by over 5000 local inhabitants. The aim is to provide a free day of family fun for everyone, an expression of God's love to the local community. Unfortunately this was unable to take place in 2021 but ran successfully during June of 2022.

The Church operates a food parcel facility, "basics bank", in association with Youth and Families Matter, giving emergency food parcels to those identified as in need. Referrals are often received from local agencies through a voucher scheme. Basics Bank supported 2030 adults and young children during 2021. The local community continued to heavily support this project, as well as many organisations and supermarkets, both with food and finances. We were pleased that whilst we could not run many "in person" activities we were able to continue to offer tangible support to those suffering due to the covid restrictions.

The Church normally runs at different times throughout the year "Worn Again" events whereby the local community can come and select a set of clothes for 50p from the vast amount of "good but used" clothes that have been donated by its members and other members of the public. These events are open to all the community. Unfortunately we were unable to run "Worn Again" during 2021 but were during the early part of 2022.

Public Benefit

The Church has read the Charity Commission guidance on public benefit and is satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

The Church does not measure the success of its programmes only in numbers, including financial numbers, but also in less tangible areas like fellowship, encouragement and wellbeing. The Trustees recognise that these are difficult to measure, but believe that, despite the challenges of Covid 19 restrictions and sad loss of our senior pastor we were able to effectively adapt to on-line church and continue to minister to our local community and beyond. We will continue to pursue our objectives and purposes in 2022. As previously mentioned we appointed Matt Huckle as our permanent senior pastor following a robust selection process.

During the year 9 people were received into formal church membership and 12 people came out of membership, 4 were promoted to glory, 3 resigned through non-attendance and 5 began worshipping elsewhere. At 31st December 2021 the formal membership stood at 286.

The Church continues to be much encouraged by its local MP, Town councillors, Head Teachers, and other community leaders, who are very positive about the Church's impact on the community, especially the Fun Day which provides a day of family fun (including food), without charge and is therefore accessible by every member of the community.

Testwood Baptist Church

Report of the Trustees for the Year Ended 31st December 2021

FINANCIAL REVIEW

Financial Review

The Church continues to raise funds which it needs to carry on its activities from within its own membership and congregation. No wider public appeal was made for funds for the church during the year. The most significant ongoing expenses relate to staff costs to support the ministry of the church and maintenance of the church facilities to support our ministry.

The Church expressed its part in the life of the wider church by making grants to national and international organisations and societies with Christian aims and objectives compatible with the church's own charitable purpose.

The Church is heavily dependent on its membership working as volunteers in all aspects of the church's activities, many of which run with little or no impact on the church's expenditure, but nevertheless contribute substantially to the achievement of the church's objectives.

The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements. During 2021 the underlying financial position remained stable, without the need to furlough any staff and we effectively adapted to on-line services utilising acquiring additional equipment previously acquired to facilitate this. The church does not have any outstanding amounts due on the building and we are mindful of the ongoing need to maintain the upkeep of our well used facilities. The church also benefited from the reduced deficit in the Baptist pension scheme and the consequential reduction in timescales for the additional deficit funding payments. As from July 2022 the deficit reduction payments have reduced to £1 per month following further action by the pensions trustees.

Throughout the year the church continued to meet the ongoing challenges of Covid 19 and on-line church services when the restrictions applied whilst managing to maintain a healthy financial position.

The Trustees continue to seek to apply the Reserves policy which balances the ongoing commitments of the church with the known levels of regular committed giving and ensuring that the main goal remains to utilise the church resources to meet our objectives.

The trustees have made an assessment of the major risks facing the church and are satisfied that there are policies and procedures in place to minimise these risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

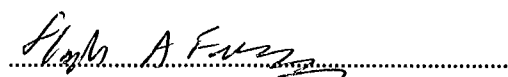
Organisational Structure and Decision Making Process

The Members of the church are accepted in accordance with the Constitution. Church membership is open to all those who have made a public profession of faith in Jesus Christ by being baptised by Immersion and who accept the beliefs of the Church. Those who have not been so baptised may still be accepted for membership at the discretion of the Church Members Meeting based on their public profession of faith. All applications for membership are subject to acceptance at the Church Members Meeting.

The Members Meeting normally takes place four times a year and has responsibility for the overall policy of the church. In accordance with the Constitution, the members appoint a number of Trustees, (currently 9), including the Senior Pastor, and Treasurer (who are also appointed by the members), and collectively known as the Leadership Team. They are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Relevant matters may be submitted to the Church meeting by the Trustees for guidance or may be raised by members in Church meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at Church meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

Approved by order of the board of trustees on 14th October 2022 and signed on its behalf by:


Mr H Francis - Trustee

Independent Examiner's Report to the Trustees of Testwood Baptist Church

Independent examiner's report to the trustees of Testwood Baptist Church

I report to the charity trustees on my examination of the accounts of Testwood Baptist Church (the Trust) for the year ended 31st December 2021.

Responsibilities and basis of report

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of The Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no material 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have 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 accounts to be reached.



D A Sanders BA (Hons) FCA
Sheen Stickland Chartered Accountants
4 High Street
Alton
Hampshire
GU34 1BU

Date: 22/12/2022

Testwood Baptist Church

**Statement of Financial Activities
for the Year Ended 31st December 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	292,784	2,530	295,314	302,415
Charitable activities					
Charitable activities	4	4,469	-	4,469	4,384
Investment Income	3	3	-	3	10
Other Income		<u>1,547</u>	<u>-</u>	<u>1,547</u>	<u>-</u>
Total		<u>298,803</u>	<u>2,530</u>	<u>301,333</u>	<u>306,809</u>
EXPENDITURE ON					
Charitable activities					
Ministry		174,003	-	174,003	183,468
Establishment		90,053	29,378	119,431	108,302
Mission		27,190	250	27,440	21,210
The Hub		556	-	556	2,369
Governance costs		<u>5,348</u>	<u>-</u>	<u>5,348</u>	<u>5,628</u>
Total		<u>297,150</u>	<u>29,628</u>	<u>326,778</u>	<u>320,977</u>
NET INCOME/(EXPENDITURE)		1,653	(27,098)	(25,445)	(14,168)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>117,736</u>	<u>799,525</u>	<u>917,261</u>	<u>931,429</u>
TOTAL FUNDS CARRIED FORWARD		<u>119,389</u>	<u>772,427</u>	<u>891,816</u>	<u>917,261</u>

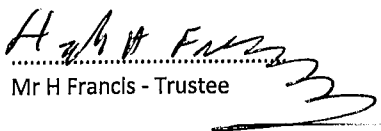
The notes form part of these financial statements

Testwood Baptist Church

**Balance Sheet
31st December 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	110,390	768,582	878,972	904,098
CURRENT ASSETS					
Debtors	12	10,541	-	10,541	11,207
Cash at bank	13	<u>27,358</u>	<u>3,845</u>	<u>31,203</u>	<u>36,131</u>
		37,899	3,845	41,744	47,338
CREDITORS					
Amounts falling due within one year	14	(5,000)	-	(5,000)	(4,560)
NET CURRENT ASSETS		<u>32,899</u>	<u>3,845</u>	<u>36,744</u>	<u>42,778</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		143,289	772,427	915,716	946,876
PROVISIONS FOR LIABILITIES	15	(23,900)	-	(23,900)	(29,615)
NET ASSETS		<u>119,389</u>	<u>772,427</u>	<u>891,816</u>	<u>917,261</u>
FUNDS	16				
Unrestricted funds				119,389	117,736
Restricted funds				<u>772,427</u>	<u>799,525</u>
TOTAL FUNDS				<u>891,816</u>	<u>917,261</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 19th October 2022 and were signed on its behalf by:


Mr H Francis - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st December 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts of the charity which is a public benefit entity under FRS 102, have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019) (Charities SORP (FRS 102))" and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared on a going concern basis. In the opinion of the trustees, there are no material uncertainties in regard to the Charity's ability to continue as a going concern. The trustees do not consider that the effects of Covid-19, the conflict in Ukraine or the current level of energy prices will impact on the charity's ability to continue to operate.

Income recognition and donations

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable the income will be received. Donations are accounted for gross when received.

Investment income

Investment income is included in the accounts in the year in which it is receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants payable

The church makes grants and donations to other organisations and individuals whose charitable objectives complement its work. They are accounted for in the year in which they are paid.

Support costs

Support costs are those that assist the work of the church but do not directly represent charitable activities and relate to governance costs. This represents direct expenditure on the governance of the church. Most of the management is carried out without charge by volunteers. This intangible cost is not included in the Statement of Financial Activities since there is no measurable cost to the volunteers for their service.

Tangible fixed assets

The original church buildings are considered to be inalienable and historic fixed assets and are excluded from the balance sheet because reliable cost information is not available, and valuation would incur significant costs which would be onerous compared to the additional benefit gained by the users of the accounts. The insurance value of the premises is £5,036,754 which includes the new church building which was completed in December 2007. The manse premises are stated at cost and depreciation has not been charged, because in the opinion of the trustees, the residual value of the asset is not less than the original cost price. Furniture and equipment in the church premises are included at cost or net realisable value. Items of equipment are capitalised where the purchase price exceeds £500.

As stated above, depreciation has not been charged on the manse premises.

Depreciation on other fixed assets is calculated to write off the cost on a straight-line basis over their expected useful life at the following rates:

Furniture and fittings	10%
Computers and equipment	33%
New Church Building	2%

Testwood Baptist Church

Notes to the Financial Statements - continued for the Year Ended 31st December 2021

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted Funds relates to the 'Building Fund' which was established for a new church building and hence are capital items and the Gordon Tuck Fund which was set up to hold donations given in memory of Gordon Tuck. The funds are used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Pension costs and other post-retirement benefits

The pension costs charged in the accounts represent the contributions payable by the church during the year in accordance with FRS102.

Under FRS102 employers that participate in multi-employer defined benefit schemes where there is insufficient information to do full benefit accounting and where the employers are not under common control need to recognize a liability to make payments to fund any deficit. This liability was required to be recognized for the first time in the accounts for the year ended 31st December 2016. As, however, this information was not available when the 2016 accounts were prepared no such liability was recognized at this time. Provision for the full liability due as at 31st December 2017 was treated as an expense in the 2017 accounts.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Offering and donations	249,677	255,572
Gift aid	44,792	46,638
Weddings and funerals	<u>845</u>	<u>205</u>
	<u>295,314</u>	<u>302,415</u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Bank interest	<u>3</u>	<u>10</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Rents received	Charitable activities	3,410	3,510
The Hub	Charitable activities	<u>1,059</u>	<u>874</u>
		<u>4,469</u>	<u>4,384</u>

5. GRANTS PAYABLE

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Youth and Families Matter	13,200	-	13,200	13,550
Hour of Revival (Dugmores)	1,500	-	1,500	1,500
Home Mission Fund	1,500	-	1,500	1,500
MAF (Watermans)	1,500	-	1,500	1,500
Amor Europe (Youth Development)	1,800	-	1,800	1,800
Southampton City Mission	720	-	720	720
Baptist Missionary Society	300	-	300	300
Thelma Mills	240	-	240	240
Southern CBA	100	-	100	100
Watermans - donations	1,500	-	1,500	-
Tearfund	730	-	730	-
Dugmore - donation towards vehicle	2,900	-	2,900	-
Dugmore - donations	500	-	500	-
J Tuck - towards moving expenses	700	-	700	-
Mission trip (G Houghton)	-	250	250	-
	<u>27,190</u>	<u>250</u>	<u>27,440</u>	<u>21,210</u>

6. INDEPENDENT EXAMINER'S REMUNERATION

Governance costs of £5,348 (2020 - £5,628) represents amounts paid to the independent examiner for the examination of the accounts of £4,200 (2020 - £4,100) and fees for other accounting and bookkeeping services of £1,148 (2020 - £1,528).

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2021**

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2021 nor for the year ended 31st December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2021 nor for the year ended 31st December 2020.

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	154,287	172,961
Social security costs	9,077	10,733
Other pension costs	<u>8,666</u>	<u>(2,771)</u>
	<u>172,030</u>	<u>180,923</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Employees	<u>7</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

The Minister acts as a church trustee in accordance with the Trust Deed and received remuneration of £39,398 in the year ended 31st December 2021 (2020 - 2 Ministers, £68,182). In addition, one other trustee received remuneration of £5,799 (2020 - £5,112) for acting as the Church administrator up to the date of her resignation as a trustee.. £Nil (2020 - £Nil) in total was reimbursed to the Trustees in respect of expenses incurred as Trustees.

The Church paid pension contributions for its previous Senior Pastor to the Baptist Pension Scheme (BPS), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the employer and other participating employers.

For any month, each participating employer in the scheme pays contribution as set out in the schedule of contributions in force at the time. The scheme is considered a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the scheme's assets and liabilities to specific employers and means the contributions are accounted for as if the scheme was a defined contribution scheme. The pension costs charged in the year are payable towards benefits and expenses accrued in that year plus any impact of deficiency contributions (see below). For the year ended 31st December 2017, pension costs included the amount of the pension liability estimate as at 31st December 2016 as described in note 1.

Pension costs for the year ended 31st December 2021 includes a credit of £617 in respect of a change in the pension scheme deficit (2020 - credit of £14,158).

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2021**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	300,250	2,165	302,415
Charitable activities			
Charitable activities	4,384	-	4,384
Investment income	<u>10</u>	<u>-</u>	<u>10</u>
Total	<u>304,644</u>	<u>2,165</u>	<u>306,809</u>
EXPENDITURE ON			
Charitable activities			
Ministry	183,468	-	183,468
Establishment	85,615	22,687	108,302
Mission	21,210	-	21,210
The Hub	2,369	-	2,369
Governance costs	<u>5,628</u>	<u>-</u>	<u>5,628</u>
Total	<u>298,290</u>	<u>22,687</u>	<u>320,977</u>
NET INCOME/(EXPENDITURE)	6,354	(20,522)	(14,168)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>111,382</u>	<u>820,047</u>	<u>931,429</u>
TOTAL FUNDS CARRIED FORWARD	<u>117,736</u>	<u>799,525</u>	<u>917,261</u>

10. PENSIONS

The church is an employer participating in the Baptist Pension Scheme ("the BPS"). The BPS is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for the Ministers and some members of staff is being made through the Defined Contribution (DC) Plan within the BPS. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs and an associated Insurance policy which provides income protection for BPS members in the event that they are unable to work due to long-term incapacity. The income protection has been insured by the Baptist Union of Great Britain with Aviva plc. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for employer contributions made to the segregated DC arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS. The main benefits were:

Notes to the Financial Statements - continued
for the Year Ended 31st December 2021

10. PENSIONS - continued

A defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service together with an additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income; and

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925. The scheme was closed to future accrual of defined benefits on 31 December 2011. The scheme is not contracted out of the State Second Pension.

The table below summarises the main results of the most recent actuarial valuations of the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method. The Church and the other employers supporting the DB plan are collectively responsible for funding the deficit.

BPS DB Plan	
Date of valuation	31 December 2019
Date of next valuation	31 December 2022
Market value of scheme assets (A)	£298m
Technical provisions (B)	£316m
Deficit [(B) - (A)]	£18m
Funding level [(A) / (B)]	94%

The key financial assumptions underlying the valuation were as follows:

Type assumption	BPS %pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increase (BPS only)	3.20
Pensionable Salary Increases (BUSPS only)	n/a
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	
- Main Scheme Pension	2.70

Post-retirement mortality in accordance with 80% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates in line with CMI 2016 core projections, with a long-term annual rate of Improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional mortality improvement factor A=0.5%.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. This reduction is allowed for in the figures shown below, where appropriate.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2021

10. PENSIONS - continued

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	31.12.21 £	31.12.20 £
Balance sheet liability at year start	29,615	47,531
Minus deficiency contributions paid	(5,098)	(3,758)
Interest cost (recognised in SOFA)	243	776
Remaining change to balance sheet liability* (recognised in SOFA)	<u>(860)</u>	<u>(14,934)</u>
Balance sheet liability at year end	<u>23,900</u>	<u>29,615</u>

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends. This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date	31.12.21	31.12.20	31.12.19
Discount rate	2.0%	0.9%	1.7%
Future increases to Minimum Pensionable Income	4.1%	3.5%	3.2%

The Church has been advised that the cost for the church to buyout their Pension Scheme Liabilities as at 31st December 2021 was approximately £50,300 (2020: £65,000).

Testwood Baptist Church

Notes to the Financial Statements - continued for the Year Ended 31st December 2021

11. TANGIBLE FIXED ASSETS

	Church premises £	Manse £	Furniture and fittings £	Computers & equipment £	Totals £
COST					
At 1st January 2021	1,061,713	97,000	100,695	57,185	1,316,593
Additions	-	-	-	7,458	7,458
Disposals	-	-	-	(14,657)	(14,657)
At 31st December 2021	<u>1,061,713</u>	<u>97,000</u>	<u>100,695</u>	<u>49,986</u>	<u>1,309,394</u>
DEPRECIATION					
At 1st January 2021	272,927	-	90,248	49,320	412,495
Charge for year	21,234	-	4,306	7,044	32,584
Eliminated on disposal	-	-	-	(14,657)	(14,657)
At 31st December 2021	<u>294,161</u>	<u>-</u>	<u>94,554</u>	<u>41,707</u>	<u>430,422</u>
NET BOOK VALUE					
At 31st December 2021	<u>767,552</u>	<u>97,000</u>	<u>6,141</u>	<u>8,279</u>	<u>878,972</u>
At 31st December 2020	<u>788,786</u>	<u>97,000</u>	<u>10,447</u>	<u>7,865</u>	<u>904,098</u>

All of the fixed assets are used for direct charitable purposes.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accrued income - Gift Aid	<u>10,541</u>	<u>11,207</u>

13. CASH AT BANK

	General fund £	Gordon Tuck Fund £	2021 Total funds £	2020 Total funds £
Lloyds Current Account - No 1	730	3,845	4,575	3,827
Lloyds Current Account - No 2	26,125	-	26,125	25,733
Hub Account	503	-	503	-
Lloyds Building Fund Account	-	-	-	6,571
Total	<u>27,358</u>	<u>3,845</u>	<u>31,203</u>	<u>36,131</u>

Testwood Baptist Church

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals and deferred income	<u>5,000</u>	<u>4,560</u>

15. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Defined benefit pension scheme liability	<u>23,900</u>	<u>29,615</u>

16. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
General fund	117,736	1,653	119,389
Restricted funds			
Building fund	797,840	(29,258)	768,582
Gordon Tuck Fund	<u>1,685</u>	<u>2,160</u>	<u>3,845</u>
	<u>799,525</u>	<u>(27,098)</u>	<u>772,427</u>
TOTAL FUNDS	<u>917,261</u>	<u>(25,445)</u>	<u>891,816</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	298,803	(297,150)	1,653
Restricted funds			
Building fund	120	(29,378)	(29,258)
Gordon Tuck Fund	<u>2,410</u>	<u>(250)</u>	<u>2,160</u>
	<u>2,530</u>	<u>(29,628)</u>	<u>(27,098)</u>
TOTAL FUNDS	<u>301,333</u>	<u>(326,778)</u>	<u>(25,445)</u>

Testwood Baptist Church

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2021**

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	111,382	6,354	117,736
Restricted funds			
Building fund	820,047	(22,207)	797,840
Gordon Tuck Fund	-	1,685	1,685
	<u>820,047</u>	<u>(20,522)</u>	<u>799,525</u>
TOTAL FUNDS	<u>931,429</u>	<u>(14,168)</u>	<u>917,261</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	304,644	(298,290)	6,354
Restricted funds			
Building fund	480	(22,687)	(22,207)
Gordon Tuck Fund	1,685	-	1,685
	<u>2,165</u>	<u>(22,687)</u>	<u>(20,522)</u>
TOTAL FUNDS	<u>306,809</u>	<u>(320,977)</u>	<u>(14,168)</u>

17. RELATED PARTY DISCLOSURES

The custodian Trustee of the church is the Baptist Union Corporation Limited which is charity number 249635 and which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain and the Southern Counties Baptist Association. The church made a grant to the Baptist Missionary Society as set out in note 5 to the financial statements.

On 1st July 2021 Mr H Francis, a trustee of the charity, was appointed as a director of The Baptist Insurance Company plc, a provider of insurance services to the church. All insurance services provided by the company are on an arms length basis.