

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31st December 2022
for
Testwood Baptist Church

Testwood Baptist Church

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for the Year Ended 31st December 2022**

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Testwood Baptist Church

Reference and Administrative Details for the Year Ended 31st December 2022

TRUSTEES	The Revd M Huckle (Senior Pastor) Mr H Francis (Treasurer) Mr S Reynolds (resigned 1.4.22) Mrs M Murray Mr P Pike Mr C Ridout Mr J Frowd Mr R King Mr A Price (appointed 13.7.22) Mr N Tuck (appointed 13.7.22) Mr M Hones (appointed 19.10.22) Mr J A Shepherd (appointed 1.7.23)
PRINCIPAL ADDRESS	283a Salisbury Road Totton Southampton SO40 3LZ
REGISTERED CHARITY NUMBER	1129913
INDEPENDENT EXAMINER	Sheen Stickland Chartered Accountants 2 Oriel Court Omega Park Alton Hampshire GU34 2YT
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 2022

The trustees present their Annual Report and financial statements in respect of the year ended 31st December 2022.

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

2022 was very much a return to normal following the traumas of Covid19. We came out of Covid strengthened and refocused such as, the development of our online ability and our Friday Kids initiative.

Testwood Baptist Church

Report of the Trustees for the Year Ended 31st December 2022

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 normally take place in person each Sunday at both 9.30am and 11.15am in the morning and 7.00pm in the evening. As well as the normal face to face services, as a legacy of Covid, we have further developed our on line capability through the extraordinary teamwork of both staff and volunteers. In doing so we reach not only our own community but many more beyond our local 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. 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. The majority of the groups meet in members homes but some continue to use Zoom, a skill developed during Covid. House groups provide an excellent support function.

The Church is responsible for a Mums and Babies group and a Toddler group which both 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 very popular State Registered Pre-School which provides Pre-School education and is available to the whole community.

The Church runs various events for Young People, including Girls Brigade and Youth Clubs, as well as groups for 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. See TBC Fridays.

The Church has active links with the local schools and colleges.

TBC Fridays launched in September 2021 has continued to go from strength to strength, this is 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) 5.30am to 6.45am and Friday Youth (secondary age) 7.30am to 9.00am.

TBC Fridays has been very successful and a year later 80 each week attend Friday Tots sessions, and on average 100 Kids attend Friday Kids and 100 attend Friday Youth.

Once a year the Church turns out in force to run and support the local Totton Family Fun Day which is 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.

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 2315 adults and children during 2022. The local community continued to heavily support this project, as well as many organisations and supermarkets, both with food and finances.

Testwood Baptist Church

Report of the Trustees for the Year Ended 31st December 2022

OBJECTIVES AND ACTIVITIES

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.

Public benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit, and in particular the specific guidance on charities for the advancement of religion, when reviewing the aims and objectives of the Church and in planning future activities. The trustees believe that the many and varied activities of the Church as detailed above provide both religious and practical care and support both for the membership and the wider local community.

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 the church brings positive outcomes to peoples lives.

During the year 14 people were received into formal church membership and 15 people came out of membership, 3 were promoted to glory, 2 resigned through non-attendance and 10 began worshipping elsewhere. At 31st December 2022 the formal membership stood at 285.

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 2022

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. The underlying financial position remained stable and healthy throughout 2022. 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 agreement which the Baptist pension scheme signed on 30th June 2022 with insurance company Just Group ('Just') to secure DB Plan members' benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan (including the church) reduced to £1 per month from August 2022.

Reserves

The policy of the Church is to balance the ongoing commitments of the church with the known levels of regular committed giving and ensure that the main goal remains to utilise the church resources to meet our objectives. The Trustees continue to monitor the level of reserves to ensure that this objective is fulfilled. The Trustees consider that the current level of reserves to be appropriate in the current circumstances.

Risk Management

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.

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 10), 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.

Testwood Baptist Church

**Report of the Trustees
for the Year Ended 31st December 2022**

Approved by order of the board of trustees on 19th October 2023 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 2022.

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 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
2 Oriel Court
Omega Park
Alton
Hampshire
GU34 2YT

Date: 19th October 2023

Testwood Baptist Church

**Statement of Financial Activities
for the Year Ended 31st December 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	332,159	-	332,159	295,314
Charitable activities	4				
Charitable activities		4,019	-	4,019	4,469
Investment income	3	13	-	13	3
Other income		-	-	-	1,547
Total		<u>336,191</u>	<u>-</u>	<u>336,191</u>	<u>301,333</u>
EXPENDITURE ON					
Charitable activities					
Ministry		185,865	-	185,865	174,003
Establishment		102,755	21,582	124,337	119,431
Mission		26,010	2,750	28,760	27,440
The Hub		1,125	-	1,125	556
Governance costs		6,704	-	6,704	5,348
Total		<u>322,459</u>	<u>24,332</u>	<u>346,791</u>	<u>326,778</u>
NET INCOME/(EXPENDITURE)		13,732	(24,332)	(10,600)	(25,445)
RECONCILIATION OF FUNDS					
Total funds brought forward		119,389	772,427	891,816	917,261
TOTAL FUNDS CARRIED FORWARD		<u>133,121</u>	<u>748,095</u>	<u>881,216</u>	<u>891,816</u>

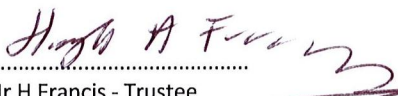
The notes form part of these financial statements

Testwood Baptist Church

**Balance Sheet
31st December 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	11	106,125	747,000	853,125	878,972
CURRENT ASSETS					
Debtors	12	14,776	-	14,776	10,541
Cash at bank	13	18,320	1,095	19,415	31,203
		<u>33,096</u>	<u>1,095</u>	<u>34,191</u>	<u>41,744</u>
CREDITORS					
Amounts falling due within one year	14	(6,100)	-	(6,100)	(5,000)
NET CURRENT ASSETS		<u>26,996</u>	<u>1,095</u>	<u>28,091</u>	<u>36,744</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		133,121	748,095	881,216	915,716
PROVISIONS FOR LIABILITIES	15	-	-	-	(23,900)
NET ASSETS		<u>133,121</u>	<u>748,095</u>	<u>881,216</u>	<u>891,816</u>
FUNDS	16				
Unrestricted funds				133,121	119,389
Restricted funds				748,095	772,427
TOTAL FUNDS				<u>881,216</u>	<u>891,816</u>

The financial statements were approved by the Board of Trustees and authorised for issue on ~~...19th October 2023...~~ 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 2022**

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 the conflict in Ukraine or the current economic situation 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 £5,666,415 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%

Testwood Baptist Church

Notes to the Financial Statements - continued for the Year Ended 31st December 2022

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

New Church Building 2%

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. Following the agreement with Just Group to secure the the benefits of the members of the defined benefit scheme, no liability is required to be recognised in the accounts and the reduction in the liability as a result of this transaction has been deducted from expenses in the 2022 accounts.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Offering and donations	282,181	249,677
Gift aid	49,978	44,792
Weddings and funerals	-	845
	<u>332,159</u>	<u>295,314</u>

Testwood Baptist Church

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

3. INVESTMENT INCOME

	2022	2021
	£	£
Bank interest	13	3

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Rents received	Charitable activities	2,745	3,410
The Hub	Charitable activities	1,274	1,059
		<u>4,019</u>	<u>4,469</u>

5. GRANTS PAYABLE

	Unrestricted	Restricted	Total	Total
	£	£	2022	2021
			£	£
Youth and Families Matter	10,350	-	10,350	13,200
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
Tearfund	-	-	-	730
Dugmore - donation towards vehicle	-	-	-	2,900
Dugmore - donations	-	-	-	500
J Tuck - towards moving expenses	-	-	-	700
Mission trip (G Houghton)	-	-	-	250
Totton Fun Day - donation	3,000	2,000	5,000	-
British Youth for Christ	-	750	750	-
Aid for Ukraine	5,000	-	5,000	-
	<u>26,010</u>	<u>2,750</u>	<u>28,760</u>	<u>27,440</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

6. INDEPENDENT EXAMINER'S REMUNERATION

Governance costs of £6,704 (2021 - £5,348) represents amounts paid to the independent examiner for the examination of the accounts of £4,400 (2021 - £4,200), fees for other accounting and bookkeeping services of £1,700 (2021- £1,148) and an underprovision for fees in respect of the 2021 accounts of £604.

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2022 nor for the year ended 31st December 2021.

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	183,044	154,287
Social security costs	10,102	9,077
Other pension costs	(10,670)	8,666
	<u>182,476</u>	<u>172,030</u>

In 2022 the Church engaged an associate pastor on a self-employed basis to assist the Senior Pastor. Payments to the associate pastor are included in wages and salaries above.

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

	2022	2021
Employees	<u>7</u>	<u>7</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 £42,899 in the year ended 31st December 2022 (2021- £39,398). £Nil (2021 - £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.

Testwood Baptist Church

Notes to the Financial Statements - continued for the Year Ended 31st December 2022

8. STAFF COSTS - continued

Pension costs for the year ended 31st December 2022 includes a credit of £20,877 in respect of a change in the pension scheme deficit (2021- credit of £617).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

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:

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:

	BPS
Type assumption	%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	

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

10. PENSIONS - continued

- 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 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.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with Just Group ("Just") to secure DB plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB plan and following this transaction, the Scheme no longer has a shortfall. An updated recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB plan reduced to £1 per month from August 2022.

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.

	31.12.22 £	31.12.21 £
Balance sheet liability at year start	23,900	29,615
Minus deficiency contributions paid	(3,023)	(5,098)
Interest cost (recognised in SOFA)	448	243
Remaining change to balance sheet liability* (recognised in SOFA)	(21,325)	(860)
Balance sheet liability at year end	-	23,900

* 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	31.12.22	31.12.21	31.12.20
Discount rate	5.7%	2.0%	0.9%
Future increases to Minimum Pensionable Income	0.0%	4.1%	3.5%

Testwood Baptist Church

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

10. PENSIONS - continued

11. TANGIBLE FIXED ASSETS

	Church premises £	Manse £	Furniture and fittings £	Computers & equipment £	Totals £
COST					
At 1st January 2022	1,061,713	97,000	100,695	49,986	1,309,394
Additions	-	-	4,790	2,205	6,995
Disposals	-	-	(4,043)	(2,529)	(6,572)
At 31st December 2022	1,061,713	97,000	101,442	49,662	1,309,817
DEPRECIATION					
At 1st January 2022	294,161	-	94,554	41,707	430,422
Charge for year	21,234	-	2,443	6,402	30,079
Eliminated on disposal	-	-	(1,280)	(2,529)	(3,809)
At 31st December 2022	315,395	-	95,717	45,580	456,692
NET BOOK VALUE					
At 31st December 2022	746,318	97,000	5,725	4,082	853,125
At 31st December 2021	767,552	97,000	6,141	8,279	878,972

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Accrued income - Gift Aid	14,776	10,541

13. CASH AT BANK

	General fund £	Gordon Tuck Fund £	2022 Total funds £	2021 Total funds £
Lloyds Current Account - No 1	2,434	1,095	3,529	4,575
Lloyds Current Account - No 2	15,235	-	15,235	26,125
Hub Account	651	-	651	503
Total	18,320	1,095	19,415	31,203

Testwood Baptist Church

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2022**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accruals and deferred income	6,100	5,000

15. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Defined benefit pension scheme liability	-	23,900

16. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
General fund	119,389	13,732	133,121
Restricted funds			
Building fund	768,582	(21,582)	747,000
Gordon Tuck Fund	3,845	(2,750)	1,095
	772,427	(24,332)	748,095
TOTAL FUNDS	891,816	(10,600)	881,216

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	336,191	(322,459)	13,732
Restricted funds			
Building fund	-	(21,582)	(21,582)
Gordon Tuck Fund	-	(2,750)	(2,750)
	-	(24,332)	(24,332)
TOTAL FUNDS	336,191	(346,791)	(10,600)

Testwood Baptist Church

Notes to the Financial Statements - continued for the Year Ended 31st December 2022

16. MOVEMENT IN FUNDS - continued

Comparatives for 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	1,685	2,160	3,845
	<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>

Comparative 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	2,410	(250)	2,160
	<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>

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.

Mr H Francis, a trustee of the charity, is 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.

