

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31st December 2023
for
Testwood Baptist Church

Testwood Baptist Church

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Testwood Baptist Church

Reference and Administrative Details for the Year Ended 31st December 2023

TRUSTEES	The Revd M Huckle (Senior Pastor) Mr H Francis (Treasurer) Mrs M Murray Mr P Pike Mr C Ridout Mr J Frowd Mr R King Mr A Price Mr N Tuck Mr M Hones The Revd J A Shepherd (Associate Pastor) (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 2023

The trustees present their Annual Report and financial statements in respect of the year ended 31st December 2023.

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.

Report of the Trustees for the Year Ended 31st December 2023

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.

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 Babies and Toddlers group which meets 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) 5.30pm to 6.45pm and Friday Youth (secondary age) 7.30pm to 9.00pm.

TBC Fridays has been very successful and 40-80 families attend Friday Tots sessions each week, and on average 100 Kids attend Friday Kids and 100 attend Friday Youth. To enhance this ministry we employed a Community Pastor and are grateful for the support of Baptist Insurance with this.

Once a year the Church turns out in force to run and support the local Totton Family Fun Day which is attended by over 5,000 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 2,505 adults and children during 2023. The local community continued to heavily support this project, as well as many organisations and supermarkets, both with food and finances.

OBJECTIVES AND ACTIVITIES

The Church normally runs a "Worn Again" event 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 22 people were received into formal church membership and 3 people came out of membership having moved and started worshipping nearer to their new homes. At 31st December 2023 the formal membership stood at 303.

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.

**Report of the Trustees
for the Year Ended 31st December 2023**

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 2023. 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 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 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 Meetings normally take place four times a year and have responsibility for the overall policy of the church. In accordance with the Constitution, the members appoint a number of Trustees, (currently 11), 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 2023

Approved by order of the board of trustees on 17th October 2024 and signed on its behalf by:

Mr H Francis
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 2023.

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:

23/10/2024

Testwood Baptist Church

Statement of Financial Activities for the Year Ended 31st December 2023

		Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	376,716	11,015	387,731	332,159
Charitable activities					
Charitable activities	4	4,945	-	4,945	4,019
Investment income	3	221	-	221	13
Total		<u>381,882</u>	<u>11,015</u>	<u>392,897</u>	<u>336,191</u>
EXPENDITURE ON					
Charitable activities					
Ministry		230,441	11,015	241,456	192,131
Establishment		93,000	21,649	114,649	118,071
Mission		55,460	995	56,455	28,760
The Hub		1,573	-	1,573	1,125
Governance costs		6,030	-	6,030	6,704
Total		<u>386,504</u>	<u>33,659</u>	<u>420,163</u>	<u>346,791</u>
NET INCOME/(EXPENDITURE)		(4,622)	(22,644)	(27,266)	(10,600)
RECONCILIATION OF FUNDS					
Total funds brought forward		133,121	748,095	881,216	891,816
TOTAL FUNDS CARRIED FORWARD		<u><u>128,499</u></u>	<u><u>725,451</u></u>	<u><u>853,950</u></u>	<u><u>881,216</u></u>

The notes form part of these financial statements

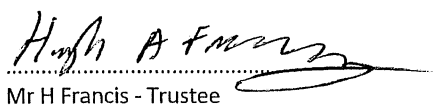
Testwood Baptist Church

Balance Sheet

31st December 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	11	102,002	725,451	827,453	853,124
CURRENT ASSETS					
Debtors	12	13,033	-	13,033	14,776
Cash at bank	13	19,864	-	19,864	19,416
		<u>32,897</u>	<u>-</u>	<u>32,897</u>	<u>34,192</u>
CREDITORS					
Amounts falling due within one year	14	(6,400)	-	(6,400)	(6,100)
NET CURRENT ASSETS		<u>26,497</u>	<u>-</u>	<u>26,497</u>	<u>28,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,499</u>	<u>725,451</u>	<u>853,950</u>	<u>881,216</u>
NET ASSETS		<u>128,499</u>	<u>725,451</u>	<u>853,950</u>	<u>881,216</u>
FUNDS	15				
Unrestricted funds				128,499	133,121
Restricted funds				725,451	748,095
TOTAL FUNDS				<u>853,950</u>	<u>881,216</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17th October 2024 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 2023**

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, the Middle East 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 £5,938,393 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%

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2023**

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. The church received a grant of £11,015 from Baptist Insurance towards the cost of employing a Community Pastor, which was received and expensed during the year.

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

	2023	2022
	£	£
Offering and donations	334,834	282,181
Gift aid	52,897	49,978
	<u>387,731</u>	<u>332,159</u>

Testwood Baptist Church

Notes to the Financial Statements - continued for the Year Ended 31st December 2023

3. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest	221	13

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Rents received	Charitable activities	3,480	2,745
The Hub	Charitable activities	1,465	1,274
		4,945	4,019

5. GRANTS PAYABLE

	Unrestricted	Restricted	Total	Total
	£	£	2023	2022
	£	£	£	£
Youth and Families Matter	4,200	-	4,200	10,350
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
Baptist Missionary Society	300	-	300	300
Thelma Mills	240	-	240	240
Southern CBA	100	-	100	100
Watermans - donations	31,000	-	31,000	-
Moorlands College	300	-	300	-
Jonathan Rhodes- donation (internship)	500	-	500	-
Dugmore - donations	10,000	-	10,000	-
G Tuck - Charlotte Bailey	-	995	995	-
Katrina Elkins- donation (minister training)	1,500	-	1,500	-
Totton Fun Day - donation	1,020	-	1,020	5,000
British Youth for Christ	-	-	-	750
Aid for Ukraine	-	-	-	5,000
	55,460	995	56,455	28,760

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

6. INDEPENDENT EXAMINER'S REMUNERATION

Governance costs of £6,030 (2022 - £6,704) represents amounts paid to the independent examiner for the examination of the accounts of £4,500 (2022 - £4,400), fees for other accounting and bookkeeping services of £1,900 (2022- £1,700) less an overprovision for fees in respect of the 2022 accounts of £370 (2022 - underprovision of £604).

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2023 nor for the year ended 31st December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2023 nor for the year ended 31st December 2022.

8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	206,983	183,044
Social security costs	12,183	10,102
Other pension costs	11,860	(10,670)
	<u>231,026</u>	<u>182,476</u>

Throughout 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. No payments were made in the year ended 31st December 2023.

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

	2023	2022
Employees	<u>10</u>	<u>7</u>

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

The two Ministers act as church trustees in accordance with the Trust Deed and received remuneration of £62,923 in the year ended 31st December 2023 whilst acting as trustees (2022- one minister - £42,899). Pension contributions of £5,409 were paid on behalf of the two ministers (2022 - one minister - £4,290). £Nil (2022 - £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.

Notes to the Financial Statements - continued for the Year Ended 31st December 2023

8. STAFF COSTS - continued

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 2023 did not include an adjustment in respect of a change in the pension scheme deficit (2022- credit of £20,877).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	332,159	-	332,159
Charitable activities			
Charitable activities	4,019	-	4,019
Investment income	13	-	13
Total	336,191	-	336,191
EXPENDITURE ON			
Charitable activities			
Ministry	192,131	-	192,131
Establishment	96,489	21,582	118,071
Mission	26,010	2,750	28,760
The Hub	1,125	-	1,125
Governance costs	6,704	-	6,704
Total	322,459	24,332	346,791
NET INCOME/(EXPENDITURE)	13,732	(24,332)	(10,600)
RECONCILIATION OF FUNDS			
Total funds brought forward	119,389	772,427	891,816
TOTAL FUNDS CARRIED FORWARD	133,121	748,095	881,216

10. PENSIONS

The Church is a participating employer in the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers.

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a 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.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. 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 Scheme members if 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 Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

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

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows

Type assumption	%pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post-retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2023**

10. PENSIONS - continued

Mortality was assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme was due to take place not later than as at 31 December 2022. However, the DB Plan is to be wound up, and the process to wind it up was started with effect from 31 March 2024 and therefore no formal valuation is due to take place.

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. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until 30 June 2026.

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. These contributions are payable under the recovery plan until June 2026. The outstanding deficiency contributions due under the Recovery Plan are not considered material and therefore have not been included in the balance sheet.

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.

	31.12.23 £	31.12.22 £
Balance sheet liability at year start	-	23,900
Minus deficiency contributions paid	-	(3,023)
Interest cost (recognised in SOFA)	-	448
Remaining change to balance sheet liability* (recognised in SOFA)	-	(21,325)
	<hr/>	<hr/>
Balance sheet liability at year end	-	-
	<hr/>	<hr/>

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

Where relevant, the 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	31.12.23	31.12.22	31.12.21
Discount rate	N/A	N/A	2.0%
Future increases to Minimum Pensionable Income	N/A	N/A	4.1%

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

11. TANGIBLE FIXED ASSETS

	Church premises £	Manse £	Furniture and fittings £	Computers & equipment £	Totals £
COST					
At 1st January 2023 and 31st December 2023	1,061,713	97,000	101,442	49,662	1,309,817
DEPRECIATION					
At 1st January 2023	315,395	-	95,717	45,581	456,693
Charge for year	21,234	-	1,173	3,264	25,671
At 31st December 2023	336,629	-	96,890	48,845	482,364
NET BOOK VALUE					
At 31st December 2023	725,084	97,000	4,552	817	827,453
At 31st December 2022	746,318	97,000	5,725	4,081	853,124

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Accrued income - Gift Aid	13,033	14,776

13. CASH AT BANK

	2023 Total funds £	2022 Total funds £
Lloyds Current Account - No 1	8,040	3,530
Lloyds Current Account - No 2	11,281	15,235
Hub Account	543	651
Total	19,864	19,416

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals and deferred income	<u>6,400</u>	<u>6,100</u>

15. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	At 31.12.23
	£	£	£
Unrestricted funds			
General fund	133,121	(4,622)	128,499
Restricted funds			
Building fund	747,000	(21,549)	725,451
Gordon Tuck Fund	<u>1,095</u>	<u>(1,095)</u>	<u>-</u>
	<u>748,095</u>	<u>(22,644)</u>	<u>725,451</u>
TOTAL FUNDS	<u><u>881,216</u></u>	<u><u>(27,266)</u></u>	<u><u>853,950</u></u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	381,882	(386,504)	(4,622)
Restricted funds			
Building fund	-	(21,549)	(21,549)
Gordon Tuck Fund	-	(1,095)	(1,095)
Baptist Insurance grant for Community Pastor	<u>11,015</u>	<u>(11,015)</u>	<u>-</u>
	<u>11,015</u>	<u>(33,659)</u>	<u>(22,644)</u>
TOTAL FUNDS	<u><u>392,897</u></u>	<u><u>(420,163)</u></u>	<u><u>(27,266)</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2023

15. MOVEMENT IN FUNDS - continued

Comparatives for 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
	<u>772,427</u>	<u>(24,332)</u>	<u>748,095</u>
TOTAL FUNDS	<u>891,816</u>	<u>(10,600)</u>	<u>881,216</u>

Comparative 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)
	<u>-</u>	<u>(24,332)</u>	<u>(24,332)</u>
TOTAL FUNDS	<u>336,191</u>	<u>(346,791)</u>	<u>(10,600)</u>

16. 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.

Revd M Huckle, the senior pastor and a trustee of the charity, was appointed a trustee of The Southern Counties Baptist Association on 6th November 2023. The church made a grant to this charity 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.