

Trustees Annual Report 2020-2021

1 Peter 5:7 Cast all your anxiety on him because he cares for you.

This is the second review which has been written whilst the effects of Covid-19 are still being felt on the way we worship together. As at the end of July 2021 it is expected that it will only be a few weeks before the majority of restrictions relating to us as a worshipping community will be removed. Whilst an exact roadmap as to how we will get back to worshipping in significant numbers is currently unknown it is acknowledged that as at the date of this report some are still feeling anxious about gathering again. In this time still beset by uncertainty it is good to remember the reality of the above bible verse and whatever views we hold about what the future will bring to remember that we are called by faith to simply cast our anxiety on the Lord and remember that whatever we face he cares for us.

As part of last year's review, it was noted that this past year would produce some challenges, and this has certainly been the case. Since restrictions have continued for much longer than anticipated this reality will persist into the coming year. It is not yet known what effect the past 15 months of restrictions will have had on individuals and any decision about when, or indeed if, they are likely to return to worship at MBC. It is, therefore, expected that it may be a significant period of time before all return to worship at church.

The past year has seen us continuing both with our efforts to 'livestream' our Sunday morning services, provide the service on a CD to those who do not have an on-line presence, and continue to daily post prayers at 10 on Facebook. In addition to this a new weekly Bible Study using zoom was started and is proving popular.

During this year, whilst much of our 'normal' youth and children's work was not possible we have found several different ways of engaging with this age group ranging from on-line 'Firestarters' on Sundays to meeting outdoors in person during the summer months. This has included church family picnics in Blenheim Gardens when allowed. This has not only seen us stay connected with most of the families in church but also been a good way of connecting the generations at church.

On a general note, it is, of course, to have been expected that many of our plans were put on hold for this year. For example, the Hub has not been able to open fully since the beginning of lockdown. However recent government changes to lockdown rules and regulations mean it is now possible to begin to put plans in place for re-opening within the near future. However, since there has been a break in our being open, we have also taken the chance this represents to look again at how we might further integrate the work of the Hub into the church. As part of this we now hold weekly Monday morning prayers at the Hub not only praying for the work of the Hub but the wider community.

The fact that we have been able to sustain some elements of the worship and outreach of church during this period is in no short measure due to the hard work of many wonderful individuals and to the dedication of an amazing group of trustees who have met diligently week by week to both lead church life and to commit to bringing it before the Lord in prayer. It is fitting that we record our thanks to all who have enabled the church to function during what are unprecedented times.

It is also right that we give thanks to our awesome Lord who has, through what has been a unique year, been generous to us in all ways, including our finances. We pray that as you read through the rest of this report you will join us in praising the Lord and giving all the glory for what has been done by the Lord, and what is planned for the coming year.

Plans for Future Periods

The priority for 2021 / 2022 remains as it was last year, to continue doing what we do well in being a welcoming church, to develop as disciples of Jesus and to reach out to our community. As we begin to develop our discipleship programme, we will be looking at forming new 'life groups' and encourage those that have met during the past year as well as re-establishing some of the groups that met before lockdown.

but have not done since,

It is expected that at some stage this year we will stop livestreaming and return to 'in person' worship although the speed with which we do this is, at present, unknown.

Prior to lockdown it was agreed that we would look to establish a new 4 O'clock weekly service at the church Whilst the timing is not yet known it is expected that we will start this in the coming year.

We will be looking to re-establish contact with Spring Harvest, as they have confirmed that they will be returning to Butlins in 2022, with a view to working together to bless our community.

During Lockdown a number of individuals have been contemplating how God might be calling them to his service. It is expected that some of these exciting conversations will come to fruition in the coming year

It is recognised that this coming period is likely to be one of change where more than ever we need together to seek the Lord, meaning that more than ever before we must simply follow him wherever he leads us this coming year.

Paul McCabe

Minehead Baptist Church

INDEPENDENT EXAMINER'S REPORT

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MINEHEAD BAPTIST CHURCH

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 July 2021 which are set out on pages 6 to 10.

Responsibilities and basis of report

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

Independent examiner's statement

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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records

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.

Signed *Kevin Preston*

K H D PRESTON FCA TEP

Chartered Accountant

4 Irnham Road

Minehead

Somerset

TA24 5DG

19 November 2021

Minehead Baptist Church
Registered Charity Number 1130521

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Receipts and Payments Account for the year to 31 July 2021

GENERAL FUND

		Unrestricted funds	Restricted funds	Total funds	Last year
	Note	£	£	£	£
Receipts					
Donations, legacies and grants	2	122,391	100	122,491	130,305
Special Appeals		-	2,045	2,045	910
Interest on bank accounts		72		72	299
Fees for Mission Activities		2,055		2,055	26,247
Hall hire		7,366		7,366	7,027
Insurance claim		-	-	-	12,079
Total receipts		£ 131,884	£ 2,145	£ 134,029	£176,867
Payments					
Wages/salaries and national insurance		80,795		80,795	92,472
Pension contributions		8,625		8,625	5,572
Pension deficit contributions		6,920		6,920	8,152
Rent		-		-	(1,473)
Repairs and maintenance		3,989		3,989	12,632
Repairs and maintenance - insured		-		-	11,179
Equipment repairs and renewals		2,279		2,279	5,444
Utilities and telephone		20,555		20,555	17,429
Church running costs		10,485		10,485	14,160
Mission	3	12,977	2,180	15,157	26,405
Total payments		£ 146,626	£ 2,180	£ 148,806	£191,972
Net of receipts/(payments)		(14,742)	(35)	(14,777)	(15,104)
Transfers between funds		-	-	-	(3,375)
Cash funds last year end		85,346	358	85,704	104,183
Cash funds this year end		£70,604	£323	£70,927	£85,704

THE HUB PURCHASE FUND

	Restricted fund	Last year
	£	£
Receipts		
Donations	20,060	2,611
Sub total	20,060	2,611
Other		
Loan received from Baptist Building Fund	-	90,000
Total receipts	£ 20,060	£ 92,611
Payments		
Loan repayment to Baptist Building Fund	9,000	-
Sub total	9,000	-
Asset and investment purchases		
The Hub purchase		200,627
Total payments	£ 9,000	£ 200,627
Net of receipts/(payments)	11,060	(108,016)
Transfer from General Fund	-	3,375
Cash funds last year end	£ 5,322	£ 109,963
Cash funds this year end	£ 16,382	£ 5,322

Minehead Baptist Church

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Registered Charity Number 1130521

Statement of Assets and Liabilities at 31 July 2021

	<u>Unrestricted funds</u>	<u>Restricted funds</u>
<u>ASSETS</u>		
Cash funds	£70,927	£16,382
Other Monetary Assets		
Gift Aid claimed but not received	£4,877	-
Assets retained for the charity's own use:		
• Minehead Baptist Church Building		
• The Manse occupied by the minister (30 Paganel Road, Minehead)		
• The Hub (Hopcott Road, Alcombe, Minehead).		

All property is held as Custodian Trustee by the Baptist Union of Great Britain, with Minehead Baptist Church acting as the Managing Trustee.

LIABILITIES

	<u>Fund to which liability relates</u>	<u>Amount due</u>
Creditors (World Mission Giving)	Unrestricted	£3,625
Pension Fund Deficit	Unrestricted	£65,130
The Hub purchase loan	Restricted	£81,000

The Accounts and Statement of Assets and Liabilities set out on pages 6 & 7 relating to the year ending 31 July 2021 are as approved by the Trustees and signed on their behalf

Rev Paul McCabe, Chair of Trustees

Date: 16 November 2021

Minehead Baptist Church

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Registered Charity Number 1130521Notes to the accounts at 31 July 2021

1. Basis of accounts

These accounts have been prepared on a 'receipts and payments' basis and in accordance with Section 133 Charities Act 2011.

2. Donations, grants and other income

	2021	2020
Donations	7,974	7,451
Offerings	90,656	89,759
Furlough grant	4,499	3,060
Gift Aid	17,214	15,413
For Minister in Training	1,200	3,300
Pastoral fund	600	9,914
SSL grant (restricted)	937	-
Other income	471	471
Total Donations and Other Income	£122,491	£130,305

3. Mission

	2021	2020
Mission/Charitable giving	12,535	12,357
Youth and Families	585	1,620
Outreach	165	432
Active Living Centre running costs	73	4,886
The Hub running costs	1,308	3,704
MBC Activity Groups running costs	491	3,406
Total Mission	£15,157	£26,405

4. Assets Held for the Church's own use

The church is the beneficial owner (subject to the relevant trusts) of the following assets, the legal title to which is held by the church's custodian trustee [the Baptist Union Corporation Ltd]:

- Church premises at Parks Lane, Minehead, Somerset TA24 8BS, valued at £500,000 based on estimated market value.
- Church manse at 30 Paganel Road, Minehead, Somerset, valued at £300,000 based on estimated market value.
- The Hub located at Hopcott Road, Alcombe, Minehead, Somerset, valued at £200,000 based on purchase price August 2019.

5. Pension Scheme Liabilities

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

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

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

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

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. Under the current Recovery Plan dated 1 July 2020, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020.

In addition, the Baptist Union of Great Britain contributed a lump sum of £33m in 2018 with a further £0.5m to follow, and changes to the Scheme benefits were agreed. The Recovery Plan envisages deficiency contributions continuing until 31 December 2028.

The key financial assumptions underlying the valuation were as follows:

RPI price inflation assumption 3.50% pa

CPI price inflation assumption 2.75% pa

Minimum Pensionable Income increases (CPI plus 0.75% pa) 3.50% pa

Pension Scheme Liabilities (continued)

Assumed investment returns:

- Pre-retirement 3.50% pa

- Post retirement 2.25% pa

Deferred pension increases

- Pre April 2009 3.50% pa

- Post April 2009 2.50 % pa

Pension increases

- Main Scheme pension Pre April 2006 2.70% pa

- Main Scheme pension Post April 2006 2.00% pa

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church for the year ended 31 July 2021 was £6,920 (2020 £8,152).

Under the Schedule of Contributions, the church makes a monthly payment in respect of the DB scheme deficit, currently £731.80, which will increase in line with increases in Minimum Pensionable Income.

The pension scheme liability shown in the Statement of Assets and Liabilities is calculated as the current rate per month multiplied by the number of months remaining in the current Schedule of Contributions, which amounted to £65,130 as at 31st July 2021.

The Church has been advised that the estimated cost for the church to buy out their Pension Scheme liabilities at 31 July 2021 was £357,000.

Minehead Baptist Church

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Pension Scheme Liabilities (continued)

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