

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2020**

**WORTHING
BAPTIST
CHURCH**

REGISTERED CHARITY NUMBER: 1130541

Independent Examiners Ltd
Uni 2 The Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF

WORTHING BAPTIST CHURCH

CONTENTS

Page 3	Legal and Administrative Information
Page 4	Independent Examiner's Report to the Trustees
Page 5 to 7	Trustees' Report
Page 8	Statement of Financial Activities
Page 9	Balance Sheet
Pages 10 to 19	Notes to the Financial Statements
Page 20	Statement of Cashflows

WORTHING BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY REGISTRATION NUMBER	1130541
DATE OF REGISTRATION	14th July 2009
START OF FINANCIAL YEAR	1st January 2020
END OF FINANCIAL YEAR	31st December 2020
LEGAL STATUS	Registered Charity
CUSTODIAN TRUSTEE	The Baptist Union Corporation Limited
TRUSTEES WHO SERVED DURING THE YEAR TO 31ST DECEMBER 2020	Rev'd M Parker Minister Rev'd P Heath Assistant Minister Mrs F Ranger Church Secretary Mr J Lavadia Treasurer (resigned 9th November 2020) Mrs K Parker Mr A Duffield M Ramos Mr S Brown (resigned 9th November 2020) Mr O Radaza (resigned 9th November 2020)
TRUSTEES APPOINTED AFTER THE BALANCE SHEET DATE	Ms M Taruvunga Treasurer (appointed 12th April 2021) Mrs W Miles
	Trustees are elected by ballot of Church members, provided they receive 65% of those voting at the Church Meeting.
GOVERNING INSTRUMENT	Constitution Adopted on 3rd June 2009
OBJECTS	The principal purpose of the Church is the advancement of the Christian Faith, according to the principles of the Baptist Denomination, including the advancement of education, community service and other general charitable purposes in the United Kingdom and the world.
CORRESPONDENCE ADDRESS	Worthing Baptist Church Christchurch Road Worthing BN11 1JH
PRIMARY BANKERS	NatWest Bank Limited 27 South Street Worthing West Sussex
INDEPENDENT EXAMINER	Independent Examiners Ltd Unit 2 The Broadbridge Business Centre Delling Lane Bosham West Sussex PO18 8NF

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

I report to the trustees on my examination of the accounts of the Worthing Baptist Church for the year ended 31st December 2020.

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").

Responsibilities and basis of report

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 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 which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 other 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.



J Irvin Smith FCIE
Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF

Date: 28th October 2021

WORTHING BAPTIST CHURCH

TRUSTEES REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

Structure, Governance and Management

The Charity is governed by an Approved Governing Document which states that the principal purpose of the charity is the advancement of the Christian faith according to the principles of the Baptist denomination to include the advancement of education, community service and such other general charitable purposes in such parts of the United Kingdom and the world as the Church shall determine.

The Baptist Union Corporation Limited is the custodian trustee for the land and buildings owned by the Church. The Church occupies premises which are held by the Baptist Union Corporation Ltd, on Trusts which are entirely compatible with the above object.

Objective & Activities

The principal purpose of Worthing Baptist Church is the advancement of the Christian Faith, according to the principles of the Baptist denomination - to include the advancement of education, playing a role in the local community and carrying out charitable purposes in the UK and abroad. The church works through associations with the Baptist Union of Great Britain, the Baptist Missionary Society, The Bible Society and other similar Christian charitable organisations within the UK and world-wide.

In order to achieve the principal objective, the Trustees, having had due regard to the guidance (issued by the Charity Commission) on Public Benefit, organise a variety of activities, most of which run throughout the year. Central to the Christian work and witness of the church are the regular public Sunday Worship services at 10.30 a.m. The church is renowned for its friendly welcome to anyone who attends services or comes onto the premises for any other activities (as advertised outside the building and/or on the weekly news sheet and on the website, www.wbch.org.uk). There are programmes for children and teenagers during the Sunday morning service and other advertised activities which are open to any interested persons. There are regular Table tennis sessions on Wednesday mornings and Pool by arrangement. The church also runs a guitar club for teenagers on a weekly basis.

The church runs a series of mid-week 'Whole-Life Groups' for the growth of faith, fellowship, knowledge and discipleship - further details can be obtained from the Trustees on request or at Sunday services. Members facilitate weekly coffee mornings after Sunday service, open to the public, with the purpose of assisting the community and demonstrating the love of Jesus Christ. From time to time, the church hosts Alpha courses, where any interested individual may attend to learn more about the Christian Faith.

The church provides facilities for, and conducts, Weddings, Dedications for parents of babies and young children, Adult Baptisms and Funerals and prepares people spiritually for these occasions.

The local community actively engages in special events such as BBQs, meals out, tea parties and family days out.

The church has an Equal Opportunities Policy and is pro-active in being inclusive of people of all ages, nationalities and backgrounds. We have an LGBT inclusion statement on our website and weekly news sheet

In addition to regular activities, the church building is available for music concerts, meetings, training, community events and also hosts productions of Christian drama (Searchlight Theatre) and internationally acclaimed speakers (eg Jeff Lucas).

Fundraising for Christian Mission work in the UK and overseas is an important function, as is the support of Regional and National Baptist events, national Christian events such as "Big Church Day Out". The church has given food items and other requisites to the Turning Tides homeless charity throughout the year. Local and overseas Mission is supported regularly, and regular amounts are given to the Baptist Union for World Mission and Home (UK) Mission.

The church employs a Senior Minister of Religion and an Assistant Minister. All other activities, operations and essential management, finance and administration for the church are planned, organised and carried out by volunteers who give freely of their time. These volunteers are almost exclusively Church Members or Trustees and the emphasis is on teamwork.

The church complies with the regulations set out by the Baptist Union with regard to safeguarding of children and vulnerable adults, volunteer helpers being DBS-checked.

WORTHING BAPTIST CHURCH

TRUSTEES REPORT (Continued) FOR THE YEAR ENDED 31ST DECEMBER 2020

Achievements & Performance

The church measures the success of its programmes and provision to some extent in numbers of people attending services and events and the revenue - but the Trustees feel that more important by far are the less quantifiable benefits such as:-

- Quality and effectiveness of teaching and preaching
- Spiritual, emotional and practical support given and received
- Christian growth and maturity of individuals
- Inclusiveness of all ages, abilities, nationalities and backgrounds
- Quality of fellowship and encouragement experienced
- Involvement of the wider community
- Influence, reputation and recognition of the church in the locality
- Effectiveness of monies contributed to relief and mission projects in the UK and overseas
- Satisfactory upkeep of all properties owned by the church

During the pandemic the ministers have continued to offer pastoral care to members of the church and others, always complying with Government and Baptist Union guidelines. They have been innovative in this, meeting outside where appropriate, as well as using online tools such as Zoom. The leadership team have also sent gift packages to church members and others in the local community, doing this in order to provide encouragement and a sense of being cared for by the church. Other members of the church have also encouraged and supported each other in ways that also comply with Government guidelines.

For much of 2020 church services were held online (YouTube and Facebook) because the risk of meeting at the church building was deemed too high during the pandemic. Online services have broadened our reach, attracting people from outside the local area and overseas. For those without internet access, a weekly printed news sheet has been sent by post along with a DVD recording of the church service – with DVD players being offered to those without this facility.

For the same reasons the trustees have met regularly via Zoom, rather than in person. Our Annual Church Members Meeting was also held in this way.

For the first three months of the year, the church continued to host (f.o.c.) "Shine" monthly services for people with learning disabilities and difficulties, affiliated to the national Charity Count Everyone In. Following a period of reflection, the team leading that group came to the decision that these meetings had served their purpose in their current format, and that the group will not reconvene following the end of Covid restrictions. In common with other local churches, we will be reviewing our provision for support of those previously attending the group with a view to maintaining and improving inclusion of those with learning disabilities in all aspects of church life.

Discussions are ongoing regarding a possible project for further improvements or alteration of the premises. The aim of any such work will be to further the principal purpose of the Church – Ministry - and improve the premises for the benefit of the community. The Trustees hope that 2021 will see further exciting new ideas, events, activities and developments emerging at Worthing Baptist Church.

Financial Review

The trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs, although at present we are in a long-term income shortfall due increased Ministry costs supporting two ministers. The trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even with this shortfall.

The Mission fund was in deficit at the end of the financial year but will be replenished from the General fund.

The pandemic has adversely affected our finances this year resulting in a lower General fund income. The church's commitment to support two ministers will see us continue to operate in deficit as we relied heavily on the funds from the sale of one of our flats in 2018.

We completed the process of selling a couple more flats to boost our reserves and fund the deficit for the next 2 to 3 years.

Our treasurer's term in office will end this year and as we transition to a new finance team, a review of our financial controls will be conducted to make sure that they are adequate and fit for purpose.

The Church continues to raise the funds which it needs to carry on its activities from within its own membership and congregation. No wider public appeal was made for funds during the year.

The most significant expense is the employment of the Revd Mike Parker as Minister of the Church and Revd Peter Heath as Assistant Minister, to lead and co-ordinate the church's activities including the Sunday Services, to provide pastoral care for the congregation and other people, and to equip and encourage the membership in their life, Christian witness and service.

The Church expressed its part in the life of the wider church by making contributions to the Baptist Union's "Home Mission" fund, and encouraging members to contribute to national and international Christian organisations and societies with Christian aims and objectives compatible with the church's own charitable purpose.

WORTHING BAPTIST CHURCH

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

Financial Review (continued)

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 overall achievement of the church's objectives.

Towards the end of 2020, the church completed the sale of two remaining properties within an adjoining house building. This was achieved within the year as planned, though progress was delayed at various stages due to the impact of the Covid-19 situation.

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 Trustees expect to draw down as required (via the Baptist Union) the final monies from the sale of the first property (completed in 2018) and those from the sale of two further properties within the same building referred to above. Advice will be sought as to the possibility of selling the freehold of the building. The Trustees will continue to monitor activities and the major risks facing the church in order to be confident that policies are in place to minimise these.

Trustees Responsibilities

The Charities Act 2011 require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the trustees are required to:

- i) Select suitable accounting policies and apply them consistently
- ii) Make judgements and estimates that are reasonable and prudent
- iii) Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on the 28/10/2021

Signed on their behalf by Mike Parker, Trustee

Print Name:

REV MIKE PARKER

WORTHING BAPTIST CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2020 £	TOTAL 2019 £
INCOME FROM:						
Donations & Legacies	3a	53,172	-	-	53,172	84,780
Investments	3b	206	-	-	206	1,778
Other Trading Activities	3c	-	9,569	-	9,569	15,868
Charitable Activities	3d	-	-	38	38	298
Other	3e	32	-	-	32	-
TOTAL INCOME		53,410	9,569	38	63,017	102,724
EXPENDITURE ON:						
Charitable Activities	4a	130,368	-	50	130,418	148,011
Raising Funds	4b	-	14,254	-	14,254	9,886
Governance Costs	4c	1,290	-	-	1,290	1,170
TOTAL EXPENDITURE		131,658	14,254	50	145,962	159,067
NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS/(LOSSES)		(78,248)	(4,685)	(12)	(82,945)	(56,343)
Gain on disposal of fixed asset investments	2a	214,038	-	-	214,038	-
Gain on revaluation of fixed asset investments	2a	179,008	-	-	179,008	-
NET INCOME/(EXPENDITURE)		314,798	(4,685)	(12)	310,101	(56,343)
Transfer Between Funds		-	-	-	-	-
OTHER RECOGNISED GAINS/(LOSSES):						
Gain on revaluation of fixed assets for the charity's own use	2	438,249	-	-	438,249	-
NET MOVEMENT IN FUNDS		753,047	(4,685)	(12)	748,350	(56,343)
RECONCILIATION OF FUNDS:						
Total Funds Brought Forward		1,767,780	18,962	2,489	1,789,231	1,845,574
TOTAL FUNDS CARRIED FORWARD		2,520,827	14,277	2,477	2,537,581	1,789,231

Movements on all reserves and all recognised gains and losses are shown above. All of the organisation's operations are classed as continuing.

The notes on pages 10 to 19 form part of these financial statements.

WORTHING BAPTIST CHURCH

BALANCE SHEET
AS AT 31ST DECEMBER 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31-Dec-20 Total £	31-Dec-19 Total £
Fixed Assets						
Tangible Assets	2	2,005,000	-	-	2,005,000	1,662,105
Fixed Asset Investments	2a	228,500	-	-	228,500	-
Current Assets						
Debtors & Prepayments	8	6,452	-	84	6,536	9,183
Cash at Bank and in Hand	7	285,888	14,277	2,393	302,558	122,840
Total Current Assets		292,340	14,277	2,477	309,094	132,023
Creditors: amounts falling due within one year	9	5,013	-	-	5,013	4,897
NET CURRENT ASSETS		287,327	14,277	2,477	304,081	127,126
TOTAL ASSETS less current liabilities		2,520,827	14,277	2,477	2,537,581	1,789,231
Creditors: amounts falling due in more than one year	10	-	-	-	-	-
NET ASSETS		2,520,827	14,277	2,477	2,537,581	1,789,231
Funds of the Charity						
General Funds		2,082,578	-	-	2,082,578	1,767,780
Revaluation Reserve	2	438,249	-	-	438,249	-
Designated Funds	5	-	14,277	-	14,277	18,962
Restricted Funds	6	-	-	2,477	2,477	2,489
Total Funds		2,520,827	14,277	2,477	2,537,581	1,789,231

Approved by the Trustees on the

28/10/2021

Signed on their behalf by  Trustee

Print Name:

REV MIKE PARKER

WORTHING BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

Basis of Preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP - FRS102) and the Charities Act 2011.

The Charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy notes.

Assessment of Going Concern

Preparation of the accounts is on a going concern basis. The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The charity has opted to prepare its accounts using natural categories.

Changes to accounting estimates

No changes to accounting estimates have occurred in the reporting period.

Material prior period errors

No material prior year error have been identified in the reporting period.

The particular accounting policies adopted are set out below.

1. ACCOUNTING POLICIES

Income

Recognition of Income

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the income;
- it is more likely than not that the Directors will receive the resources; and
- the monetary value can be measured with sufficient reliability

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Grants and Donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102)

Tax reclaims on Donations and Gifts

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Gifts in Kind

Gifts in kind for use by the charity are included in the SoFA as income from donations when receivable.

Legacies

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Government Grants

The charity has not received any government grants in the reporting period.

Donated goods

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt and they are recognised on receipt. In the reporting period in which the stocks are distributed, they are recognised as an expense at the carrying amount of the stocks at distribution.

Goods donated for on-going use by the charity are recognised as tangible fixed assets and included in the SoFA as incoming resources when receivable.

Donated Services and Facilities

Donated services and facilities are included in the SOFA when received at the value of the gift to the charity provided the value of the gift can be measured reliably.

WORTHING BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Donated services and facilities that are consumed immediately are recognised as income with an equivalent amount recognised as an expense under the appropriate heading in the SOFA.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the Directors' annual report.

Income from interest, royalties and dividends

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Expenditure and Liabilities

Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

Governance Costs

Support costs represent the cost of central functions, for example governance costs, payroll administration, information technology. Governance costs are those support costs which relate to public accountability of the charity and its compliance with regulation and good practice.

Employee benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Redundancy cost

The charity made no redundancy payments during the reporting period.

Deferred income

No material item of deferred income has been included in the accounts.

Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Taxation

Worthing Baptist Church is not registered for Value Added Tax and therefore expenditure is shown inclusive of Value Added Tax.

Funds

Funds held consist of:

- Unrestricted General Funds which are used for general running of the charity
- Designated Funds which have been ring-fenced for a specific purpose by the Trustees
- Restricted Funds which must only be used for the purpose specified by the donor of those funds

Tangible fixed assets for use by the charity:

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or, if gifted, at the value to the charity on receipt.

The Trustees have chosen to adopt a policy in 2020 of revaluing the freehold land and buildings class of fixed assets. The Trustees intend to review the values over a 5 year rolling period for impairment.

Depreciation is calculated at a rate to write off the cost of tangible fixed assets on a straight line basis over their estimated useful lives. The rates applied per annum are as follows:

Fixtures, Fittings & Equipment	20% Straight Line Basis
Computer and Sound Hardware	20% Straight Line Basis
Freehold land and buildings	Not depreciated

No depreciation is charged to freehold property as the the residual value (based on prices at the time of revaluation in March 2021) is not materially different from the carrying amount of the asset and the asset is considered to have a very long useful life. The Trustees intend to review the value over a 5 year rolling period for impairment. Freehold land and buildings are primarily used for charitable purposes.

WORTHING BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31ST DECEMBER 2020**

Fixed asset investments:

Investment properties are measured at fair value. The fair value at 31st December 2020 was determined by reference to a valuation for charity accounting purposes carried out in March 2021 by Crickmay Chartered Surveyors. This valuation consisted of the Church building and attached investment property. The fair value stated in these financial statements has been apportioned between the Church and the Manse according to the professional valuation conducted by Crickmay Chartered Surveyors. The Trustees are of the opinion that the value at 31st December 2020 is unlikely to be materially different to that of the valuation carried out in March 2021 and have therefore opted to use that figure.

2. TANGIBLE FIXED ASSETS

		Freehold Land & Buildings £	Fixtures Fittings & Equipment £	Computer & Sound Hardware £	Total 2020 £
Cost	01-Jan-20	1,662,105	17,107	25,248	1,704,460
Additions		-	-	-	-
Disposals		-	-	-	-
Transfer to 2a) Fixed Asset Investments		(95,354)			(95,354)
Revaluation		438,249			438,249
Cost at	31-Dec-20	<u>2,005,000</u>	<u>17,107</u>	<u>25,248</u>	<u>2,047,355</u>
Depreciation	01-Jan-20	-	17,107	25,248	42,355
Charge		-	-	-	-
Disposals		-	-	-	-
Depreciation at	31-Dec-20	<u>-</u>	<u>17,107</u>	<u>25,248</u>	<u>42,355</u>
Net Book Value	31-Dec-20	<u>2,005,000</u>	<u>-</u>	<u>-</u>	<u>2,005,000</u>
Net Book Value	31-Dec-19	<u>1,662,105</u>	<u>-</u>	<u>-</u>	<u>1,662,105</u>

The fair value of the freehold land and buildings are based on a valuation by an independent RICS valuer from Crickmay Chartered Surveyors on 23rd March 2021. The Trustees have opted to use these valuations as they believe that the value at 31st December 2020 would not have been materially different to this.

The carrying amount that would have been recognised had the freehold land and buildings been carried at historical cost is as follows:

	£
Church	1,421,750
Manse	142,000

2.a) FIXED ASSET INVESTMENTS

	Investment Property 23 Christchurch £	Investment Property 25a Christchurch £	Investment Property 25 Flat 1 Christchurch £	Investment Property 25 Christchurch Freehold Interest £
Carrying/(fair) value at beginning of period	-	-	-	-
Transfer/Reclassify from Tangible Fixed Assets (at cost)	49,492	22,931	22,931	-
Revaluation to fair value	170,508	-	-	8,500
Add: additions to investments	-	-	-	-
Less: disposals at carrying/fair value	-	(135,000)	(133,000)	-
Add: net gain on disposal	-	112,069	110,069	-
Carrying/(fair) value at end of year	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>8,500</u>

The carrying amount that would have been recognised had the investment property been carried at historical cost is as follows:

	Investment Property 23 Christchurch £	Investment Property 25a Christchurch £	Investment Property 25 Flat 1 Christchurch £	Investment Property 25 Christchurch Freehold Interest £
At historical cost	49,492	22,931	22,931	0

The fair value of the investment properties are based on a valuation by an independent RICS valuer from Crickmay Chartered Surveyors on 23rd March 2021. The Trustees have opted to use these valuations as they believe that the value at 31st December 2020 would not have been materially different to this.

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

3. INCOME

Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2020 £	TOTAL 2019 £
a) Donations, Legacies & Similar Income					
Gifts & Donations	52,880	-	-	52,880	57,900
Gift Aid Tax Refund	292	-	-	292	3,081
Legacies	-	-	-	-	23,799
	53,172	-	-	53,172	84,780
b) Investments					
Bank Interest	206	-	-	206	1,778
	206	-	-	206	1,778
c) Other Trading Activities					
Premises Hire	-	9,569	-	9,569	15,868
	-	9,569	-	9,569	15,868
d) Charitable Activities					
Activities & Events	-	-	38	38	181
Catering Income	-	-	-	-	117
	-	-	38	38	298
e) Other					
Printer & Copier Income	-	-	-	-	-
Sundry Income	32	-	-	32	-
	32	-	-	32	-

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

4. EXPENDITURE:

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2020 £	TOTAL 2019 £
a) Charitable Activities						
Accommodation Costs		10,800	-	-	10,800	10,800
Catering Costs		64	-	-	64	1,265
Charitable Missions		2,147	-	-	2,147	2,371
Church Activities & Events		285	-	50	335	2,077
Cleaning, Utilities & Council Tax		10,013	-	-	10,013	12,291
Depreciation Expense		-	-	-	-	5,048
Equipment Costs		1,996	-	-	1,996	693
Gifts & Donations		259	-	-	259	1,382
Insurance Costs		5,686	-	-	5,686	5,546
Licenses & Subscriptions		1,080	-	-	1,080	644
Ministry Expenses		992	-	-	992	2,452
Office Costs		2,449	-	-	2,449	2,993
Pulpit Supplies		-	-	-	-	150
Repairs & Maintenance		11,565	-	-	11,565	11,115
Salaries & Wages	10	81,604	-	-	81,604	85,633
Travel & Subsistence		-	-	-	-	719
Sundry Expenses		-	-	-	-	180
Training Costs		1,400	-	-	1,400	2,432
Youth Ministry		28	-	-	28	220
		130,368	-	50	130,418	148,011
b) Raising Funds						
Expenditure on Flats		-	14,254	-	14,254	9,886
		-	14,254	-	14,254	9,886
c) Governance Costs						
Independent Examiners Fees	9	1,290	-	-	1,290	1,170
		1,290	-	-	1,290	1,170

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

5. DESIGNATED FUNDS

CURRENT YEAR					
	Balance 01-Jan-20	Income	Expenditure	Transfers	Balance 31-Dec-20
	£	£	£	£	£
Fabric Fund	18,594	9,569	14,254	-	13,909
New Look - Church Development Fund	368	-	-	-	368
	18,962	9,569	14,254	-	14,277
PREVIOUS YEAR					
	Balance 01-Jan-19	Income	Expenditure	Transfers	Balance 31-Dec-19
	£	£	£	£	£
Fabric Fund	12,612	15,868	9,886	-	18,594
New Look - Church Development Fund	368	-	-	-	368
	12,980	15,868	9,886	-	18,962

The designated funds held are represented by the Charity's Cash reserves.

6. RESTRICTED FUNDS

CURRENT YEAR					
	Balance 01-Jan-20	Income	Expenditure	Transfers	Balance 31-Dec-20
	£	£	£	£	£
Auxiliaries Fund	2,701	38	50	-	2,689
Mission Fund	(212)	-	-	-	(212)
	2,489	38	50	-	2,477
PREVIOUS YEAR					
	Balance 01-Jan-19	Income	Expenditure	Transfers	Balance 31-Dec-19
	£	£	£	£	£
Auxiliaries Fund	2,864	246	409	-	2,701
Mission Fund	7,563	(5,404)	2,371	-	(212)
	10,427	(5,158)	2,780	-	2,489

Auxiliaries Fund - The fund accounts for the organisations and activities run under the aegis of the Charity, for the benefit of members and organisations and the wider community and is administered by the auxiliary organisations.

Mission Fund - The fund exists to process donations made by members and friends (and associated tax refunds) and the onwads transmission for the purpose of mission, both in the UK and overseas.
During 2019, a refund had to be made of donations to a project that could not be continued.

The restricted funds held are wholly represented by the cash reserves and debtors of the charity.

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

7. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Dec-20 £	Total 31-Dec-19 £
Cash at Bank and in Hand	285,888	14,277	2,393	302,558	122,840
	285,888	14,277	2,393	302,558	122,840

8. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Dec-20 £	Total 31-Dec-19 £
Prepayments	1,490	-	-	1,490	1,275
Gift Aid Tax Recoverable	4,962	-	84	5,046	7,908
	6,452	-	84	6,536	9,183

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Dec-20 £	Total 31-Dec-19 £
Independent Examiners Fees	1,290	-	-	1,290	1,260
Member Loans	2,000	-	-	2,000	2,000
Accrued Payroll Taxes	1,723	-	-	1,723	1,637
	5,013	-	-	5,013	4,897

10. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

The Charity held no long term liabilities during this or the previous financial period.

WORTHING BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 31ST DECEMBER 2020**

11. STAFF COSTS AND NUMBERS

	2020 £	2019 £
Gross Wages and Salaries	63,465	61,619
Gross Wages and Salaries (prior year, paid this year)	-	3,760
Employer's National Insurance Costs	6,353	7,600
Pension Contributions	11,786	12,654
	81,604	85,633

Employees who were engaged in each of the following activities:

	2020	2019
Activities in furtherance of organisation's objects	2	2

The organisation operates a PAYE scheme to pay all employed members of staff and no employees received emoluments in excess of £60,000 (2019: None). The two employees consist of the Minister and Assistant Minister who are also Trustees.

12. PAYMENTS TO TRUSTEES AND RELATED PARTY TRANSACTIONS

In this financial period the charity has paid trustees remuneration and benefits (including Employer NI and Employer Pension contributions) for their roles as Church Minister and Assistant Church Minister as follows:

<u>Name of Trustee</u>	<u>Legal authority</u>	<u>Amounts paid or benefit value</u>			
		Remuneration	Employer NI and Pension	2020 Total	2019 Total
		£	£	£	£
Rev Mike Parker (Minister)	Governing document	38,640	13,518	52,158	51,627
Rev Peter Heath (Assistant Minister)	Governing document	24,825	5,785	30,610	30,246
		63,465	19,303	82,768	81,873

No trustees were remunerated for their role as a trustee.

In this financial period, in addition to the remuneration and benefits stated above, the following payments were made:

<u>Name of Trustee</u>	<u>Amounts paid or benefit value</u>				2020 Total	2019 Total
	Manse utilities	Training course	Accommodation	General expense		
	£	£	£	£	£	£
Rev Mike Parker (Minister)	2,500	1,400	-	1,384	5,284	8,164
Rev Peter Heath (Assistant Minister)	-	-	10,800	1,520	12,320	12,792
	2,500	1,400	10,800	2,904	17,604	20,956

These above payments were made to trustees in their capacity as Minister and Assistant Minister of Worthing Baptist Church, in furthering the Charity's objects.

The only other payments made to the trustees consisted of reimbursements for items purchased on behalf of the Church in furthering the Charity's objects.

No other payments were made to trustees or any persons connected with them during this financial year. No other material transactions took place between the organisation and a trustee or any person connected with them. No other trustees received any remuneration or benefits in kind during the financial year.

13. RISK ASSESSMENT

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated, combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

WORTHING BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 2020

14. RESERVES POLICY

The trustees have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The trustees aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The trustees will endeavour not to set aside funds unnecessarily.

15. PUBLIC BENEFIT

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Trustees report. The Trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

16. PENSIONS

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which was known as the Baptist Ministers' Pension Fund until 31 December 2011 ("The Ministers' Fund"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited).

The Minister(s) is / are eligible to join the Scheme, which was not contracted out of the State Second Pension. In addition, from 1st January 2012 some members of the church staff are also eligible to join the scheme.

The main benefits provided by the Ministers' Fund for service prior to 1 January 2012 are 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. From 1 January 2009 Ministers paid 8% of their Pensionable Income and the employer paid 16%. The Fund started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. 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, the administration of the DC Plan, 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 Unum Limited.

A formal valuation of the Ministers' Fund was performed at 31 December 2010 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Fund's assets at the valuation date was £129,866,000.

That valuation of the Ministers' Fund revealed a deficit of assets compared with the value of liabilities of £69,700,000 (equivalent to a past service funding level of 65%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, deficiency contributions from employers to the Ministers' Fund (now the DB Plan within the Scheme) were set at 8.4% of Pensionable Income for 2012 and 11% of Pensionable Income for 2013 onwards. The Recovery Plan envisaged deficiency contributions being required for 24 years.

A full valuation of the DB Plan takes place every three years. The valuation on 31 December 2019 showed that the estimated deficit has reduced to £18,000,000. There have been positive developments over the last three-year period that have led to a significant reduction in debt. Consequently it is now expected that contributions might cease in June 2026; and there was a temporary reduction of 50% to the deficit recovery contributions put in place for the second half of 2020 to alleviate some of the additional financial pressure on employers during the Coronavirus pandemic.

Movements in the deficit in 2020

There are two substantial developments coming into play since December 2019 that have an impact on DB Plan funding:

Although mitigated to some extent by the Trustee's relatively low-risk investment strategy, the Coronavirus pandemic has impacted financial markets and led to a reduction in the value of some DB Plan investments.

The Government is currently consulting on how and when to change how the Retail Prices Index (RPI) is calculated to bring it more into line with the, generally lower, Consumer Prices Index (CPI). It is anticipated that this change will lead to a lower value for some of the RPI-linked assets held by the DB Plan. This impact is partially offset by an assumed reduction in the cost of providing deferred benefits which are revalued up to retirement in line with RPI.

The DB Plan's actual financial position moves daily with changes in financial market conditions. However, in the agreed deficit recovery contributions an allowance has been made for a £10m deterioration in the deficit since 31 December 2019 to take account of the current impact of the two items above.

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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 schemes, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church is £12,950 (2019: £12,564).

(Consequent upon the departure of the Minister from the church in 2009, the church had a cessation event under Section 75 of the Pensions Act 1995. This makes the church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Fund. It is not possible to quantify this debt without an actuarial calculation. In order, to avoid the cost of such calculation and because the church may not be able to continue its charitable activities following payment of the employer debt which arises upon a cessation event, the Pension Fund Trustee (after consulting the Pensions Regulator) is not currently pursuing the employer debt, but is instead permitting the church to pay the ongoing deficiency contributions outlined above. However, the Pension Trustee has the right to quantify and seek payment of the debt at any time at its discretion.)

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

WORTHING BAPTIST CHURCH
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019
Cash used in operating activities	(a) <u>(89,751)</u>	<u>(59,275)</u>
Cash used from investing activities		
Proceeds from the sale of investment property	259,900	-
Purchase of investments	-	-
Rent from investments	9,569	15,868
Cash provided by (used in) investing activities	<u>269,469</u>	<u>15,868</u>
Cash flows from financing activities		
Introduction/(Repayment) of long term borrowing	-	-
Cash used in financing activities	<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>179,718</u>	<u>(43,407)</u>
Cash and cash equivalents at the start of the year	122,840	166,247
TOTAL cash and cash equivalents at the end of the year	(b) <u>302,558</u>	<u>122,840</u>
(a) Reconciliation of net movement in funds to net cash flow from operating activities		
	2020 £	2019
Net movement in funds as per Statement of Financial Activities	(82,945)	(56,343)
Add back depreciation charge	-	5,048
Deduct rent from investments	(9,569)	(15,868)
Decrease/(increase) in debtors	2,647	6,251
Increase/(decrease) in creditors	116	1,637
	<u>(89,751)</u>	<u>(59,275)</u>
Net cash used in operating activities		
(b) Analysis of cash and cash equivalents		
	2020 £	2019
Cash at bank and in hand	<u>302,558</u>	<u>122,840</u>
Total cash and cash equivalents	<u>302,558</u>	<u>122,840</u>