

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2021**

**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 2021
END OF FINANCIAL YEAR	31st December 2021
LEGAL STATUS	Registered Charity
CUSTODIAN TRUSTEE	The Baptist Union Corporation Limited
TRUSTEES WHO SERVED DURING THE YEAR TO 31ST DECEMBER 2021	Revd M Parker Minister Revd P Heath Assistant Minister Mrs F Ranger Church Secretary M Ramos Mrs K Parker Mr A Duffield Ms M Taruvinga Treasurer (appointed 12th April 2021) Mrs W Miles (appointed 12th April 2021)
TRUSTEES APPOINTED AFTER THE BALANCE SHEET DATE	None 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 2021.

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.

K Gomes MAAT
Independent Examiners Ltd
Unit 2 The Broadbridge Business Centre
Delling Lane
Bosham
West Sussex
PO18 8NF



Date: 27.10.22

WORTHING BAPTIST CHURCH
TRUSTEES REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

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 other advertised activities which are open to any interested persons.

The church runs a series of mid-week '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 or groups for people who are new to the church, 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, family picnics, and film nights.

The church has an Equal Opportunities Policy and is committed to the love and inclusion of all people, affirming diversity in sexuality, gender identity, ethnicity, age, physical ability, learning disability, neurodiversity and mental health. Our inclusion statement is published on our website and weekly news sheet.

Fundraising for Christian Mission work in the UK and overseas is an important function, as is the support of Regional and National Baptist events, and national Christian events such as "Big Church Day Out". Church members have 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 and its ministers are also a resource for other local churches exploring becoming LGBT+ affirming. The ministers meet with ministers and trustees of other churches to offer support. Relevant audio recordings, video discussions, and articles created by the ministers of Worthing Baptist Church are made available on the church website to promote inclusion and full participation of LGBT+ people in churches locally and around the world.

These resources also encourage LGBT+ people who have been mistreated in, or excluded from, churches historically.

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. Many of these volunteers are Church Members or Trustees, but we invite newcomers and regular attenders to volunteer in appropriate ways that don't require DBS checks. Teamwork is important in all our teams, and we're actively encouraging LGBT+ people to serve on teams.

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 2021

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

Church members and regular attenders with mental health issues and other everyday challenges have described the stability and consistency of church services as helpful. Often the church ministers are a first point of contact for people who need help. The ministers have been able to direct people towards their GP, or mental health professionals, counsellors, or Citizens Advice.

As mentioned, not only is the church actively seeking to include LGBT+ people in worship and activities, we also encourage LGBT+ people to volunteer in teams. This is significant, given that LGBT+ people are often barred from volunteering in many churches. We have also decided together as a church to register our building for same-sex marriage. We will apply for this early next year, and are the only church locally, to our knowledge, which is doing this. Many LGBT+ people in the community have been encouraged by the church's affirming stance, especially those who have been mistreated in, or excluded from, churches historically.

Financial Review

The trustees have considered the level of reserves they wish to retain appropriate to the charity's needs, the aim being to ensure that the charity will be able to continue to fulfil its charitable objectives.

At present we are in a long-term income shortfall due to the cost of supporting two ministers, seen as essential to the fulfilment of our current objectives. Nevertheless, the charity's overall financial position remains healthy, with total funds of £1.8m carried forward.

While the above-mentioned income shortfall remains a matter of some concern, the Trustees remain committed to the ongoing review of financial strategy, controls and processes to ensure that they are adequate and fit for purpose. This will enable the charity to continue as a going concern, whilst recognising the need for vigilance.

The principle source of funds remains the regular giving from church members and others attending weekly services. In addition, the church receives monthly rental income from the remaining flat.

The sale of property to boost our reserves and fund the operating deficit for the foreseeable future has continued to be a major strategic activity in this area. Following the sale of the remaining two flats in one property, the church is now actively seeking to divest itself of the freehold in order to free up resources as well as generate further income.

The Covid-19 pandemic has continued to adversely affect our finances this year, resulting in a lower General fund income than in previous years. Whilst there are encouraging signs that this income is increasing, the church's commitment to support two ministers will see us continue to operate in deficit for the foreseeable future.

WORTHING BAPTIST CHURCH

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31ST DECEMBER 2021**

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 27-10-2022

Signed on their behalf by , Trustee

Print Name: MARTHA TARUVINGA

WORTHING BAPTIST CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
INCOME FROM:						
Donations & Legacies	3a	53,944	-	900	54,844	53,172
Investments	3b	394	-	-	394	206
Other Trading Activities	3c	-	12,393	-	12,393	9,569
Charitable Activities	3d	-	-	-	-	38
Other	3e	16	-	-	16	32
TOTAL INCOME		54,353	12,393	900	67,646	63,017
EXPENDITURE ON:						
Charitable Activities	4a	174,323	-	3,153	177,476	130,418
Raising Funds	4b	-	3,712	-	3,712	14,254
Governance Costs	4c	5,355	-	-	5,355	1,290
TOTAL EXPENDITURE		179,678	3,712	3,153	186,543	145,962
NET INCOME/(EXPENDITURE) BEFORE INVESTMENTS GAINS/(LOSSES)		(125,325)	8,681	(2,253)	(118,897)	(82,945)
Gain on disposal of fixed asset investments	2a	-	-	-	-	214,038
Gain on revaluation of fixed asset investments	2a	-	-	-	-	179,008
NET INCOME/(EXPENDITURE)		(125,325)	8,681	(2,253)	(118,897)	310,101
Transfer Between Funds		(2,261)	-	2,261	-	-
OTHER RECOGNISED GAINS/(LOSSES):						
Gain on revaluation of fixed assets for the charity's own use	2	-	-	-	-	438,249
NET MOVEMENT IN FUNDS		(127,586)	8,681	8	(118,897)	748,350
RECONCILIATION OF FUNDS:						
Total Funds Brought Forward		2,520,827	14,277	2,477	2,537,581	1,789,231
TOTAL FUNDS CARRIED FORWARD		2,393,241	22,958	2,485	2,418,684	2,537,581

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 2021**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31-Dec-21 Total £	31-Dec-20 Total £
Fixed Assets						
Tangible Assets	2	2,005,000	-	-	2,005,000	2,005,000
Fixed Asset Investments	2a	228,500	-	-	228,500	228,500
Current Assets						
Debtors & Prepayments	8	-	-	-	-	6,536
Cash at Bank and in Hand	7	164,780	22,958	2,485	190,223	302,558
Total Current Assets		164,780	22,958	2,485	190,223	309,094
Creditors: amounts falling due within one year	9	5,039	-	-	5,039	5,013
NET CURRENT ASSETS		159,741	22,958	2,485	185,184	304,081
TOTAL ASSETS less current liabilities		2,393,241	22,958	2,485	2,418,684	2,537,581
Creditors: amounts falling due in more than one year	10	-	-	-	-	-
NET ASSETS		2,393,241	22,958	2,485	2,418,684	2,537,581
Funds of the Charity						
General Funds		2,393,241	-	-	2,393,241	2,520,827
Revaluation Reserve	2	-	-	-	-	-
Designated Funds	5	-	22,958	-	22,958	14,277
Restricted Funds	6	-	-	2,485	2,485	2,477
Total Funds		2,393,241	22,958	2,485	2,418,684	2,537,581

Approved by the Trustees on the 27-10-2022

Signed on their behalf by NT, Trustee

Print Name: MARTHA TARUVINGA

WORTHING BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

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 SORP).

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 2021

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 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 2021**

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-21	2,005,000	17,107	25,248	2,047,355
Additions		-	-	-	-
Disposals		-	-	-	-
Cost at	31-Dec-21	<u>2,005,000</u>	<u>17,107</u>	<u>25,248</u>	<u>2,047,355</u>
Depreciation	01-Jan-21	-	17,107	25,248	42,355
Charge		-	-	-	-
Disposals		-	-	-	-
Depreciation at	31-Dec-21	<u>-</u>	<u>17,107</u>	<u>25,248</u>	<u>42,355</u>
Net Book Value	31-Dec-21	<u>2,005,000</u>	<u>-</u>	<u>-</u>	<u>2,005,000</u>
Net Book Value	31-Dec-20	<u>2,005,000</u>	<u>-</u>	<u>-</u>	<u>2,005,000</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 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	220,000	-	-	8,500
Add: additions to investments	-	-	-	-
Less: disposals at carrying/fair value	-	-	-	-
Add: net gain on disposal	-	-	-	-
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.

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2021**

3. INCOME

Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
a) Donations, Legacies & Similar Income					
Gifts & Donations	53,944	-	431	54,375	52,880
Gift Aid Tax Refund	-	-	469	469	292
Legacies	-	-	-	-	-
	53,944	-	900	54,844	53,172
b) Investments					
Bank Interest	394	-	-	394	206
	394	-	-	394	206
c) Other Trading Activities					
Premises Hire	-	12,393	-	12,393	9,569
	-	12,393	-	12,393	9,569
d) Charitable Activities					
Activities & Events	-	-	-	-	38
	-	-	-	-	38
e) Other					
Sundry Income	16	-	-	16	32
	16	-	-	16	32

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2021**

4. EXPENDITURE:

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	TOTAL 2021 £	TOTAL 2020 £
a) Charitable Activities						
Accommodation Costs		10,800	-	-	10,800	10,800
Catering Costs		480	-	-	480	64
Charitable Missions		18	-	3,057	3,075	2,147
Church Activities & Events		-	-	96	96	335
Cleaning, Utilities & Council Tax		10,741	-	-	10,741	10,013
Depreciation Expense		-	-	-	-	-
Equipment Costs		927	-	-	927	1,996
Gifts & Donations		160	-	-	160	259
Insurance Costs		6,086	-	-	6,086	5,686
Licenses & Subscriptions		1,050	-	-	1,050	1,080
Ministry Expenses		1,108	-	-	1,108	992
Office Costs		1,848	-	-	1,848	2,449
Pulpit Supplies		-	-	-	-	-
Repairs & Maintenance		49,829	-	-	49,829	11,565
Salaries & Wages	10	90,946	-	-	90,946	81,604
Travel & Subsistence		-	-	-	-	-
Sundry Expenses		-	-	-	-	-
Training Costs		330	-	-	330	1,400
Youth Ministry		-	-	-	-	28
		174,323	-	3,153	177,476	130,418
b) Raising Funds						
Expenditure on Flats		-	3,712	-	3,712	14,254
		-	3,712	-	3,712	14,254
c) Governance Costs						
Independent Examiners Fees	9	1,320	-	-	1,320	1,290
Legal & Professional Fees		4,035	-	-	4,035	-
		5,355	-	-	5,355	1,290

WORTHING BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST DECEMBER 2021**

5. DESIGNATED FUNDS

	CURRENT YEAR				
	Balance 01-Jan-21 £	Income £	Expenditure £	Transfers £	Balance 31-Dec-21 £
Fabric Fund	13,909	12,393	3,712	-	22,590
New Look - Church Development Fund	368	-	-	-	368
	14,277	12,393	3,712	-	22,958

	PREVIOUS 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

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

6. RESTRICTED FUNDS

	CURRENT YEAR				
	Balance 01-Jan-21 £	Income £	Expenditure £	Transfers £	Balance 31-Dec-21 £
Auxiliaries Fund	2,689	900	3,153	2,261	2,697
Mission Fund	(212)	-	-	-	(212)
	2,477	900	3,153	2,261	2,485

	PREVIOUS 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

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 onwards 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 2021**

7. CASH AT BANK AND IN HAND

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Dec-21 £	Total 31-Dec-20 £
Cash at Bank and in Hand	164,780	22,958	2,485	190,223	302,558
	164,780	22,958	2,485	190,223	302,558

8. DEBTORS AND PREPAYMENTS

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Dec-21 £	Total 31-Dec-20 £
Prepayments	-	-	-	-	1,490
Gift Aid Tax Recoverable	-	-	-	-	5,046
	-	-	-	-	6,536

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total 31-Dec-21 £	Total 31-Dec-20 £
Independent Examiners Fees	30	-	-	30	1,290
Member Loans	2,000	-	-	2,000	2,000
Accrued Payroll Taxes	-	-	-	-	1,723
Accounts Payable	3,009	-	-	3,009	-
	5,039	-	-	5,039	5,013

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 2021**

11. STAFF COSTS AND NUMBERS

	2021	2020
	£	£
Gross Wages and Salaries	66,540	63,465
Gross Wages and Salaries (prior year, paid this year)	-	-
Employer's National Insurance Costs	6,392	6,353
Pension Contributions	13,150	11,786
	86,083	81,604

Employees who were engaged in each of the following activities:

	2021	2020
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 (2020: 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	2021 Total	2020 Total
		£	£	£	£
Rev Mike Parker (Minister)	Governing document	41,156	13,687	54,843	52,158
Rev Peter Heath (Assistant Minister)	Governing document	25,384	5,856	31,239	30,610
		66,540	19,542	86,083	82,768

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>				2021 Total	2020 Total
	Manse utilities	Training course	Accommodation	General expense		
	£	£	£	£	£	£
Rev Mike Parker (Minister)	2,500		1,500	2,291	6,291	5,284
Rev Peter Heath (Assistant Minister)	-	-	10,800	657	11,457	12,320
	2,500	0	12,300	2,948	17,748	17,604

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 2021

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 2021**

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 £13,150(2020: £12,950).

(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.

	2021 £	2020
Cash used in operating activities	(124,728)	738,781
Cash used from investing activities		
Proceeds from the sale of investment property	-	259,900
Purchase of investments	-	-
Rent from investments	12,393	9,569
Cash provided by (used in) investing activities	12,393	269,469
Cash flows from financing activities		
Introduction/(Repayment) of long term borrowing	-	-
Cash used in financing activities	-	-
Increase/(decrease) in cash and cash equivalents in the year	(112,335)	1,008,250
Cash and cash equivalents at the start of the year	1,351,452	343,202
TOTAL cash and cash equivalents at the end of the year	1,239,117	1,351,452

(a) Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020
Net movement in funds as per Statement of Financial Activities	(118,897)	748,350
Add back depreciation charge	-	0
Deduct rent from investments	(12,393)	(9,569)
Decrease/(increase) in debtors	6,536	0
Increase/(decrease) in creditors	26	0
	(124,728)	738,781

Net cash used in operating activities

(b) Analysis of cash and cash equivalents

	2021 £	2020
Cash at bank and in hand	190,223	302,558
Total cash and cash equivalents	190,223	302,558