

Charity Registration number: 1130585



WHETSTONE BAPTIST CHURCH

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

**THE ROWLEYS PARTNERSHIP LIMITED
CHARTERED ACCOUNTANTS
CHARNWOOD HOUSE
HARCOURT WAY
MERIDIAN BUSINESS PARK
LEICESTER
LE19 1WP**

WHETSTONE BAPTIST CHURCH

CHARITY INFORMATION

Charity Name and Number Whetstone Baptist Church
WBC (working name)
Registered charity number 1130585

Trustees	Revd N Swanson (Associate Minister) Mr P Ndabananiye (Chair of Trustees) Mrs C A Bodsworth - resigned 31/12/2021 Mr L W Bagley (Treasurer) - resigned 26/04/2022 Mrs S Bywater (Secretary) - resigned 26/04/2022 Revd P M Robinson (Senior Minister) Revd P Bryan (Community Pastor) - resigned 30/09/21 Mr J W Denney Mr M J Smith Mr T Owen - resigned 26/04/2022 Mrs E J Lander - appointed 19/04/21 Mr S W Mould - appointed 14/09/21	Mrs S M Hill - appointed 19/04/21 Mr J R Kyte - appointed 19/04/21 Mrs H N Ward - appointed 19/04/21 Mr S M Clay (Minister-in-training) appointed 1/09/21 Mr S Wheeler - appointed 26/04/22 Mr S Howard - appointed 26/04/22 Mr P M Smith - appointed 26/04/22 Mr J R Adams - appointed 26/04/22 Mrs D J Knipe - appointed 26/04/22 Mrs T L Cosgrove - appointed 26/04/22 Mr A Hewerdine - resigned 19/04/21
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Principal Address Whetstone Baptist Church
Springwell, Dog and Gun Lane
Whetstone
Leicestershire
LE8 6LJ

Auditors The Rowleys Partnership Limited
Statutory Auditors
Chartered Accountants
Charnwood House
Harcourt Way
Meridian Business Park
Leicester
Leicestershire
LE19 1WP

Bankers Santander UK Plc
Bootle
Merseyside
L30 4GB

Property Trustees The East Midlands Baptist Trust Company Limited
Baptist House
129 Broadway
Didcot
Oxfordshire
OX11 8RT

WHETSTONE BAPTIST CHURCH
ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2021

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WHETSTONE BAPTIST CHURCH

Annual Report for 2021

The trustees present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Structure and Charitable Objectives

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

The Church occupies premises which are held by the East Midlands Baptist Trust Company Ltd on trusts which are entirely compatible with the above object.

Charity Registration

Whetstone Baptist Church registered as a charity in its own right on 16 July 2009, previously being an excepted charity. On the 1st January 2010 the reserves of the excepted charity were effectively transferred to this charity. Constitution adopted on 3 June 2009 was amended on 20 March 2013.

Organisational Structure and Decision making processes

Members of the Church are accepted in accordance with the Constitution which requires them to publicly profess their faith in Jesus Christ. The members' meeting takes place six times or more per year and has responsibility for the overall policy of the church. The Church is overseen by the Church Leadership Team (CLT). In accordance with the Constitution, the members appoint the CLT, who together with the Ministers, Church Secretary and Treasurer or equivalents (who are also appointed by the Members), and collectively known as the Leadership, are the Charity's Trustees. They are responsible for the day to day running of the Church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Newly appointed trustees are provided with information relevant to their role produced by the Baptist Union of Great Britain and Ireland (BUGBI) and the Charity Commission.

Pay and remuneration for staff is agreed by the Trustees on the recommendation of a Finance Group.

Relevant matters may be submitted to the Church meeting by the Trustees for guidance, or may be raised by members in Church meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at a Church meeting by appropriate majorities, the Church seeks to work by consensus wherever possible.

WHETSTONE BAPTIST CHURCH

Annual Report for 2021

Relationships with other churches and charities

The Church is part of the Baptist Union of Great Britain and Ireland (BUGBI) and a member Church of the East Midlands Baptist Association. The Church supports the work of BUGBI through its Home Mission Fund and that of the BMS World Mission. The Church supports a number of other national charities including Tearfund, CAP and Scripture Union as well as a number of smaller charities. Giving to these charities is reviewed annually by the Trustees and Church meeting.

The Church participates in Churches Together in Whetstone.

Objectives and Activities

In order to achieve the principal objective which is set out above, the Church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with Him as living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. The Church seeks to be a friendly and welcoming community and anybody is free to attend any of these services. During the third national lockdown (January to March 2021) and phased relaxing of lockdown restrictions (March to July 2021) Trustees followed Government and denominational guidelines of when to close most face-to-face activities and return to worshipping online and having online Zoom meetings and went to meet in person but with adequate ventilation and masks. As with the first two lockdowns in 2020, many of the ministries of the church adapted, and small groups met online including children's and young people's groups. A weekly email bulletin, posted newsletter and visits in small groups helped keep the church family informed and connected. Our first in-person members' meeting took place on 14 September 2021. When in-person services were resumed, we met on Sunday at 10am, and 5pm and they were advertised on our website wbconline.org.uk.

The Church runs a pre-school as part of its outreach ministries to the community which increased the sessions offered to five mornings and five afternoons per week. The pre-school remained open throughout covid restrictions in 2021. We have a high ratio of well-qualified staff.

The Church continued to donate grocery items to a local foodbank and toiletries, underwear and laundry resources to the Dawn Centre Shelter for the homeless run by Leicester City Council. Church volunteers also participated in the local Fareshare scheme to help deliver essential food to vulnerable people living in the community.

At Christmas the Church donated gift bags containing clothing and gifts to be distributed to the Dawn Centre on Christmas Day and gives food hampers to needy families in the local area.

All these activities are done with the purpose of assisting the community and demonstrating the love of Jesus Christ. There is also a prayer request page on the Church website for anyone wanting to be prayed for by the dedicated prayer team.

The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to the Disclosure and Barring Service. In response to GDPR data protection and sharing of information is managed by a trustee as our data protection officer.

WHETSTONE BAPTIST CHURCH

Annual Report for 2021

Objectives and Activities - continued

The Church progressed on its goal to complete phase 1 of our new church building at the south end of Whetstone village so it was available to be used both as a place of worship and a community facility for outside groups to hire. The Church has established a Limited Company, WBC Design Co Ltd (08509454) to act as a vehicle to manage the construction. During 2021, a main contractor was selected and scheduled works monitored so that we could realise our vision to be in the new building before the end of the year. We opened the building and had our first Christian worship service on 12 December 2021. Plans were also made to prepare our church building on 2 King Street and its land for sale to an appropriate buyer at a competitive price.

Public Benefit

The church has read the Charity Commission guidance on public benefit, and is satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

Achievements and Performance

The ministers changed their working habits, often working remotely from home, and continued pastoral care and development of discipleship and teaching in new ways - primarily using new technology. The worship teams in the church embraced recorded worship, and produced outstanding services online. Rev Pam Bryan continued in her voluntary role as part-time Community Pastor and extended her commitment for another year and retired from her role in September 2021. We also welcomed Simon Clay as a minister-in-training in September 2021 who is based at Whetstone Baptist Church for his three-year training placement as he completes his theological degree. The community action team planned a variety of ways to connect with the community, putting on covid-safe children's and family events.

Throughout the year there were over 20 home groups operating for midweek bible study and fellowship. A couple of these started during covid, with people who had never been to the church.

In addition to activities formally linked to the church, members also served as volunteers in other local charities and organisations, including parish councils and food distribution charities.

The Future

The Church will continue to strengthen existing ministries and develop new ministries in the community as we settle into our new building.

Financial Review

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 with respect to the regular ministries.

The Church expressed its part in the life of the wider church by making grants to national and international Christian organisations and societies with Christian aims and objectives compatible with the Church's own charitable purpose.

The Church is heavily dependent on its membership working as volunteers in all aspects of the Church's activities, many of which run with little or no impact on the Church's expenditure, but nevertheless contribute substantially to the achievement of the Church's objectives.

WHETSTONE BAPTIST CHURCH

Annual Report for 2021

Financial Review - continued

The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements.

The Trustees have established a Reserves Policy, and are satisfied that they have sufficient reserves at the Balance Sheet date, together with ongoing income anticipated, to enable the Church to function effectively in the coming year.

The Trustees have made an assessment of the major risks facing the Church, and are satisfied that there are policies in place to minimise these risks.

Reserves policy

The financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying financial statements.

The Trustees have established a Reserves Policy that allows the Church to manage any financial risk and short-term income volatility to ensure that financial commitments can be met as they fall due. This includes covering ongoing expense on the building, running costs, staffing costs for our ministers, admin team and pre-school, and the costs for servicing our ministries. Restricted funds of £3,517,803 and Unrestricted funds of £648,745 were available for spending in 2022 which represents 6 months of forecast cash outflows. The Trustees will regularly review the Policy to ensure Reserves are at an adequate level to meet the Church's commitments and fulfil its principal objective set out above.

Risk Management

The Trustees have made an assessment of the major risks facing the Church, and are satisfied that there are policies in place to minimise these risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2019 (FRS102).
- Make judgement and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

WHETSTONE BAPTIST CHURCH

Annual Report for 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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 order of the board of trustees on 26/05/2023

and signed on its behalf by:



signed on 26/05/2023, 15:39:49 BST

Mr P Ndabananiye

Chair of Trustees

Date:

26/05/2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
WHETSTONE BAPTIST CHURCH
FOR THE YEAR ENDED 31 DECEMBER 2021**

Opinion

We have audited the financial statements of Whetstone Baptist Church (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other matters

The comparative financial statements of the charity for the year ended 31 December 2020 were unaudited.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
WHETSTONE BAPTIST CHURCH
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are considered capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting frameworks (UK Generally Accepted Accounting Practice, the Charities Act 2011) and the relevant tax compliance regulations in the jurisdiction in which the charity operates.
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur;
- Our testing considered unusual or unexpected journal entries on a sample basis;
- We evaluated the assumptions and judgements used by management within significant accounting estimates and assessing if these indicate evidence of management bias;

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
WHETSTONE BAPTIST CHURCH
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditor's responsibilities for the audit of the financial statements - continued

- We tested significant transactions, in particular the evaluation of the rationale for any which appear unusual or outside the charity's normal course of business;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team by understanding the practical experience with audit engagements of a similar nature and complexity, plus ensuring the team had appropriate and relevant training of the financial reporting framework and the relevant tax compliance regulations specific to the entity ;
- We reviewed the financial statements and tested the disclosures against supporting documentation;
- We communicated relevant matters to all members of the audit team to ensure they understood the risks specific to the entity and the audit procedures planned to mitigate these.
- We reviewed the financial statements and tested the disclosures against supporting documentation;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

L. Parkes

signed on 26/05/2023, 21:35:08 BST

The Rowleys Partnership Limited
Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Charnwood House
Harcourt Way
Meridian Business Park
Leicester
LE19 1WP

Date: 26/05/2023

WHETSTONE BAPTIST CHURCH

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

	Note	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	TOTAL 2021	TOTAL 2020
Income from:					
Donations and grants	2	240,976	312,122	553,098	524,318
Charitable activities					
Incoming Resources from Charitable Activities	2	120,756	-	120,756	104,036
Investment income - bank interest		-	359	359	1,510
Total income		<u>361,732</u>	<u>312,481</u>	<u>674,213</u>	<u>629,864</u>
Expenditure on:					
Charitable activities	3				
Grants payable		-	22,075	22,075	25,953
Cost of activities		297,808	34,451	332,259	311,779
Expenditure on charitable activities		14,762	46	14,808	4,856
Total expenditure		<u>312,570</u>	<u>56,572</u>	<u>369,142</u>	<u>342,588</u>
Net income/(expenditure)		49,162	255,909	305,071	287,276
Transfers between funds	12	(22,055)	22,055	-	-
Net movement in funds		<u>27,107</u>	<u>277,964</u>	<u>305,071</u>	<u>287,276</u>
Reconciliation of funds					
Total funds brought forward		621,638	3,239,839	3,861,477	3,574,201
Total funds carried forward at 31 December 2021		<u><u>648,745</u></u>	<u><u>3,517,803</u></u>	<u><u>4,166,548</u></u>	<u><u>3,861,477</u></u>

The annexed notes form part of these financial statements.

WHETSTONE BAPTIST CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2021

		2021		2020	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	7		5,463,785		3,682,069
			<hr/>		<hr/>
			5,463,785		3,682,069
Current Assets					
Debtors	8	81,737		275,914	
Cash at bank and in hand		275,056		781,669	
		<hr/>		<hr/>	
		356,793		1,057,583	
Current Liabilities					
Creditors: amounts falling due within one year	9	(337,643)		(179,213)	
		<hr/>		<hr/>	
			19,150		878,370
Total assets less current liabilities			<hr/> 5,482,935		<hr/> 4,560,439
Creditors: amounts falling due after more than one year	10		(1,316,387)		(698,962)
Net Assets/(liabilities)			<hr/> 4,166,548		<hr/> 3,861,477
Charity Funds					
Restricted funds	12		3,517,803		3,239,839
Unrestricted funds	12		648,745		621,638
			<hr/>		<hr/>
Total charity funds			<hr/> 4,166,548		<hr/> 3,861,477

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

26/05/2023

Philippe

signed on 26/05/2023, 15:39:49 BST

Mr P Ndabananiye
Chair of Trustees

WHETSTONE BAPTIST CHURCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2021**

	Note	2021 £	2020 £
Cash flow from operating activities	As below	661,511	293,332
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(1,804,891)	(157,380)
Interest received		359	1,510
Net cash flow from investing activities		<u>(1,804,532)</u>	<u>(155,870)</u>
Cash flow from financing activities			
Receipts from issue of new long term loans		852,250	-
Repayments of long term loans		(190,734)	(117,793)
Interest paid		(25,108)	(24,590)
Net cash flow from financing activities		<u>636,408</u>	<u>(142,383)</u>
Net decrease in cash and cash equivalents		(506,613)	(4,921)
Cash and cash equivalents at 1 January 2021		781,669	786,590
Cash and cash equivalents at 31 December 2021		<u><u>275,056</u></u>	<u><u>781,669</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		275,056	781,669
Cash and cash equivalents at 31 December 2021		<u><u>275,056</u></u>	<u><u>781,669</u></u>
Reconciliation of net income to net cash flow from operating activities			
		2021 £	2020 £
Net income for year		305,071	287,276
Interest receivable		(359)	(1,510)
Interest payable		25,108	24,590
Depreciation of tangible fixed assets		23,175	22,269
decrease/(increase) in debtors		194,177	(65,321)
Increase in creditors		114,339	26,028
Net cash flow from operating activities		<u><u>661,511</u></u>	<u><u>293,332</u></u>

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 General information and basis of preparation of financial statements

Whetstone Baptist Church is an unincorporated charity registered in England and Wales. The address of the charity is given in the charity information page of these financial statements.

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Fund Accounting

Unrestricted general funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

1.3 Income

All incoming resources are included in the SoFA when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met.

1.4 Restricted funds

Restricted funds comprise of offerings given for specific purposes. Where gifts relate to capital items acquired or concern building issues, an appropriate transfer is made between restricted and unrestricted funds.

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of obligation can be measured reliably. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on basis consistent with the use of resources. Grants payable are accounted for when they are paid or become legally enforceable.

1.6 Taxation

The charity is exempt from tax on its charitable activities.

1.7 Tangible fixed assets and depreciation

All tangible assets costing over £1,000 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Furniture , Fixtures	20% on cost
PA Music and Electronic	33.3% on cost
Freehold buildings	3% on cost
Property under construction	Nil
Land	Nil

1.8 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transition price. Any losses arising from impairment are recognised in expenditure.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash on deposit.

1.10 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with level of reserves for the charity to continue as a going concern.

WHETSTONE BAPTIST CHURCH

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

2. Incoming Resources	Unrestricted fund £	Restricted fund £	Total 2021 £	Unrestricted fund £	Restricted fund £	Total 2020 £
General and specific offerings	186,608	3,544	190,152	149,620	6,237	155,857
Building Fund	-	279,653	279,653	-	268,533	268,533
Manse Building Fund	-	5,819	5,819	-	9,515	9,515
Gift Aid	50,017	23,106	73,123	27,895	58,943	86,838
HMRC CJRS Grant	-	-	-	3,575	-	3,575
Rent - 4 Knightsbridge Road	4,351	-	4,351	-	-	-
	<u>240,976</u>	<u>312,122</u>	<u>553,098</u>	<u>181,090</u>	<u>343,228</u>	<u>524,318</u>

Incoming Resources from Charitable Activities

Pre-school	120,756	-	120,756	104,036	-	104,036
	<u>120,756</u>	<u>-</u>	<u>120,756</u>	<u>104,036</u>	<u>-</u>	<u>104,036</u>

3. Charitable expenditure	Unrestricted fund £	Restricted fund £	Total 2021 £	Unrestricted fund £	Restricted fund £	Total 2020 £
Gifts payable in furtherance of the charity's objects:						
Specific gifts	-	22,075	22,075	-	25,953	25,953
	<u>-</u>	<u>22,075</u>	<u>22,075</u>	<u>-</u>	<u>25,953</u>	<u>25,953</u>

The gifts made during the year includes £17,000 (2020: £8,500) to EMBA (East Midlands Baptist Association).

Expenditure on charitable activities:

Accounts Preparation fee	3,000	-	3,000	2,880	-	2,880
Audit fee	7,140	-	7,140	-	-	-
Legal and professional fees	2,025	-	2,025	-	-	-
Payroll admin fee	1,500	-	1,500	1,800	-	1,800
Bank Charges	220	46	266	10	166	176
Agents fees	330	-	330	-	-	-
Induction fees	547	-	547	-	-	-
	<u>14,762</u>	<u>46</u>	<u>14,808</u>	<u>4,690</u>	<u>166</u>	<u>4,856</u>

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Charitable expenditure (continued)	Unrestricted fund £	Restricted fund £	Total 2021 £	Unrestricted fund £	Restricted fund £	Total 2020 £
Cost of activities in furtherance of the charity's objects:						
Ministry stipends and Expenses	109,150	-	109,150	90,871	-	90,871
Office staff salaries and National Insurance	31,441	-	31,441	27,147	-	27,147
Pre-school Salaries and National Insurance	88,707	-	88,707	81,345	-	81,345
Pre-school Expenses	4,826	-	4,826	4,872	-	4,872
Building Repairs and Maintenance	508	-	508	15,197	-	15,197
Cleaning	11,231	-	11,231	9,406	-	9,406
Light and Heat	3,757	-	3,757	5,699	-	5,699
Office Administration	3,913	-	3,913	1,736	-	1,736
Catering	-	-	-	168	-	168
Telephone	2,482	-	2,482	3,588	-	3,588
Sunday Club Expenses	119	-	119	323	-	323
Messy Church	-	-	-	51	-	51
Courses and Conferences	520	-	520	-	-	-
Church Council Tax & Water Rates	4,777	-	4,777	4,788	-	4,788
Insurance	4,197	-	4,197	3,829	-	3,829
Affiliation Fees	1,230	-	1,230	1,156	-	1,156
Printing	4,660	-	4,660	4,425	-	4,425
Youth Work	239	-	239	125	-	125
Music and Worship	2,814	-	2,814	1,115	-	1,115
Ministry & Publications Expenses	31	-	31	575	-	575
Holiday Bible Club	-	-	-	26	-	26
IT	1,953	-	1,953	1,804	-	1,804
Small Group & Leaders Support	131	-	131	780	-	780
Misc Expenses	517	-	517	2,371	-	2,371
Depreciation	15,606	7,569	23,175	14,700	7,569	22,269
C.D. Ministry	49	-	49	95	-	95
DBS Checks	40	-	40	-	-	-
BBC	19	-	19	-	-	-
Building Fund Loan interest	-	25,108	25,108	-	24,590	24,590
Manse Loan interest	-	1,774	1,774	-	2,072	2,072
Training costs	2,850	-	2,850	125	-	125
Community outreach	339	-	339	991	-	991
Mission	-	-	-	240	-	240
Fabric	1,474	-	1,474	-	-	-
Christmas Hampers	228	-	228	-	-	-
	<u>297,808</u>	<u>34,451</u>	<u>332,259</u>	<u>277,548</u>	<u>34,231</u>	<u>311,779</u>

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

4. Staff and ministry support costs (Staff costs and numbers included in note 3 & 5)

	2021	2020
	£	£
Salaries and wages	184,934	178,672
Social security	7,905	5,938
Pension costs	19,430	15,962
	<u>212,269</u>	<u>200,572</u>
	Number	Number
Management and administration	13	17

There are no employees who received total emoluments (excluding employer pension costs) of more than £60,000.

5. Ministry support and expenses

The following received ministry support and ministry expenses as detailed below:

	2021	2020
	£	£
Revd M Clay - Pension (former Senior Pastor)	6,656	6,916
Mr S M Clay - Stipend (current Minister-in-Training)	2,000	-
Mr S M Clay Expenses	1,076	-
Revd N Swanson - Stipend and Employers National Insurance	33,636	31,715
Revd N Swanson - Pension	5,176	5,062
Ministers' Manse Leaseback	2,093	2,083
Revd N Swanson Ministers' Expenses	6,105	3,159
Revd P M Robinson - Stipend and Employers National Insurance	40,602	38,199
Revd P M Robinson - Pension	6,050	3,190
Revd P M Robinson Ministers' Expenses	-	47
Revd P M Robinson Manse Allowance	5,756	-
Preaching Fees and Expenses	-	500
	<u>109,150</u>	<u>90,871</u>

6. Trustees' remuneration and expenses

None of the Trustees received any remuneration from the Charity in relation to their role as a Trustee. The ministers who are also trustees received remuneration and expenses as noted in Note 5 of these accounts, in accordance with the Charity's Constitution.

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Tangible fixed assets

	Freehold Land & Property £	Property under construction £	Furniture Fixtures & Fittings £	P A and Musical Equip Equipment £	Total £
Cost					
Brought Forward	742,302	3,087,205	35,000	13,165	3,877,672
Additions at Cost	4,559	1,793,752	-	6,580	1,804,891
At 31st December 2021	<u>746,861</u>	<u>4,880,957</u>	<u>35,000</u>	<u>19,745</u>	<u>5,682,563</u>
Depreciation					
Brought Forward	147,438	-	35,000	13,165	195,603
Charge for the year	22,269	-	-	906	23,175
At 31st December 2021	<u>169,707</u>	<u>-</u>	<u>35,000</u>	<u>14,071</u>	<u>218,778</u>
Net book value					
At 31st December 2021	<u>577,154</u>	<u>4,880,957</u>	<u>-</u>	<u>5,674</u>	<u>5,463,785</u>
At 31st December 2020	<u>594,864</u>	<u>3,087,205</u>	<u>-</u>	<u>-</u>	<u>3,682,069</u>

The title of freehold land and the property under construction are held by East Midland Baptist Trust Company Limited of Baptist House, P O Box 44, 129 Broadway, Didcot, Oxon OX11 8RT, as custodians for the charity, also see note 10.

Property under construction includes land amounting to £423,592 (2020: £423,592) which is not depreciated. The property under construction is also not depreciated.

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Gift aid receivable	69,715	112,768
Other debtors - WBC Design Co Ltd	-	157,093
Prepayments	12,022	6,053
	<u>81,737</u>	<u>275,914</u>

9. Creditors: amounts falling due within one year

	£	2021 £	2020 £
Trade Creditors		1,458	1,985
Accruals & deferred income		35,513	26,575
Social security & other taxes		3,473	3,166
Other creditors - WBC Design Co Ltd		105,621	-
Building fund & other loans:			
Baptist Union loans for building of church	136,837		
Other loans for building of church	<u>41,499</u>	178,336	129,905
Manse Loans:			
Baptist Union loans for purchase of Manse	6,242		
Other loans for purchase of Manse	<u>7,000</u>	13,242	17,582
		<u>337,643</u>	<u>179,213</u>

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 December 2021

10. Creditors: amounts falling due after more than one year		2021	2020
	£	£	£
Building fund & other loans:			
Baptist Union loans for building of church	873,022		
Other loans for building of church	<u>370,750</u>	1,243,772	594,695
Manse Loans:			
Baptist Union loans for purchase of Manse	47,615		
Other loans for purchase of Manse	<u>25,000</u>	72,615	87,267
		<u>1,316,387</u>	<u>698,962</u>

Security and borrowing costs on Building Fund

The Baptist Union Corporation (BU) has registered a restriction against the Land Registry Title for the church property to be in place for the duration of the loan. The Restriction will be discharged only when the loan is repaid.

Loans taken from Baptist Union as at 31 December 2021 was £1,009,858 (2020: £724,600) and the interest charged in the year was £25,108. The rate of interest to be charged on the borrowing is 3.5% & 5.25% p.a. which has increased as the charity had a bridging loan this year for £420,000.

The Church has also borrowed money from the trustees and members of the Church. Amounts owed to trustees and members was £412,250(2020: £17,000).

Manse Loan - 4 Knightsbridge Road

In order that the church could purchase property for the Manse, they had to borrow money from The Baptist Union Corporation (BU) for £73,000, borrowed money from the trustees, church members and used donations from the accumulated general reserves.

The Manse Fund loan balance as at 31 December 2021 was £85,857 with BU (2020: £104,849). Amounts owed to trustees and members was £32,000 (2020: £44,000).

11. Leasing Agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	3,533	-
Between one and five years	12,118	-
	<u>15,651</u>	<u>-</u>

WHETSTONE BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 December 2021

12. Movements in funds

	Funds B/fwd 01.01.2021 £	Voluntary income £	Charitable expenditure £	Transfers £	Funds C/fwd 31.12.2021 £
Unrestricted Funds					
General fund	621,638	361,732	312,570	(67,055)	603,745
Designated Fund - Simon Clay's living expenses	-	-	-	45,000	45,000
Restricted Funds					
EMBA	-	-	17,000	17,000	-
Other charitable donations	-	-	2,824	2,824	-
Parish Nursing	744	-	-	-	744
Pearl Of Africa Choir	20	-	-	-	20
Growing leaders - joint church	261	-	-	-	261
Communion fund & other gifts	1,704	3,544	2,251	(1,293)	1,704
Manse Building Fund	-	5,819	9,343	3,524	-
Building Fund	3,237,110	303,118	25,154	-	3,515,074
	<u>3,861,477</u>	<u>674,213</u>	<u>369,142</u>	<u>-</u>	<u>4,166,548</u>

Comparatives for movements in funds

	Funds B/fwd 01.01.2020 £	Voluntary income £	Charitable expenditure £	Transfers £	Funds C/fwd 31.12.2020 £
Unrestricted Funds					
General fund	631,694	285,126	282,238	(12,944)	621,638
Restricted Funds					
EMBA	-	-	8,500	8,500	-
Other charitable donations	-	-	3,003	3,003	-
Parish Nursing	744	-	-	-	744
Alpha	-	50	-	(50)	-
Pearl Of Africa Choir	20	-	-	-	20
Growing leaders - joint church	261	-	-	-	261
Communion fund & other gifts	707	5,908	4,911	-	1,704
Manse Building Fund	-	9,515	2,072	(7,443)	-
Baptist Missionary Society	325	280	9,539	8,934	-
Building Fund	2,940,450	328,985	32,325	-	3,237,110
	<u>3,574,201</u>	<u>629,864</u>	<u>342,588</u>	<u>-</u>	<u>3,861,477</u>

- 1 EMBA (East Midlands Baptist Association) - The fund is to set up to provide annual contribution to help the operations of the regional associations that serves churches in the East Midlands.
- 2 Other charitable donations - donations specifically received as well as donations made by the church as part of our charitable expenditure to the Society.
- 3 Parish Nursing - previously set up to enable to run a parish nurse looking after the overall well being of the church and community.
- 4 Pearl Of Africa Choir - donations specifically received as well as donations made by the church as part of our charitable expenditure to the choir.
- 5 Growing leaders - This an in-house leadership development programme that encourages the mentoring and support of emerging Christian leaders jointly with another Church.
- 6 Communion Fund & other gifts - This is a fund set up to help those in pastoral need. It enables the urgent support and help of members of the congregation or those in the local community in practical and emotional ways and is used discreetly by the ministerial team. Other gifts are anonymous donations or donations allocated for specific reasons by the donor for allocating to benefit the church in it's objectives.
- 7 Manse building fund - donations specifically received for the purchase of a property for the senior pastor. The property was purchased in 2019 and the funds has been reallocated.
- 8 Building fund - to build a new, bigger church building on the site purchased in 2014.

WHETSTONE BAPTIST CHURCH LEICESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Analysis of net assets between funds	Unrestricted funds £	Restricted funds £	Total £
Funds balances at 31 December 2021 are represented by:			
Fixed assets	348,674	5,115,111	5,463,785
Net current assets	300,071	(1,597,308)	(1,297,237)
	648,745	3,517,803	4,166,548

14. Related party disclosures

During the year, £89,000 (2020: £Nil) of loans were received without conditions from the trustees among which £20,000 was repaid in the year. The amounts outstanding at the year end was £69,000 (2020: £Nil). The total amount of donations received without conditions from trustees was £34,393 in the year.

WBC Design Co. Ltd is a company limited by guarantee without share capital and is controlled by the Trustees of the charity. This company is undertaking the building work for the property under construction, as shown in Note 7. Six of the charity's Trustees held a directorship of the company during the period, these being Revd P M Robinson, Revd P Bryan, Mr J W Denney, Mr M J Smith, Mrs E J Lander and Mr S W Mould. All the transactions between WBC Design Co. Ltd and the Church is on an arm's length basis. There were no transactions with the directors of the company or the Trustees of the charity during the year to 31 December 2021 (2020: £Nil). At the year end there was an amount owed to WBC Design Co Ltd of £105,621, included in current liabilities. (2020: £157,093 owed from the company to the charity, included in current assets).

15. Pension

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 Minister and some members of the church staff are eligible to join the Scheme, which is not contracted out of the State Second Pension.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. 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 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it has been agreed to increase 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 only involved in the DB Plan for a short period will pay lower contributions. Under the current Recovery Plan dated 1 July 2020, the Trustees and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020.

WHETSTONE BAPTIST CHURCH LEICESTER

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Pension - continued

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

The key financial assumptions underlying the valuations were as follows:

Type of assumption % pa

RPI price inflation assumption 3.20

CPI price inflation assumption 2.70

Minimum Pensionable Income increases (CPI plus 0.75% pa) 3.20

Assumed investment returns

Pre-retirement 2.95

Post retirement 1.70

Deferred pension increases

Pre April 2009 3.20

Post April 2009 2.50

Pension increases 2.70

The next actuarial valuation of DB Plan within the scheme is due as at 31 December 2022.

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 shown in note 5 which includes deficit contributions in respect of the overall estimated liability.

At 30 June 2022, the Scheme has provided an estimate of the employer debt that the Church would need to pay if it were to exit the DB Plan of the Scheme of £35,300. This is for information only, as it is not payable until the Church ceases to employ any active members of the Scheme, which eventuality is considered to be extremely unlikely.

Also at the end of June 2022, the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. This agreement is referred to as a 'buy-in policy'. It follows a similar agreement with Just in 2019 that covered most pensions in payment at that time. The combined agreements mean that Just are now providing financial backing for all DB pensions provided through the Scheme's DB Plan.

The cost of such policies is largely driven by financial markets and these have moved substantially in the Scheme's favour, particularly over the course of the last few months. As a result, this transaction takes the Scheme out of a shortfall position for the first time in two decades. Although risks remain, the Baptist Union and the Trustee of the Scheme have agreed that deficit contributions from each participating employer in the DB Plan will reduce to just £1 per month from August 2022.

16. Auditors remuneration

The amount £2,500 plus VAT for accounts preparation and £5,950 plus VAT for audit (2020: £2,400 plus VAT for independent examination) was paid in the year.