

Redhill Baptist Church
Financial Statements
31 December 2021

A J Bennewith
Independent Examiner
3 Wey Court
Mary Road
Guildford
GU1 4QU

Redhill Baptist Church

Financial Statements

Year ended 31 December 2021

	Page
Trustees' annual report	1
Independent Examiner's Report	5
Statement of financial activities	6
Balance Sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed statement of financial activities	21

Redhill Baptist Church

Trustees' Annual Report

Year ended 31 December 2021

The trustees present their report and the financial statements of the charity for the year ended 31 December 2021.

Reference and administrative details

Registered charity name Redhill Baptist Church

Charity registration number 1130958

Principal office Hatchlands Road
Redhill
Surrey
RH1 6AE

The trustees

G McBain – resigned 31/12/22
E Irving
A Ritter – resigned 30/4/21
S Kamangirira – resigned 22/11/21
T Glaze - resigned 22/11/21
C McNish
S Parkhe - resigned 6/12/21
I Buck - appointed 22/7/21
R Greenwood – appointed 22/7/21, resigned 31/12/22

Charity secretary

A Ritter - resigned 30/4/21
S Kamangirira – appointed 30/4/21, resigned 22/11/21

Independent examiner

A J Bennewith FCA, FCPA, FFA, FFTA, FIPA, DChA, FRSA
3 Wey Court
Mary Road
Guildford
GU1 4QU

Structure, governance and management

The pastor, assistant pastors and elders are the Charity Trustees and they are responsible for the governance of the Church and the fulfilment of the Purpose through its Activities acting according to the will of God as discerned by the Church Members' Meeting. The Church's organisational structure and the procedures for the appointment of the leadership are specified in the Church Constitution. This constitution was approved by the Church Meeting and can only be altered by a resolution of a Special Church Members' Meeting.

The Charity Trustees are aware of the need to examine the major financial, strategic and operational risks faced by the Church. We confirm that systems have been established so that necessary steps can be taken to manage and mitigate those risks.

Redhill Baptist Church

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Structure, governance and management *(continued)*

It is the opinion of the Charity Trustees that there are sufficient reserves to maintain on-going operations.

The trustees have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to public benefit guidance published by the Charity Commission.

Objectives and activities

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The Church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

Achievements and performance

The church began the year in much the same way as 2020 had ended. Still in the midst of national lockdowns and the global pandemic, we continued to hold our Sunday services on Zoom with breakout rooms afterwards in order to catch up and chat with one another. Our Senior Pastor was off ill for the first two weeks or so of the year, and returned refreshed in about mid-January.

As news of the Covid-19 Vaccines being approved and a national vaccine roll out being planned continued to dominate local news channels, as Church Leadership we were preparing for how to open the church and return to in-person gatherings and the pre-pandemic activities we were used to. In part due to people moving away or attending different churches and also because of the impact of the Covid-19 lockdowns and furlough the church's income through donations had dropped and when the budget for 2021 was prepared we had a shortfall of about £35,000. The Elders proposed we held a Gift Day where we would seek God, and the church reflect on whether they could increase their giving, or make a one off financial gift to the church at this time.

We held a week of prayer (via Zoom) during the first week of February where we had a Zoom call for about an hour each evening that week for those who wanted to gather to pray; there were also Zoom calls set up during the morning and at lunch time each day so those where were able to could join in.

On Sunday 14th February we had a gift day and raised £37,000.

As it happened, we were to continue with the Zoom services on a Sunday for a few more months. This allowed time for various cameras, computers and other necessary technical equipment to be set up in the church in order to be able to live stream the services when we were able to meet again in person.

Our onsite services resumed on 2nd May 2021, with restricted numbers and a booking system. Masks were to be worn by those gathered and the chairs were spaced metres apart from each other – with only family groups (those from the same household or bubble) being able to sit next to each other. Blankets were laid out on the floor for the children, and no singing (from the congregation) was allowed. The onsite services were livestreamed on Facebook and a zoom call for coffee and a chat was held after each service.

The Youth Groups – Mettle On Sunday Squad (MOSS) and Youth On Sunday (YOS) continued to have zoom calls each week to catch up with each other and study a Bible Lesson together each week. Growth Groups, prayer groups, Link Up and other gatherings continued to meet on Zoom, and then socially-distanced as they were able to. Link-Up (our ministry for older people) were one of the first groups to meet in person and onsite when restrictions were lifted.

From 25th July 2021 we increased capacity for services, people no longer needed to book in advance and we were able to sing together! The Livestream continued to run and the zoom calls for coffee and a chat came to an end during the summer. Those who came to services onsite were encouraged to bring their own drinks and a time of fellowship was held outside after the morning service instead.

Redhill Baptist Church

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

The highlight of the year were the number of baptisms. We had 4 baptisms held outside in the grounds of St Mary's Church, Reigate in the Summer of 2021, which was really well attended and the first time so many of us had been able to gather together in a long time. It was a wonderful chance to see people and catch up with each other too. This was also the first time we were all allowed to sing together in over a year as well.

The Church Baptistry was opened again in the Autumn of 2021 for another baptism. By now more people were gathering in person for the Sunday morning services and this was a special occasion.

Other events that happened:

- Cluster Groups were set up and launched during January of 2021. A way to connect people with others from church who lived near them. Each Cluster had a couple of leaders and each group was different – but everyone was connected in some way through Whatsapp chat groups; meeting for walks; or having Zoom catchups.
- The newly revamped, more modern church website was launched in February 2021
- Our Technical Co-Ordinator began his Light College placement with the Church in 2021.
- Our Minister in Training began her final year and after year's placement with a different church, she returned to us for this last year.
- There were a few changes in the Church Leadership team as three Elders came to the end of their term, another resigned and two more were voted into leadership.
- Mid-week groups began running and external groups – Maths Masters – began to use the church again too.

In May 2021 we experienced a failure of one of the warm air units which resulted in overheating of electrical components, leading to burning of electrical insulation and smoke. The existing warm air units are likely to have exceeded their design life (they were installed c. 1988). Without knowing the specific failure mechanism and recognizing their age, the decision was made to permanently shut down both existing warm air units. After much consultation and consideration it was agreed that the warm air units be replaced with a conventional wet boiler at a cost of £40,800 (Inclusive of VAT), which was funded in large part by the funds received during the Gift Day held earlier in the year and the Gift Aid payment received from HMRC in April 2021.

Covid

The Church continued to be impacted by the Covid-19 pandemic throughout 2021 and continued to follow national guidance and held Sunday services online. Considerable time and expertise were invested in creating a setup that would allow us to live stream church services and we began to do these as restrictions lifted and more people were allowed to gather on site. Precautions such as hand sanitising and mask wearing remain in place. Average giving has remained fairly consistent through lockdown. As expected, some essential maintenance work was carried out in 2021 with the majority of it being delayed further into 2022. The trustees continue to review the situation at their meetings and at this time have not decided to make any changes to the reserve policy.

Unrestricted reserves policy

The trustees have established a policy whereby the cash at bank including gift aid repayable held by the church should represent six months of essential expenditure, this equating to 50% of non-outside giving expenditure. As at the period end free reserves amounted to £180,370, the reserves policy requiring £103,922.

Redhill Baptist Church

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Plans for future periods

Plans for the future:

- Perform review of ministry support, church management and administration roles
- Recruit new staff following review
- Re-evaluate church life and ministries as we emerge from the COVID pandemic and restrictions
- Appoint a new Treasurer and Church Secretary
- Expand the eldership; grow and develop ministry leaders & co-ordinators
- Continue to apply learning from the LICC learning hub
- Review approach to discipleship (including growth groups)
- Review approach to staff appraisals
- Make significant progress toward becoming a Charitable Incorporated Organisation (CIO)

It was decided by the Trustees that a full audit of the accounts would only be carried out every 3 years and from 2021 accounts an Independent Examination would be undertaken on the accounts during the years when a full audit is not carried out.

Trustees' responsibilities statement

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

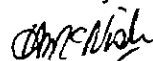
The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, 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.

The trustees' annual report was approved on 12/02/2023 and signed on behalf of the board of trustees by:



C McNish
Trustee

Redhill Baptist Church

Independent Examiner's Report to the Trustees

Year ended 31 December 2021

I report to the charity trustees on my examination of the accounts of the Redhill Baptist Church (the Trust) for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

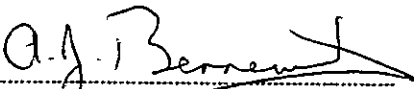
Independent Examiner's Statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



A J Bennewith FCA, FCPA, FFA, FFTA,
FIPA, DChA, FRSA
3 Wey Court
Mary Road
Guildford
Surrey, GU1 4QU

16 February Date: 2023

Redhill Baptist Church

Statement of Financial Activities

Year ended 31 December 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	311,737	8,081	319,818	273,007
Charitable activities	5	14,473	–	14,473	12,129
Coronavirus Job Retention Scheme		–	–	–	1,125
Investment income	6	1	–	1	19
Total income		<u>326,211</u>	<u>8,081</u>	<u>334,292</u>	<u>286,280</u>
Expenditure					
Expenditure on charitable activities	7,8	263,796	1,372	265,168	275,534
Total expenditure		<u>263,796</u>	<u>1,372</u>	<u>265,168</u>	<u>275,534</u>
Net income		<u>62,415</u>	<u>6,709</u>	<u>69,124</u>	<u>10,746</u>
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	13	942	–	942	11,808
Net movement in funds		<u>63,357</u>	<u>6,709</u>	<u>70,066</u>	<u>22,554</u>
Reconciliation of funds					
Total funds brought forward		<u>744,866</u>	<u>155,692</u>	<u>900,558</u>	<u>878,004</u>
Total funds carried forward		<u>808,223</u>	<u>162,401</u>	<u>970,624</u>	<u>900,558</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 8 to 19 form part of these financial statements.

Redhill Baptist Church

Balance Sheet

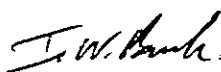
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	14	801,966	761,975
Current assets			
Debtors	15	148,972	154,449
Cash at bank and in hand		59,190	24,523
		<u>208,162</u>	<u>178,972</u>
Creditors: amounts falling due within one year	16	20,804	16,780
Net current assets		<u>187,358</u>	<u>162,192</u>
Total assets less current liabilities		<u>989,324</u>	<u>924,167</u>
Provisions	13	18,700	23,609
Net assets		<u>970,624</u>	<u>900,558</u>
Funds of the charity			
Restricted income funds:			
Revaluation reserve		150,000	150,000
Other restricted income funds		12,401	5,692
Unrestricted funds:			
Other unrestricted income funds	17	808,223	744,866
Total unrestricted funds		<u>808,223</u>	<u>744,866</u>
Total charity funds		<u>970,624</u>	<u>900,558</u>

These financial statements were approved by the board of trustees and authorised for issue on ~~12/02/2023~~ and are signed on behalf of the board by:



C McNish
Trustee



I Buck
Trustee

The notes on pages 8 to 19 form part of these financial statements.

Redhill Baptist Church

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Hatchlands Road, Redhill, Surrey, RH1 6AE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of one freehold property measured at fair value through income or expenditure.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible fixed assets are stated at cost, except for the freehold Church premises, which are stated at a valuation obtained in 1995. The premises have not been revalued since 1995 as the Eldership considers that the costs involved in obtaining an annual valuation would outweigh the value of the information to the Church's members.

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

Freehold property is not depreciated as it is the Eldership's policy to maintain the buildings to such a standard that their estimated residual value is not less than their book value, subject to market fluctuations.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Property improvements	- 7% straight line

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Defined contribution plans

The Church contributes to pension arrangements for the Pastors. The Pastors contribute to a defined contribution stakeholder pension scheme. The contributions are charged in the accounts when due for payment.

The Church also operates an auto-enrolment defined contribution scheme for other staff members in accordance with pension regulations. The contributions are charged in the accounts when due for payment.

4. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Donations			
Offerings	311,737	8,081	319,818

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Offerings	<u>267,757</u>	<u>5,250</u>	<u>273,007</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Income from non-investment property in furtherance of the charity's objects	<u>14,473</u>	<u>14,473</u>	<u>12,129</u>	<u>12,129</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	<u>1</u>	<u>1</u>	<u>19</u>	<u>19</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Charitable activities	260,796	1,372	262,168
Support costs	<u>3,000</u>	<u>—</u>	<u>3,000</u>
	<u>263,796</u>	<u>1,372</u>	<u>265,168</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Charitable activities	262,911	3,023	265,934
Support costs	<u>9,600</u>	<u>—</u>	<u>9,600</u>
	<u>272,511</u>	<u>3,023</u>	<u>275,534</u>

8. Expenditure on charitable activities by activity type

	Activities Undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Charitable activities	262,168	—	262,168	265,934
Governance costs	<u>—</u>	<u>3,000</u>	<u>3,000</u>	<u>9,600</u>
	<u>262,168</u>	<u>3,000</u>	<u>265,168</u>	<u>275,534</u>

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

9. Net income

Net income is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	2,728	3,252
The amount recognised in income or expenditure as an expense in relation to defined contribution plans	<u>9,025</u>	<u>9,136</u>

10. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	-	7,200
Independent Examiner's fee	<u>3,000</u>	<u>-</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	127,260	115,267
Social security costs	5,736	5,790
Employer contributions to pension plans	9,025	9,136
Other employee benefits	<u>12,600</u>	<u>12,600</u>
	<u>154,621</u>	<u>142,793</u>

The average head count of employees during the year was 8 (2020: 7).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

12. Trustee remuneration and expenses

The following Elder/trustees received the following remuneration under the church's constitution:

Gross pay	2021	2020
E Irving	£28,797	£23,416
G McBain	£35,756	£35,516
Pension	2021	2020
E Irving	£3,330	£3,330
G McBain	£4,414	£4,414
Housing allowance	2021	2020
E Irving	£12,600	£12,600
Expenses	2021	2020
E Irving	£1,265	£204
G McBain	£1,461	£1,124

No sums were reimbursed to the Elders for their work as Elders in either year. The expenses recorded above are expenses paid in relation to their ordinary work, not their work as Trustees.

13. FRS102 pensions disclosure

- Background to the disclosure

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Pastors of the Church are eligible to join the Scheme.

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 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 Unum Limited. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. FRS102 pensions disclosure *(continued)*

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.

- Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31st 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 Defined Contribution Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1st July 2020 to 31st December 2020.

At the end of June 2022, the BPS signed an agreement with the insurance company Just Group to secure members' pension benefits under the DB Plan. As a result, the Scheme no longer has a shortfall. A revised statement of contributions was announced in July 2022 with deficit contributions from each participating employer in the DB Plan reducing to £1 per month from August 2022. However, the participating employers remain responsible for providing a share of any additional funds that the DB Plan may require in the future.

The key assumptions underlying the valuation were as follows:

Type of financial 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

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

13. FRS102 pensions disclosure *(continued)*

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

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

- Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

Accounting date (year ending):	31 December 2021	31 December 2020
	£	£
Balance sheet liability at year start	23,609	37,785
Minus deficiency contributions paid	(4,053)	(2,987)
Interest cost (recognised in SoFA)	86	617
Remaining change to balance sheet liability* (recognised in SoFA)	(942)	(11,808)
Balance sheet liability at year end	18,700	23,609

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date	31 December 2021	31 December 2020	31 December 2019
Discount rate	2.0%	0.4%	1.7%
Future increases to Minimum Pensionable Income	4.1%	3.0%	3.2%

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

14. Tangible fixed assets

	Freehold property £	Property improve £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2021	759,257	–	51,025	810,282
Additions	–	40,800	1,919	42,719
Disposals	–	–	(426)	(426)
At 31 December 2021	759,257	40,800	52,518	852,575
Depreciation				
At 1 January 2021	–	–	48,307	48,307
Charge for the year	–	227	2,501	2,728
Disposals	–	–	(426)	(426)
At 31 December 2021	–	227	50,382	50,609
Net book value				
At 31 December 2021	759,257	40,573	2,136	801,966
At 31 December 2020	759,257	–	2,718	761,975

The freehold church premises were revalued in 1995 and the surplus on revaluation at that date of £150, 000 is included in the above total of £759,257.

15. Debtors

	2021 £	2020 £
Prepayments and accrued income	2,987	1,593
Accrued gift aid	145,985	152,856
	148,972	154,449

16. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade Creditors	160	–
Accruals and deferred income	15,821	10,706
Other creditors	4,823	6,074
	20,804	16,780

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

17. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 21 £	Income £	Expenditure £	Gains £	At 31 December 2021 £
General funds	744,866	326,211	(264,796)	942	808,223
	<u>744,866</u>	<u>326,211</u>	<u>(264,796)</u>	<u>942</u>	<u>808,223</u>

	At 1 January 20 20 £	Income £	Expenditure £	Gains and losses £	At 31 December 2020 £
General funds	724,539	281,030	(272,511)	11,808	744,866
	<u>724,539</u>	<u>281,030</u>	<u>(272,511)</u>	<u>11,808</u>	<u>744,866</u>

Restricted funds

	At 1 January 20 21 £	Income £	Expenditure £	Gains and losses £	At 31 December 2021 £
Restricted funds	5,692	8,081	(1,372)	—	12,401
Revaluation reserve	150,000	—	—	—	150,000
	<u>155,692</u>	<u>8,081</u>	<u>(1,372)</u>	<u>—</u>	<u>162,401</u>

	At 1 January 20 20 £	Income £	Expenditure £	Gains and losses £	At 31 December 2020 £
Restricted funds	3,465	5,250	(3,023)	—	5,692
Revaluation reserve	150,000	—	—	—	150,000
	<u>153,465</u>	<u>5,250</u>	<u>(3,023)</u>	<u>—</u>	<u>155,692</u>

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

17. Analysis of charitable funds *(continued)*

Restricted funds is funding given for specific external projects, approved by the trustees, that are passed on to the specific projects during the course of the year.

Revaluation reserve is a restricted fund arising on the church's premises revaluation in 1995. The revaluation reserve represents the surplus of the 1995 valuation over the original costs of the building.

18. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Tangible fixed assets	651,966	150,000	801,966
Net current assets	174,957	12,401	187,358
Defined benefit pension	(18,700)	—	(18,700)
Net assets	808,223	162,401	970,624

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible fixed assets	611,975	150,000	761,975
Net current assets	156,500	5,692	162,192
Defined benefit pension	(23,609)	—	(23,609)
Net assets	744,866	155,692	900,558

Redhill Baptist Church

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

19. Related parties

The Custodian Trustee of the Church is the Baptist Union Corporation Limited, which is charity number 249635 and is controlled by the Baptist Union Council. The Church is also a member of the Baptist Union of Great Britain and the South East Baptist Association.

The Baptist Union was paid £907 (2020: £917) as a subscription based on the number of registered members.

South Eastern Baptist Association was donated £7,000 (2020: £7,300). The home mission fund, a fund that supports churches in the area that do not have sufficient funds, received £7,000 (2020: £7,300). A payment of £206 (2020: £206) was paid as a subscription based on the number of members registered with the church.

BMS World Mission, a related entity to the Baptist Union of Great Britain, was donated £4,700 (2020: £6,380). It is an agency that supports personnel working around the world on short, medium and long term missions.

G McBain and E Irving are trustees of the Church and are paid a stipend which is approved by the members at the end of the year for the coming year at a church meeting.

M McBain, the spouse of G McBain, in their capacity as minister in training received expenses reimbursements of £2,500 (2020: £2,500). This included college fees, study materials and travel.

In their capacity as pastors, one elder receives a housing allowance from the church under a rent agreement and one has use of a property as manse.