



**GORSLEY**  
— BAPTIST CHURCH —

## **GORSLEY BAPTIST CHURCH**

**ANNUAL REPORT AND UNAUDITED  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**

**Charity Number 1131159**

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## Annual Report of the Trustees

The Trustees present their report and the financial statements for the charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 14 to 15 and comply with the charity's trust deed and applicable law.

### Reference and Administrative Details

Gorsley Baptist Church is a charity registered with the Charity Commission in August 2009 (No. 1131159).

Administrative Office:     Gorsley Baptist Church  
                                  Gorsley  
                                  Ross-on-Wye  
                                  Herefordshire HR9 7SE

### Management Trustees:

Steve Beard	Graham Leaver (resigned June 2022)
Charles Empett (from April 2022, resigned November 2022)	Robert Little
Andrew Gardner (from April 2022)	Steve Potter (to April 2022 and from June 2022)
Trustee with dispensation (resigned July 2022)	Cathy Robinson (from June 2022)
Simon Herbert (from April 2022, resigned July 2022)	Andrew Stuffins (to April 2022)
Claire Harrison (to April 2022)	Colin Taylor (from April 2022, resigned November 2022)
Tony Howard (from April 2022)	David Taylor-Black (resigned Feb 2022)
Ted Kania	Dave Thomas (from April 2022)
Jonathan Lawrence (from April 2022)	Nat Thomas (from April 2022)

Robert Little holds Title to charity property

### Senior management and administrative posts:

Minister:	David Taylor-Black (resigned Feb 2022)
Youth Pastor:	Vacancy
Children's Pastor:	Chantal Poole
Church Administrators:	Sandra Bishop Daphne Fowler
Finance Administrator:	Vacancy
OCH Manager:	Ioana Jones
Maintenance Person:	Rich Dunnett
Church Secretary:	Tony Howard (from April 2022)
Church Treasurer:	Andrew Stuffins (to April 2022) Steve Potter (from June 2022)

**Bankers:**                     Lloyds Bank plc  
                                  19 Eastgate Street  
                                  Gloucester GL1 1NU

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**Independent Examiner:**

Joshua Kingston BSc. ACA  
Burton Sweet Limited  
Chartered Accountants  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton  
Bristol BS48 1UR

### Structure, Governance and Management

Gorsley Baptist Church (also known as Gorsley Chapel; subsequently described simply as ‘the church’) is a charitable unincorporated association governed by a constitution adopted on 17 June 2009, as amended both on 30 November 2011 and 29 September 2021. The most recent amendments were made in response to pandemic restrictions and set out the arrangements necessary for the maintenance of online and hybrid business meetings of both members and trustees. These permit the trustees to exercise their judgement over what form (face to face, online or hybrid) of meeting is appropriate.

Gorsley Baptist Church is a member of Baptists Together (previously known as ‘The Baptist Union of Great Britain’) and is also affiliated to the Evangelical Alliance.

Trust property held in connection with the church is a linked charity (No. 1131159-1), its governing document being an indenture dated 13 June 1851.

Leadership of the church is the responsibility of the trustees, comprising the minister (when in post), church secretary, church treasurer, and up to 13 further trustees. The trustees meet at monthly intervals and are joined there by other members of the pastoral team (typically the youth pastor and children’s pastor), together comprising the Gorsley Baptist Church Leadership Team. All the trustees except for the minister are elected by the church members and must either retire by rotation after three years or stand for re-election. Under church rules adopted at a church members’ meeting in November 2017 these same trustees have been designated as either deacons or elders depending on their specific responsibilities.

Following the resignation of the minister in February 2022, the trustees set in place plans to continue the spiritual oversight of the work and ministry of the church and its members and friends.

The trustees are satisfied that systems are in place to mitigate exposure to the major risks to which the church might be exposed. However, a formal risk register is being developed with a view to strengthening the risk management policy.

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### Objectives and Activities

The aims of the church are contained within its constitution, being modelled on one produced by the Baptist Union of Great Britain in consultation with the Charity Commission. The church rules govern some aspects of the way the church conducts its business in the light of its constitution.

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.

The church is concerned to reach out to the community in many different ways. The leadership strive to arrange services in such a way that members of the community are encouraged to join in worship, praise and prayer.

### Meetings - adults and families

Church ministries prior to the Covid-19 pandemic were provided across a range of areas. From the date of the first lockdown in England (23 March 2020), alternative arrangements were made with meetings held on-line via Zoom, and teaching and worship being shared via Facebook Live and YouTube. Following the end of legal restrictions in the second half of 2021, activities and meetings returned to “normal”, but numbers participating in services and other activities have not returned to pre-pandemic levels. A significant element of this reduction in engagement was undoubtedly consequent upon the departure of the minister in early 2022. However other factors relating to the pandemic and its aftermath have also been in play. For example, the trustees are aware of a number of people who feel vulnerable and remain cautious about mixing in public. Encouragingly, there have recently been tentative signs of new growth. Membership of the church currently stands at 194 and the total number of members and friends routinely in contact with the church in some way is of the order of 250 per month.

The Sunday morning service at 10.30am is an opportunity for the whole church family to join together. This begins by worshipping together; the children and youth then leave for their separate groups whilst further worship continues with scriptural teaching and ministry. Many services are live streamed via Zoom and Facebook so that those who are unable to come to church in person for health or other reasons can still feel part of the communal worship and teaching. The streamed services are also available later on demand so that those who were serving in other activities of the church or could not otherwise attend or view live might catch-up at their convenience.

On Sunday evenings prayer meetings are operated via Zoom.

On Wednesday evenings a prayer meeting is held at the Church premises.

There are about 6 ‘Life Groups’ which are small group meetings where Christians meet in a variety of locations, at peoples’ homes or the church, at various times and days in the week. The emphasis of these groups is to develop friendship and mutual support through shared Bible study and prayer. There are fewer viable groups now than had existed pre-pandemic and attempts have been made to rebuild this ministry.

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### Meetings - youth

Gorsley Youth exists to engage with young people in school years 7 – 13. We do this by putting on weekly programs on a Sunday and a monthly Friday Night Youth group. It is our heart that the young people we work with would find Gorsley Youth a safe place to be and to develop as teenagers and into young adulthood, while at the same time learning about and meeting Jesus. Gorsley Youth currently engages with approximately 25 young people throughout any given week.

For school years 7-13, a Sunday morning group runs every week and is designed for our church youth to attend and to access Old and New Testament Bible teaching, worship and prayer delivered in a dynamic and engaging way. A youth worship band has been developed and provides worship twice a month which has been so valuable across the church ministries.

For school years 11-13 a Sunday evening group runs every week and delivers Bible topics and apologetics teaching answering important questions about the Christian faith and life. There are 18 young people attending this group. Some of these young people also attend a Christian leadership program run by Counties.

A Friday evening once a month for school years 7-13 is focused on having fellowship and is a fun and safe place to be. We have a vision for 2023 to return to seeing un-churched young people attending this group having an opportunity to hear about Jesus. In 2022, the young people have invited their unchurched friends.

### Meetings - children

The church's children's ministry aims to enable children to know Jesus and to deepen their relationship and friendship with him through teaching the gospel and through prayer. We also outreach to the community children through school assemblies, TLG coaching, a weekly toddler group and Christian festival children's events. Our mission into school has been enhanced from the introduction of a coaching and mentoring program by TLG (see further below) and we have 4 coaches going into local schools.

Post Covid, for 2022 our ministry was delivered in the church building. Our numbers have reduced over the last 12 months, with on average 25 children attending on a Sunday morning. On Sunday morning we run 3 groups separated according to school year: a manned creche for 0–3-year-olds, a reception-year 2 group and a year 3-6 group. We have had a stable number of approximately 15 volunteers helping to run children's ministry. All groups have been following a two-year Scripture Union curriculum which includes activities each week that vary but include a Bible story, crafts, snack time and singing with actions.

On Thursday mornings, 'Acorn' for toddlers is run and provides a program of play, craft and teaching about God through Old and New Testament stories and singing. Acorn continues to be popular with on average 40 children and 20 adults attending.

Our Friday children's outreach to the community recommenced in December and saw approximately 25 children attend. Activities such as crafts, snack and games were provided. Evangelistic Community events such as 'Christmas Party' and 'Light Party' were run on a Sunday afternoon for children from the community to come and have fun learning about Jesus being the Light of the World and Christmas through music, games, art and crafts and Christian Party bags that provided a booklet type story about Jesus. At the Light Party the community were also engaged with a trail created by Scripture Union.

### Public Benefit, Achievements and Performance

The trustees consider that the activities of the church comply with the guidance issued by the Charity Commissioners regarding Public Benefit.

Prior to pandemic-related lockdown in 2020 the church offered several weekly activities to the local community. Several of these activities subsequently went into abeyance where either they proved incompatible with guidance, Covid-19 risk assessments proved impracticable, or both.

Through 2022 the church restarted and continued to build up weekly activities with the local community which had been impacted by the pandemic:

- 'Community Lunch' and 'Beehive' for seniors;
- 'WASPs', a social group specifically for the widowed and singles to meet for mutual support and encouragement;
- 'Acorn', a toddler group, which now regularly sees over 50 children and their carers;
- A Short Mat Bowls club having social and league matches.

In addition, members of the church have continued to support TLG Early Intervention Coaching in Gorsley Goffs, Glebe and Picklenash Primary School and Newent Comprehensive School, and this currently involves the support of four children through long term mentoring.

During 2022 the church continued to work with the local community in maintaining a community shop and Post Office Local facility within church premises. The Gorsley Community Shop and Post Office are run and managed by a separate Community Interest Company with up to 8 directors, a maximum of 5 being from the church's membership and 3 being from the local community. As of 31 December 2022, there were six directors in place, four being from the Church and two from the local community. The Church leases the premises for the shop to the CIC.

The Orchard Coffee House continues to function successfully on church premises, as an extension of its existing ministries.

In the past year we have seen an increase in footfall and have been blessed to have a very loyal regular customer base.

The coffee house is managed by the OCH Manager supported by two part time deputies and five other part time members of staff. The manager is also supported by a steering group made up of a subset of the trustees, including the church treasurer, and church members with catering expertise. The team is also enriched by a small team of volunteers who support this important ministry to the community. We continue to pray for more volunteers that share our vision to join the team.

The coffee house aims to be a community hub for the people in the nearby areas and share the love of Jesus while providing the best service at affordable prices. We serve a selection of hot and cold beverages, delicious cakes baked on site and light lunches, all on a sit in or takeaway basis.

The coffee house is very popular with young families due to the outdoor playing facilities but also with others attracted by the local Post Office, free parking and fully accessible facilities. We continue to pray that God uses this ministry for His glory and the benefit of those around us.

Both the community shop and Post Office and the Orchard Coffee House developments were prompted by the findings of a community survey which suggested that the provision of these services would meet a well-defined community need. The two play parks (also a need identified by the community survey) are located in the field immediately adjoining, and owned by, the church.

As well as the playgrounds, the landscape plan encompasses a community orchard, involving footpaths, benches, and areas of planted wildflower meadow, with a grassed area set aside and laid out as a football pitch. Activities on that football pitch, and maintenance of that pitch, are subject to an agreement made between the church and the local Gorsley Village Football Club. A public right of way borders one edge of the field, passing directly across the front of the community shop and coffee shop. Additional parking arrangements associated with these developments include bicycle parking facilities and car charging ports.

### [Facilities and other resources](#)

The presence of the Orchard Coffee House described above, together with the associated playparks, football pitch and community orchard, have resulted in a presence throughout the week on church grounds of both local people and visitors, and a significant increase in the church's engagement with the local community. The facilities have proved particularly attractive to the parents and other carers of local schoolchildren, as well as cyclists, walkers and those who have preferred to shop locally.

The electric vehicle charging points in the car park are used regularly by local people and drivers passing though who have located the facility using online apps.

Maintenance of the facilities has continued through the year according to a schedule developed with the full-time maintenance person and covering all properties across the GBC estate. An extensive engineering assessment of the balcony in the sanctuary was begun in 2021 and is ongoing.

A residential property owned by the church and immediately adjoining the main church complex, has been made available for use by a Ukrainian family following its recent refurbishment.

An assessment has been made of the condition of the Manse following the departure of the minister, and renovation is being undertaken including treatment of damp issues in this property, parts of which are very old.

A section of wall was removed and a boundary fence was added to the corner of the graveyard to make available another 11 burial plots. This was ground already allocated for graveyard use but the perimeter wall restricted the use of the area. An oversize conifer was also removed from the graveyard in another area that had become overgrown and unsafe.



In November, the first fellowship works day was arranged since covid whereby a number of tasks were carried out to sort and keep the facilities clean and tidy.

The cover provided under the Church's insurance policies (all with Baptist Insurance) were reviewed before renewal.

### Financial Review and Reserves Policy

Regular financial reviews confirm that the church has sufficient financial resources to meet its contractual obligations as they fall due; and has in hand the costs of running the charitable activities of the church for a period of between three and six months; and that reserves remain healthy at the year-end; and at the date this report and accounts were signed.

The latest review also confirmed that it is appropriate for the trustees to report on the accounts to 31 December 2022 on a going concern basis (note 1.14).

The financial performance of the charity is set out in the Statement of Financial Activities on page 11 and in the subsequent pages of this report.

There are no restrictions on the charity's power to invest. The charity's prime concern with the investment of funds is to ensure that risk is kept to a minimum. The second priority is to ensure that funds are maintained with regard to inflation over the short term. The charity does not rely on investment income to meet its objectives. There was a slow improvement during 2022 in the rate of interest received on the church's bank balances. The Trustees maintain interest-bearing deposit accounts for the church with the Baptist Union offering a higher rate of return. Periodically the Treasurer reviews whether or not to vary the amounts on deposit there.

The Trustees have adopted a 'Purchasing & Payment Procedure' which sets out the process for the authorisation and payment of invoices, and the responsibilities of those ordering goods, etc.

### Reserves Policy

It is the policy of the charity to maintain a sufficient balance of funds as free reserves within the general fund to enable it to meet all its financial obligations as they fall due. The trustees have decided that the present target range for these free reserves is between £97,500 and £195,000 equal to between 3 and 6 months' reported expenditure from general funds. At the year end the actual free reserves were £182,153 (2021: £202,344) which is within the target range.

### General Fund

There was a retained deficit of £52,620 in the general fund for 2022 (2021: deficit £39,668). The balance held on the general fund is reviewed as part of the setting of the annual budget, and proposed increases or decreases in spending are subject to approval by the church membership. At the year end, the balance on the general fund had decreased to £182,153 (2021: £202,344), excluding the net book value of fixed assets, £871,029 (2021: £903,458). The total balance on the general fund includes the net book value of fixed assets.

The principal source of income for the charity is donations from members and friends of the church. The level of these donations is therefore a key indicator in appraising the charity's financial position.

During 2022 the average weekly amount of cash collections plus donations direct to the charity's bank account for the year was £2,534 (2021: £3,520).

The policy of the church is to budget so that continuing revenue expenditure is made from current revenue income and not made out of the general fund reserve, and to retain that reserve for one-off items of expenditure and to meet the need to facilitate the repair and maintenance obligations and improvement requirements of their property assets. However, the budget agreed by members for 2022 anticipated a deficit for the year. During the year, members agreed to allocate the sum of £10,000 in addition to the agreed budget to enable the provision of office space above the kitchen area, for use by Orchard Coffee House staff. The total expenditure on the refurbishment was £10,859. The included asset cost of £10,399 was capitalised.

In 2022, capitalised expenditure on asset purchases made by the general fund amounted to £21,863 (2021: £28,597) (see note 10). This figure includes the amount of £10,399 (above) in connection with the new office.

The Orchard Coffee House ministry was subject to some Covid-19 restrictions at the beginning of the year. The average daily footfall has consistently exceeded 110, peaking in some weeks above 130 daily. Sales of £123,635 (2021: £75,707) are included under Charitable Activities (note 3) and there was a net ministry cost for the year of £6,150 (2021: £4,973). This ministry cost does not include depreciation or unanalysed shared costs.

#### Foodbank

In 2020, as a response to the impact of Covid-19, the trustees implemented a Foodbank in support of members and friends of the church and the Gorsley community. Gifts given towards this ministry have been placed in a restricted fund. There were no donations to this fund in 2022 (2021: £50) and expenditure for the year is £100 (2021: £441) (see note 14).

#### Designated Funds

The housing fund is a designated fund for rental income and maintenance costs in respect of the bungalows, Suncrest and the Old Manse (see note 14).

Other than the above fund, the remaining designated funds represent specific areas of the church's activities, and groups within the church. Sufficient balances are maintained in order to fund the activities of each group. Surplus funds within these groups may be donated to other areas of church activities or to other organisations which share the church's objectives.

#### Global Mission budget

The global mission budget is allocated 10% of general giving to the Church in the prior year. It is administered by the Mission Action Group – a team of church members chaired by a trustee or co-opted person.

In 2022 this activity provided support to the Baptist Missionary Society, Peace and Hope, Open Doors, Smiles and the Baptist Home Mission. Grants were made to support young people from the church on a short-term mission trip with Smiles. It also supported (amongst others) Sindangan Evangelical Church in the Philippines and the work of Dynamis Adventures, Herefordshire Vennture, TIC+ and MAF, Operation Mobilisation, Samaritan's Purse, and Scripture Union (see note 7).

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## Statement of Trustees' responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 income and expenditure 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;
- 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; and
- 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 sufficient accounting records that 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 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.

This report was approved by the Trustees on 2 May 2023 and signed on their behalf by:

A C HOWARD

Anthony C Howard  
**Church Secretary**

Date: 3 May 2023

## Independent examiner's report to the trustees of Gorsley Baptist Church

I report to the trustees on my examination of the accounts of Gorsley Baptist Church (the Charity) for the year ended 31 December 2022.

### **Responsibilities and basis of report**

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a 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 Charity 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.

JOSHUA KINGSTON

Date: 3 May 2023

Joshua Kingston BSc. ACA  
Burton Sweet Limited  
Chartered Accountants  
The Clock Tower  
5 Farleigh Court  
Old Weston Road  
Flax Bourton Bristol BS48 1UR

# GORSLEY BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2022



		Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	Note	£	£	£	£
<b>Income from</b>					
Donations and Legacies	2	158,010	2,016	160,026	274,581
Church Activities	3	134,904	35	134,939	86,153
Other trading activities	4a	49,855	-	49,855	46,382
Investments		4,415	-	4,415	975
Other income	4b	2,450	-	2,450	3,255
<b>Total income</b>		<b>349,634</b>	<b>2,051</b>	<b>351,685</b>	<b>411,346</b>
<b>Expenditure on</b>					
Raising funds	5	17,916	1,206	19,122	21,332
Church activities	6	354,897	1,614	356,511	380,188
<b>Total expenditure</b>		<b>372,813</b>	<b>2,820</b>	<b>375,633</b>	<b>401,520</b>
<b>Net income/(expenditure)</b>		<b>(23,179)</b>	<b>(769)</b>	<b>(23,948)</b>	<b>9,826</b>
<b>Transfers between funds</b>	14	-	-	-	-
<b>Net movement in funds</b>		<b>(23,179)</b>	<b>(769)</b>	<b>(23,948)</b>	<b>9,826</b>
<b>Total funds at 1 January</b>	14	<b>1,270,117</b>	<b>4,607</b>	<b>1,274,724</b>	<b>1,264,898</b>
<b>Total funds at 31 December</b>	14	<b>1,246,938</b>	<b>3,838</b>	<b>1,250,776</b>	<b>1,274,724</b>

The charity has no recognised gains or losses other than the results for the year as set out above.

All activities are classed as continuing

Prior year Statement of Financial Activities is shown in note 19

The notes on pages 14 to 29 form part of these financial statements

# GORSLEY BAPTIST CHURCH

## BALANCE SHEET

AS AT 31 DECEMBER 2022



			2022	2021
	Note	£	£	£
<b>Fixed Assets</b>				
Tangible fixed assets	10		871,029	903,458
<b>Current Assets</b>				
Debtors	11	11,095		13,636
Stock	12	2,148		1,584
Cash at bank and in hand		393,514		382,426
		406,757		397,646
<b>Creditors: amounts falling due within one year</b>	13	(27,010)		(12,598)
<b>Net current assets</b>			379,747	385,048
<b>Creditors: amounts falling due after more than one year</b>	13		-	(13,782)
<b>Net Assets</b>			1,250,776	1,274,724
<b>Funds</b>				
Unrestricted funds	15	1,246,938		1,270,117
Restricted funds	15	3,838		4,607
		1,250,776		1,274,724

The financial statements were approved by the trustees on 2 May 2023 and signed on their behalf by:

STEVEN POTTER

Steven J Potter  
Treasurer

The notes on pages 14 to 29 form part of these financial statements

**GORSLEY BAPTIST CHURCH****CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Net cash inflow from operating activities	21	28,536	57,686
Non-operational cash flows:			
Investing activities			
Payments for tangible fixed assets		(21,863)	(28,597)
Investment income (Interest received)		4,415	975
		<u>(17,448)</u>	<u>(27,622)</u>
Net cash inflow for the year	22	<u><u>11,088</u></u>	<u><u>30,064</u></u>

**Cashflow Restrictions**

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 14 to 29 form part of these financial statements

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## **1 Accounting Policies**

### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the historical cost convention (except for investments which have been included at fair value and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity is a public benefit entity within the meaning of FRS102. The financial statements have been prepared on a going concern basis. The presentation currency is £ Sterling.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

### **1.2 Fund Accounting**

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds - these are funds set aside by the Trustees out of unrestricted general funds for specific future prospects or projects.

Restricted funds - these are fund that can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the financial statements.

### **1.3 Income**

All income is recognised once the charity has entitlement to that income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount can be measured reliably.

Interest is included when receivable by the charity.

Income tax recoverable on gift aid donations is recognised when the income is recognised.

Income from offerings and gifts is included as income when these are receivable, except as follows:

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and the settlement date.

Funds raised by events are accounted for gross of expenses.

Rental income from letting of church properties is recognised when the rental is due.

The charity registered for VAT during 2022 and accordingly income is shown net of chargeable VAT where applicable.

### **1.4 Expenditure**

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories within expenditure on the Statement of Financial Activities. The charity registered for VAT during 2022 and accordingly expenditure is shown net of recoverable VAT where applicable.



**1.5 Grants**

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding obligation on the Trustees. Government and Local Authority grants are accounted for on receipt.

**1.6 Fixed Assets**

Fixed assets, including freehold land and buildings, are included in the financial statements at cost, less depreciation provided using the straight line method. Amounts are capitalised where they exceed £1,000. The original cost of furniture and equipment, donated to the charity prior to 31st December 1997, is not available. The Trustees consider that the value of these assets is negligible. Depreciation rates, excluding freehold land (which is not depreciated), consistently applied are:

Building, bungalows, Old Manse and Hillview	40 years straight line
Play Park Equipment	10 years straight line
Bespoke Fittings	5 years straight line
Furniture and equipment	3 years straight line

**1.7 Leasing**

Rentals payable under operating leases are charged against income on straight line basis over the lease term.

**1.8 Stock**

Stock is valued at the lower of cost and net realisable value.

**1.9 Pensions**

The charity makes contributions to a multi-employer defined contribution scheme on behalf of a Minister while in post. The charity also makes contributions for the benefit of employees to a NEST Pensions auto enrolment scheme.

**1.10 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Going concern**

The trustees have reviewed the ongoing future of the charity and consider that there are plans in place to continue the charity's operation. Having considered the residual impact of Covid-19, there are no other material uncertainties that may cast significant doubt on the charity's ability to continue as a going concern.

**1.15 Provisions**

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably. Where material provisions are calculated on a discounted basis.

# **GORSLEY BAPTIST CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2022**



### **2. Donations and legacies**

	Unrestricted funds	Restricted funds	2022 Total
	£	£	£
Offerings and gifts	131,647	1,791	133,438
Income tax recoverable	26,063	225	26,288
Legacies and funeral donations	300	-	300
	<b>158,010</b>	<b>2,016</b>	<b>160,026</b>

### **Prior year comparatives**

	Unrestricted funds	Restricted funds	2021 Total
	£	£	£
Offerings and gifts	183,144	10,039	193,183
Income tax recoverable	37,334	1,868	39,202
Legacies and funeral donations	11,749	30,447	42,196
	<b>232,227</b>	<b>42,354</b>	<b>274,581</b>

### **3. Church activities**

	Unrestricted funds	Restricted funds	2022 Total
	£	£	£
Fellowship	896	-	896
Youth work	1,304	-	1,304
Children	213	-	213
Local Mission income	5,077	35	5,112
Orchard Coffee House	123,635	-	123,635
Miscellaneous	3,779	-	3,779
	<b>134,904</b>	<b>35</b>	<b>134,939</b>

### **Prior year comparatives**

	Unrestricted funds	Restricted funds	2021 Total
	£	£	£
Fellowship	84	-	84
Youth work	1,030	-	1,030
Children	228	-	228
Local Mission income	8,952	-	8,952
Orchard Coffee House	75,707	-	75,707
Miscellaneous	152	-	152
	<b>86,153</b>	<b>-</b>	<b>86,153</b>

### **4a. Other trading activities**

#### **Unrestricted funds**

		2022 Total	2021 Total
		£	£
Rents received.:	Other properties	10,888	11,635
	Bungalows	34,335	32,468
Use of premises		375	688
Electricity charges		4,257	1,591
		<b>49,855</b>	<b>46,382</b>

# GORSLEY BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



### 4b. Other Income

	2022	2021
Unrestricted funds	Total	Total
	£	£
Herefordshire Council Grants - Homes for Ukraine	2,450	-
Government Grants - Covid 19	-	3,255
	<b>2,450</b>	<b>3,255</b>

### 5. Cost of raising funds

	Unrestricted funds	Restricted funds	2022 Total
	£	£	£
Insurance	1,989	-	1,989
Council tax	2,815	-	2,815
Water rates	1,545	-	1,545
Electricity and oil	1,655	522	2,177
Maintenance and repairs	4,830	684	5,514
Depreciation	4,998	-	4,998
Bank charges	84	-	84
	<b>17,916</b>	<b>1,206</b>	<b>19,122</b>

### Prior year comparatives

	Unrestricted funds	Restricted funds	2021 Total
	£	£	£
Site development	-	498	498
Insurance	1,791	-	1,791
Council tax	1,996	-	1,996
Water rates	1,433	-	1,433
Electricity and oil	1,359	-	1,359
Maintenance and repairs	8,823	-	8,823
Depreciation	5,348	-	5,348
Bank charges	84	-	84
	<b>20,834</b>	<b>498</b>	<b>21,332</b>

# GORSLEY BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



### 6. Church Activities

	Unrestricted funds	Restricted funds	2022 Total
	£	£	£
<b>a) Work and ministry of the church</b>			
Staff costs	160,522	-	160,522
Global Mission (note 7)	22,000	125	22,125
Fellowship	5,143	769	5,912
Youth work	1,875	-	1,875
Children	1,430	-	1,430
Local Mission	5,480	720	6,200
Orchard Coffee House	35,492	-	35,492
Administration	11,258	-	11,258
Depreciation	49,294	-	49,294
Marketing	2,369	-	2,369
Governance (Note 8)	1,718	-	1,718
Compliance	2,518	-	2,518
	<b>299,099</b>	<b>1,614</b>	<b>300,713</b>
	Unrestricted funds	Restricted funds	2022 Total
	£	£	£
<b>b) Operational costs</b>			
Insurance	6,551	-	6,551
Electricity and gas	16,951	-	16,951
Oil	7,734	-	7,734
Water	1,099	-	1,099
Equipment replacement and repairs	6,854	-	6,854
Building and site maintenance	11,586	-	11,586
Hygiene	4,679	-	4,679
Kitchen supplies	344	-	344
	<b>55,798</b>	<b>-</b>	<b>55,798</b>
<b>Total</b>	<b>354,897</b>	<b>1,614</b>	<b>356,511</b>

**6. Church Activities - Prior year comparatives**

	Unrestricted funds £	Restricted funds £	2021 Total £
<b>a) Work and ministry of the church</b>			
Staff costs	185,364	-	185,364
Global Mission	26,100	8,163	34,263
Fellowship	1,700	944	2,644
Youth work	6,341	-	6,341
Children	1,138	-	1,138
Local Mission	6,613	-	6,613
Orchard Coffee House	19,919	-	19,919
Administration	8,942	-	8,942
Depreciation	50,682	-	50,682
Marketing	1,929	-	1,929
Governance (Note 8)	2,008	-	2,008
Compliance costs	2,269	-	2,269
	<u>313,005</u>	<u>9,107</u>	<u>322,112</u>
<b>b) Operational costs</b>			
Insurance	5,982	-	5,982
Electricity and gas	7,274	-	7,274
Oil	4,189	-	4,189
Water	623	-	623
Equipment replacement and repairs	3,873	-	3,873
Building and site maintenance	9,625	-	9,625
Sanctuary Refurb Costs	22,472	-	22,472
Hygiene	4,008	-	4,008
Kitchen supplies	30	-	30
	<u>58,076</u>	<u>-</u>	<u>58,076</u>
<b>Total</b>	<u>371,081</u>	<u>9,107</u>	<u>380,188</u>

Special Collections during the year amounting to £ 726 (2021: £3,124) were paid over to the nominated beneficiaries on whose behalf they had been collected. The amount of £ 285 (2021: £28) is included in liabilities in respect of 2022 Special Collections not yet paid over as at 31 December 2022.

# GORSLEY BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



### 7. Global Mission

	2022	2021
Unrestricted Funds	£	£
Amy Little - Internship Redeemer Church Winchester	-	500
Baptist Missionary Society	4,400	5,220
Carolyn C-R de Souza	500	-
Dynamis Adventures	1,000	1,500
Home Mission (HEBA)	2,500	2,500
MAF	500	280
Mercy Ships - Covid W Africa Disaster Relief	-	750
Naked Truth Project	-	1,240
Open Doors	1,000	1,000
Open Doors - Afghanistan Disaster Relief	-	750
Operation Mobilisation	1,000	1,000
Peace and Hope Trust	4,400	5,220
Rob Newton - Care for the Family internship	800	-
Samaritan's Purse	1,000	-
Samaritan's Purse - Haiti Disaster Relief	-	750
Scripture Union	300	350
Sindangan / Pikiumpungan Church Philippines	1,000	1,000
Smiles Foundation	-	1,500
[Smiles Foundation] - Grants made to GBC young people on short term mission	1,300	-
Smiles Foundation - Luke Wathen	800	800
TIC+ (Teens in Crisis)	1,000	1,240
Vennture	500	500
<b>Total Mission Action Group grants made</b>	<b>22,000</b>	<b>26,100</b>

	2022	2021
Restricted Funds	£	£
Baptist Missionary Society - Good Land Appeal (Harvest)	125	-
Mercy Ships - Covid W Africa Disaster Relief	-	2,721
Open Doors - Afghanistan Disaster Relief	-	2,721
Samaritan's Purse - Haiti Disaster Relief	-	2,721
	<b>125</b>	<b>8,163</b>

In September 2021, donations were invited from members and friends to supplement underpin gifts from general funds of £750 made to each of three Disaster Relief needs through Mercy Ships, Open Doors and Samaritan's Purse.

### 8. Governance costs

Unrestricted funds	2022	2021
	£	£
Independent examiner's fees: - for independent examination	1,718	1,540
Professional fees	-	468
	<b>1,718</b>	<b>2,008</b>

# GORSLEY BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



### 9. Employees

#### Number of employees

The average number of full and part time staff employed during the year was:

	2022 No.	2021 No.
All were employed to further the work and ministry of the church	14	13
Estimate number of full time equivalent staff	8	8

#### Employment costs

	2022 £	2021 £
Wages and salaries	166,741	165,825
Social Security costs	5,180	6,957
Other pension costs	3,876	5,952
Adjustment re BU Pension Deficit (see note 20)	(15,275)	-
	160,522	178,734

No employee earned £60,000 or more (2021 - nil) in the year.

The key management personnel of the charity comprise the trustees, the Minister (left May 2022), and Children's Pastor. The total employee benefits of the key management personnel of the charity were £40,401 (2021 - £64,756)

### 10. Tangible fixed assets

	Land and Buildings £	Play Park Equipment £	Bespoke Fittings £	Furniture and Equipment £	Total £
<b>Cost</b>					
At 1 January 2022	1,312,061	58,782	12,909	270,563	1,654,315
Additions	10,613	-	-	11,250	21,863
Disposals	-	-	-	-	-
At 31 December 2022	1,322,674	58,782	12,909	281,813	1,676,178
<b>Depreciation</b>					
At 1 January 2022	504,125	6,859	3,013	236,860	750,857
Charge for the year	29,270	5,877	2,582	16,563	54,292
Eliminated on disposals	-	-	-	-	-
At 31 December 2022	533,395	12,736	5,595	253,423	805,149
<b>Net book values</b>					
At 31 December 2022	789,279	46,046	7,314	28,390	871,029
<b>Net book values</b>					
At 31 December 2021	807,936	51,923	9,896	33,703	903,458

# GORSLEY BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



### 11. Debtors

	2022 £	2021 £
Other debtors	4,539	4,782
Prepayments and accrued income	6,556	8,854
	<b>11,095</b>	<b>13,636</b>

### 12. Stock

	2022 £	2021 £
Orchard Coffee House - Ingredients and Items for resale	2,148	1,584
	<b>2,148</b>	<b>1,584</b>

### 13. a) Creditors: amounts falling due within one year

	2022 £	2021 £
Other Creditors	7,322	5,479
Accruals and deferred income	6,977	3,723
HMRC VAT	12,711	-
BU Pension Deficit Liability	-	3,396
	<b>27,010</b>	<b>12,598</b>

Note 20

### b) Creditors: amounts falling due after more than one year

	2022 £	2021 £
BU Pension Deficit Liability	-	13,782

Note 20



# GORSLEY BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022



### 14. Movement in Funds

Current year	At 1-Jan 2022 £	Income £	Expenditure £	Transfers £	At 31-Dec 2022 £
<b>Restricted funds</b>					
WASPS	2,126	-	(669)	-	1,457
European Workers Fellowship	26	-	-	-	26
Foodbank	2,455	-	(100)	-	2,355
Specific Gifts	-	2,051	(2,051)	-	-
	4,607	2,051	(2,820)	-	3,838
<b>Unrestricted funds</b>					
General funds	1,105,802	298,013	(352,133)	1,500	1,053,182
Designated Funds	164,315	51,621	(20,680)	(1,500)	193,756
	1,270,117	349,634	(372,813)	-	1,246,938
	1,274,724	351,685	(375,633)	-	1,250,776
<b>Previous year</b>	<b>At 1-Jan 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>At 31-Dec 2021 £</b>
<b>Restricted funds</b>					
Development fund	365,588	34,141	(498)	(399,231)	-
WASPS	2,629	-	(503)	-	2,126
European Workers Fellowship	26	-	-	-	26
Foodbank	2,846	50	(441)	-	2,455
Specific Gifts	-	8,163	(8,163)	-	-
	371,089	42,354	(9,605)	(399,231)	4,607
<b>Unrestricted funds</b>					
General funds	746,239	323,767	(363,785)	399,581	1,105,802
Designated Funds	147,570	45,225	(28,130)	(350)	164,315
	893,809	368,992	(391,915)	399,231	1,270,117
	1,264,898	411,346	(401,520)	-	1,274,724

**14. Movement in Funds (continued)****Purposes of restricted funds****Development Fund**

The church established a fund to develop the Orchard Coffee House, Children's Play Park and Orchard for the community. The works regarding this development are complete and the value of the related assets has been transferred to the General Fund, and the Development Fund has been closed.

**Foodbank**

The legacy of the Covid-19 pandemic continues to cause financial pressure on members and friends of Gorsley Baptist Church and the local community, and a Fund has been established to provide food or food vouchers where they can help alleviate those pressures.

**Widowed and Single People**

The group was started as an opportunity for people on their own to meet socially. The funds are used to cover the costs of meetings.

**European Workers Fellowship**

Volunteers continue to engage socially with European workers on an ad hoc basis to help their English conversation skills. In 2018, £1,000 was donated by HSBC Voluntary Partnership Scheme to support the project and placed in this restricted fund.

**Specific gifts**

During 2022 donations were invited to support the BMS Good Land Appeal (note 7) and to assist with the cost of renewing fittings and furniture in Suncrest so that it was ready to accommodate a family from Ukraine.

**Purposes of designated funds****Housing Fund**

The housing fund is a designated fund for rental income and maintenance costs in respect of the bungalows, Suncrest and the Old Manse. The balance on this fund at 31 December 2022 was £191,060 (2021: £161,393).

**Church Members Groups**

These funds report on the income, expenditure and balances relating to several member organised groups each of which hold small money balances to support their activities. The balance on these funds at 31 December 2022 was £2,453 (2021: £2,679).

**Legacy Activity Funds**

From 1 January 2019, budgetary controls in respect of income and expenditure replaced several small designated funds as a means of day to day financial control. Legacy designated funds are being run down rather than closed and transferred to general fund. The balance on the remaining fund at 31 December 2022 was £243 (2021: £243).

**15. Analysis of net assets between funds****Year ended 31 December 2022**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2022 as represented by:			
Tangible fixed assets	871,029	-	871,029
Current assets	402,919	3,838	406,757
Current liabilities	(27,010)	-	(27,010)
	<u>1,246,938</u>	<u>3,838</u>	<u>1,250,776</u>

**15. Analysis of net assets between funds (continued)**

<u>Year ended 31 December 2021</u>	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2021 as represented by:			
Tangible fixed assets	903,458	-	903,458
Current assets	393,039	4,607	397,646
Current liabilities	(12,598)	-	(12,598)
Long Term Liabilities	(13,782)	-	(13,782)
	<u>1,270,117</u>	<u>4,607</u>	<u>1,274,724</u>

**16. Transfers between funds**

There were no transfers between Restricted Funds and Unrestricted Funds during the year.

**17. Related party disclosures**

	Salary	Employers NI	Pension	2022 Total	2021 Total
	£	£	£	£	£
<u>Management Trustee</u>					
David Taylor-Black (left May 2022)	<u>13,673</u>	<u>1,420</u>	<u>1,322</u>	<u>16,415</u>	40,447

The approved constitution of the charity contains the legal authority in its clause 23 upon which this remuneration is paid.

Other than disclosed above, no trustee received any payment during the year. There were no trustee expenses paid or waived.

Expenses accrued for and owed to the management trustee or to the senior manager amounted to £ nil (2021 - £nil).

Missionary grants (note 7) were paid to Dan Lawrence £260 (2021 - £nil), Matt Little £260 (2021 - £nil), and Amy Little £nil (2021 - £500). No amounts were owed to them at 31 December 2022 (2021 - £ nil).

Gorsley Community Shop CIC - see details on Page 5.

Aggregate donations received from the charity's trustees and their related parties amounted to £22,692 (2021 - £29,402).

**18. Obligations under operating leases**

At 31 December 2022 the charity had annual commitments under non-cancellable operating leases as follows:

<u>Expiry date</u>	2022 £	2021 £
Within 1 year	<u>1,737</u>	1,217
Between 2-5 years	<u>2,605</u>	2,129

**19. Comparative Statement of Financial Activities**

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
<b>Income from</b>			
Donations and Legacies	232,227	42,354	274,581
Church Activities	86,153	-	86,153
Other trading activities	46,382	-	46,382
Investments	975	-	975
Other income	3,255	-	3,255
<b>Total income</b>	<b>368,992</b>	<b>42,354</b>	<b>411,346</b>
<b>Expenditure on</b>			
Raising funds	(20,834)	(498)	(21,332)
Church activities	(371,081)	(9,107)	(380,188)
<b>Total expenditure</b>	<b>(391,915)</b>	<b>(9,605)</b>	<b>(401,520)</b>
<b>Net income/(expenditure)</b>	<b>(22,923)</b>	<b>32,749</b>	<b>9,826</b>
<b>Transfers between funds</b>	<b>399,231</b>	<b>(399,231)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>376,308</b>	<b>(366,482)</b>	<b>9,826</b>
<b>Total funds at 1 January</b>	<b>893,809</b>	<b>371,089</b>	<b>1,264,898</b>
<b>Total funds at 31 December</b>	<b>1,270,117</b>	<b>4,607</b>	<b>1,274,724</b>

**20. FRS 102 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 pension 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 Minister of Gorsley Baptist Church who left in May 2022 was a member of 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 Broadstone Corporate Benefits 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 Aviva plc. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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 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%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

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 (RPI)	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	
- Main Scheme pension	2.70

- Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

**20. FRS 102 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.

**Recovery Plan**

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions were broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30 June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

**Movement in Balance Sheet Liability**

Section 28.11A of FRS102 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 Dec 2022 £	31 Dec 2021 £	31 Dec 2020 £
Balance Sheet liability at year start	17,178	21,191	34,278
Minus deficiency contributions paid	(2,192)	(3,695)	(2,724)
Interest cost (recognised in SoFA)	289	232	627
Remaining change to balance sheet liability* (recognised in SoFA)	(15,275)	(550)	(10,990)
Balance Sheet liability at year end	-	17,178	21,191

\* Comprises actuarial (gains)/losses on re-measurement of liability and changes in the agreed deficit recovery plan and changes 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 Dec 2022	31 Dec 2021	31 Dec 2020
Discount rate	4.6%	1.8%	1.2%
Future increases to Minimum Pensionable Income	3.3%	3.3%	3.3%

**20. FRS 102 Pensions Disclosure (continued)****Cessation Event**

A Cessation Event makes the Church liable for the proportion of the overall deficit of the Baptist Pension Scheme (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Scheme. At present the Church is paying the ongoing deficiency contributions outlined above, and the balance sheet liability is based on those deficiency contributions.

Consequent upon the resignation of the Minister from the Church effective May 2022, the Church has entered a 'period of grace' (POG) such that the effect of a Cessation Event under Section 75 of the Pensions Act 1995 has been deferred for a period of 3 years ending 9 May 2025. The appointment of a new Minister during the POG and their entry into the Scheme would cancel the Cessation Event.

The Trustees have been advised that the cost for the Church to buyout their Pension Scheme liabilities in connection with the Cessation Event arising from the resignation of the Minister effective May 2022 would be approximately £5,650. This is regarded as a contingent liability and therefore it has not been recognised within the accounts.

The Pension Scheme Trustee has the right to quantify and seek payment of the debt at any time should the POG lapse, or the POG expire before the appointment of a new Minister entering the Scheme.

**21. Reconciliation of net movement in funds to net cash inflow from operating activities**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Statement of Financial Activities: Net movement in funds	(23,948)	9,826
Investment income (Interest Received)	(4,415)	(975)
Depreciation	54,292	56,030
(Decrease)/Increase in creditors: current liabilities	14,412	(3,783)
(Decrease)/increase in creditors: non-current liabilities	(13,782)	(4,290)
Decrease / (increase) in debtors	2,541	1,518
(Increase) / decrease in stock	(564)	(640)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>28,536</b>	<b>57,686</b>

**22. Analysis of changes in cash during the year**

	<b>2022</b>	2021	<b>Change</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>393,514</b>	382,426	<b>11,088</b>

  

	2021	2020	Change
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	382,426	352,362	30,064