

CHATSWORTH BAPTIST CHURCH

Report and unaudited financial statements

For the year ended 30 September 2020

CHATSWORTH BAPTIST CHURCH

Financial statements for the year ended 30 September 2020

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CHATSWORTH BAPTIST CHURCH

Reference and administrative details

Status

Chatsworth Baptist Church (the "Church") was established in 1878 as an unincorporated association with its own Statement of belief and Church Rules. The Church registered with the Charity Commission on 19th August 2009, charity number 1131202, having adopted a new constitution on 5th July 2009. The Church continues to work in association with the Baptist Union of Great Britain.

Trustees (referred to as the "Deacons" hereafter)

Mr S Alghali
Mr B Baya
Mr I Bhoorasingh
Mrs K Dike-Oduah
Ms J Kasule
Mr P King
Mrs O Lawuyi
Rev R Marzetti
Mr T McClymont
Mrs J McGowan (resigned 1 January 2020)
Mrs P Pitter
Ms J Richards
Mrs K Spence
Mr W Sylvah

Additional Pre School Governors (served until closure on 31 August 2020)

Mrs M Day
Mrs G Evans
Mrs A Gibbs
Ms J Hedman
Rev R Marzetti
Mr F Nzinga
Mr C Rose
Mrs J Sullivan

Operation address

Chatsworth Way
West Norwood
London
SE27 9HN

Independent examiner

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Key Management Personnel

Mr C Rose (Youth and Children's Worker) is considered key management personnel in addition to the Deacons.

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Minister's report for the year ended 30 September 2020

The church continued to provide public worship through the year albeit this was online in the second half due to the UK lockdown. During this time, we also provided daily video messages of encouragement, and members were in contact with each other; phoning, praying, shopping and looking out for their neighbours.

Over Christmas and into the New Year, we once again hosted The Robes Project, a small charity that works with local churches to provide winter night shelters for homeless people. We hosted up to 20 guests one night a week, providing a hot meal, and accommodation in our hall.

Over the year, we had monthly prayer meetings (weekly during lockdown), conducted funerals and baptisms, undertook pastoral visiting and Safeguarding training, and raised money for the local Foodbank through both our Harvest offering and a stall at the local Christmas market.

We had various children and youth schemes and projects including Sunday School and seasonal events, a football team and the hosting of a nativity play. During lockdown many of these activities went online.

We continued to support and work with our Pre-school during its final year of operation before it closed in August.

Our building is host to a Spanish speaking congregation who meet regularly; various other local community groups including weight watchers, a dance school, and other private renters hire our rooms.

Two of our members are working toward accreditation as Baptist ministers and receive oversight and opportunity to train here. We also met and worked with the ministers of other denominations in the area as well as with other local Baptist ministers.



Richard Marzetti
Minister

Date: 9/5/21

CHATSWORTH BAPTIST CHURCH

Report of the Deacons for the year ended 30 September 2020

The Deacons present their report and the financial statements of Chatsworth Baptist Church for the year ended 30 September 2020, which have been prepared in accordance with the Charities Act 2011, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

Structure, Governance and Management

The Church's activities are supervised and managed by the Minister and Deacons, who are the trustees for charity law purposes. The Pre School, which closed on 31 August 2020, had its own Board of Governors which operated as a sub-committee of the Deacons. Deacons are chosen from among Church members by an election process laid down in the constitution. Induction training is held for all Deacons and other training courses are undertaken as necessary.

During this period the Church employed the Senior Pastor, an Administrative Assistant and a Youth and Children's Worker. Various part-time staff worked on caretaking duties and in various groups. The Pre School has its own staff. Many of these staff were unable to work from April onwards and were placed on furlough.

The key management personnel of the Church as listed on page 1 are in charge of directing, controlling, running and operating the Church on a day to day basis. All Deacons give of their time freely and no Deacon received any remuneration in the year. Details of Deacons' expenses and related party transactions are disclosed in Note 19 to the financial statements. The pay of the minister and other senior staff is reviewed annually taking account of recommendations made by the Baptist Union of Great Britain.

Objectives and Activities

The mission of Chatsworth Baptist Church is "To know, love and serve Christ in the community." Its charitable purposes are set out in the constitution and include the advancement of the Christian religion and education.

A wide range of activities are undertaken in pursuance of these objectives. More details of activities are provided in the Minister's Report on page 2.

Financial review

The income and expenditure of the Church was affected significantly by two events during the financial year:

1. Following a lengthy process of discussion and consultation, a decision was taken to close the Pre-school, which had been operated by the Church for a period of some 25 years, with effect from 31 August 2020. Discussions were continued with Sowing & Growing, an independent commercial organisation which intends to run a nursery on our premises. A lease of part of the premises to Sowing & Growing was entered into after the end of the financial year and the new nursery has begun operations. Significant building work to make the premises ready for the new operation was carried out and was partly funded by Sowing & Growing. As a result of the closure of the Pre-school, the existing Pre-school staff were made redundant.
2. The Coronavirus pandemic, and the resulting restrictions on the Church's operation, have led to a reduction in rental income, which was zero for large parts of the financial year. As noted above, many members of staff were furloughed for part of the financial year, and appropriate claims were made under the Coronavirus Job Retention Scheme. The Church continued to receive income from its members despite the pandemic, and there was a small increase in this income during the second half of the financial year. The combined effect of all these factors was that the Church continued to operate as a going concern throughout the financial year.

The Church continues to rely on large gifts from a small number of church members. There can be no assurance that, given the current economic conditions, these large gifts will recur or that giving from other Church members will be maintained at its current level.

The Church also received during the financial year a grant towards refurbishment and improvement of another part of the premises, principally to develop an area dedicated to youth work.

CHATSWORTH BAPTIST CHURCH

Report of the Deacons for the year ended 30 September 2020

Reserves policy

The Church seeks to retain reserves in the General Fund equal to approximately three months' expenditure. The policy is to increase these reserves over time with a target of one year's expenditure as well as to increase the balance of the Building Fund to cover planned and unexpected expenditure.

The General Fund reserves stood at a deficit of £55,637 at 30 September 2020 (2019: reserves of £10,895), which fell short of the target reserves. The Church intends to increase reserves as and when large gifts are received.

The Deacons are confident that the Church can continue to operate as a going concern, despite the effect of the Coronavirus pandemic on our finances. This confidence is based on the experience of operations over the period since March 2020.

Buildings

We have a prominent site in West Norwood and a large suite of buildings there and at our two manse. Maintenance of these buildings, together with the cost of heating, lighting and other services, is a significant part of the church budget.

Our long term aim is to create a sustainable building which can serve the needs of the Church and the surrounding community for many years to come. Achievement of this aim depends on the availability of finance.

A Buildings Group continues to operate and is working on the future strategy for all our buildings, as well as on dealing with the many minor issues which come up all the time.

Public benefit

The Church's activities are considered regularly in the light of the guidance published by the Charity Commission on public benefit. The Deacons have regard to this guidance in exercising their powers and duties. Some examples of the public benefits flowing from the pursuit of the Church's aims and objectives are: the provision of regular services of public worship, providing pastoral care to those with whom the Church has contact, and providing facilities for children's, senior citizens' and other community activities.

Risk review

The Deacons review the risks of the operations of the Church regularly and take appropriate action where possible to mitigate those risks. The key risks which have been identified and key actions which have been taken are shown in the table below.

Key risk	Mitigating action
The Church is dependent on giving from members, in particular on regular large gifts from a small number of members.	Regular teaching on the importance of Christian giving; diversification of sources of income to include more rental income from buildings.
The Church works with children and vulnerable adults, leading to risks of inadequate safeguarding practices and possible abuse.	Employment of trained staff, adoption and regular renewal of Safeguarding Policy, training of key staff and volunteers and review at each meeting of the Deacons
The Church has buildings which are constantly in need of maintenance and renewal.	Long term programme of building work with a view to creating a sustainable building.
The Church is dependent on key staff such as the Minister and the Youth and Children's Worker.	The Deacons seek to follow best practice in employment of staff as recommended by the Baptist Union of Great Britain.
The Church is vulnerable to external pressures, such as changes in legislation which may be inconsistent with its aims or which may affect its financial viability.	Membership of key bodies such as the Baptist Union of Great Britain and the London Baptist Association which are able to influence legislation and guidelines at a national and local level.

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Report of the Deacons for the year ended 30 September 2020

Investment policy

The Church has no investments. Any surplus cash is invested in bank deposits or deposits with the London Baptist Property Board.

Deacons' responsibilities in relation to the financial statements

The Deacons are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Deacons to prepare financial statements for each financial year. Under that law the Deacons have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the management committee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the financial activities of the charity for that period. In preparing these financial statements, the Deacons are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of practice have been followed, subject to any 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 operation;

The Deacons 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Approved by the Deacons on 14 May 2021

and signed on their behalf by:



P King
Church Secretary

CHATSWORTH BAPTIST CHURCH

Independent Examiner's Report to the Deacons of Chatsworth Baptist Church

I report on the financial statements of Chatsworth Baptist Church for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeds £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Paul Newton FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
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Surrey
SM1 2SW

Date: 20 May 2021

CHATSWORTH BAPTIST CHURCH

Statement of financial activities for the year ended 30 September 2020

Notes	Unrestricted Funds	Restricted Funds		Unrestricted Funds	Restricted Funds		2019
	#1	#1	#2		#1	#2	
	£	£	£	£	£	£	£
Income from:							
Donations and legacies	2	155,645	23,617	364	179,626	130,996	14,923
Other trading activities	3	50,589	-	35	50,624	49,066	-
Investments	4	3	-	138	141	51	46
Charitable activities	5	4,142	-	35,109	39,251	12,301	-
CJRS Grant		10,969	-	18,739	29,708	-	-
Total income		221,348	23,617	54,385	299,350	192,414	14,969
Expenditure on:							
Charitable activities	6	201,113	4,017	71,802	276,932	218,505	6,054
Total resources expended		201,113	4,017	71,802	276,932	218,505	6,054
Net income/(expenditure) for the year							
Gross transfers between funds		20,235	19,600	(17,417)	22,418	(26,091)	8,915
		63,669	(18,129)	(45,540)	-	50,024	(50,024)
Net movement in funds		83,904	1,471	(62,957)	22,418	23,933	(41,109)
Reconciliation of Funds							
Total funds brought forward		2,797,623	1,457	62,957	2,862,037	2,773,690	42,566
Total funds carried forward		2,881,527	2,928	-	2,884,455	2,797,623	1,457

#1 = Continuing activities

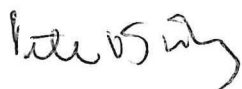
#2 = Discontinued operations relating to the Pre-School which closed on 31 August 2020.

CHATSWORTH BAPTIST CHURCH

Balance sheet at 30 September 2020

	Notes	2020	2019
		£	£
Fixed assets			
Tangible assets	12	2,873,963	2,750,110
Current assets			
Debtors	13	31,243	12,591
Cash at bank and in hand		16,067	138,393
		<u>47,310</u>	<u>150,984</u>
Creditors: amounts falling due within one year	14	<u>(3,438)</u>	<u>(2,812)</u>
Net current assets		43,872	148,172
Provisions for liabilities and charges	20	(33,380)	(36,245)
Total assets less current liabilities		<u>2,884,455</u>	<u>2,862,037</u>
Funds			
Restricted funds	15	2,928	64,414
Unrestricted funds	16	2,881,527	2,797,623
Total funds carried forward	17	<u>2,884,455</u>	<u>2,862,037</u>

Approved by the Deacons on 14 May 2021 and signed on their behalf.



P King
Church Secretary

CHATSWORTH BAPTIST CHURCH

Statement of cash flows for the year ended 30 September 2020

	2020	2019
	£	£
Net cash provided by operating activities (see below)	12,956	19,884
Cash flows from investing activities		
Interest received	141	243
Payments on fixed asset additions	(135,423)	(60,719)
Net cash (used in) investing activities	(135,282)	(60,476)
Net cash (outflow)	(122,326)	(40,592)
Cash and cash equivalents at 1 October 2019	138,393	178,985
Cash and cash equivalents at 30 September 2020	16,067	138,393
Cash flows from operating activities		
Net income for the year	22,418	3,926
Interest included in investing activities	(141)	(243)
Depreciation	11,570	12,134
Defined benefit employer contributions paid	(3,158)	(3,528)
Movement in defined benefit employer deficit provision	293	2,475
(Increase)/decrease in debtors	(18,652)	5,038
Increase in creditors	626	82
Net cash provided by operating activities	12,956	19,884

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020

1 Accounting policies

Chatsworth Baptist Church is an unincorporated charity registered in England and Wales. The operation address is Chatsworth Way, West Norwood, London SE27 9HN.

a) *Basis of accounting*

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

b) *Going concern*

At the time of approving the financial statements, the Deacons have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Deacons continue to adopt the going concern basis of accounting in preparing the financial statements.

c) *Income*

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

Job Retention Scheme government grant income

JRS grant income is recognised in the period to which the underlying furloughed staff costs relate.

d) *Expenditure*

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

e) *Fund structure*

The funds held by the Church are either:

- *Unrestricted general funds* - these are funds which can be used in accordance with the Church's objects at the discretion of the Deacons.
- *Designated funds* - these are funds set aside by the Deacons out of unrestricted general funds for specific future purposes or projects.
- *Restricted funds* - these are funds that can only be used for particular restricted purposes within the objects of the Church. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Accounting policies (continued)

f) Tangible fixed assets and depreciation

Tangible fixed assets are included in the balance sheet at cost or at market value at the date of the gift.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Freehold buildings	2%	on cost
Flat roofs	5%	on cost
Furniture, fixtures and fittings	10%	on cost
Office equipment	25%	on cost

The deacons consider that the properties have a residual value that renders any depreciation immaterial and accordingly no depreciation has been charged in these accounts.

The Church building and two residential properties (valued for insurance purposes at a combined £4.35m) and the Church site are under the custodian trusteeship of the London Baptist Property Board and the church is the beneficial owner.

g) Debtors

Other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

h) Cash and cash equivalents

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

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

j) Financial instruments

The charity only has financial assets and 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.

k) Hire purchase and lease transactions

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors and are also disclosed on the basis of when the liabilities are due within one year, between two and five years and after five years. Interest on such agreements is charged to the profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

l) Pension costs

The church pays contributions to the Baptist Ministers Pension Trust Limited which is a final salary defined benefit scheme. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the church. The scheme is therefore accounted for as a defined contribution scheme.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
<i>Donations and legacies</i>				
Gift aided	65,450	364	65,814	66,375
Envelopes	2,935	-	2,935	7,371
Loose cash	5,067	-	5,067	11,411
Income tax recoverable	18,395	107	18,502	15,324
Other income	63,798	23,510	87,308	48,588
Total	155,645	23,981	179,626	149,069

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
<i>Church activities</i>				
Rent receivable	50,589	-	50,589	49,066
<i>Pre School activities</i>				
Fundraising events	-	35	35	105
Total	50,589	35	50,624	49,171

4 Income from investments

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
<i>Interest receivable</i>				
Interest receivable	3	-	3	97
Pre School interest receivable	-	138	138	146
Total	3	138	141	243

5 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
<i>Church</i>				
Youth and children's contributions	3,330	-	3,330	11,106
Small Groups and Events	812	-	812	1,195
	4,142	-	4,142	12,301
<i>Pre School</i>				
Pre School fees	-	35,109	35,109	89,307
Total	4,142	35,109	39,251	101,608

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

6 Expenditure on charitable activities

	Activities undertaken directly £	Governance costs (see note 8) £	Grant funding of activities (see note 7) £	2020 £	2019 £
Church					
General fund	187,416	2,904	10,793	201,113	218,505
Pastoral fund	-	-	-	-	-
Building fund	4,017	-	-	4,017	6,054
	191,433	2,904	10,793	205,130	224,559
Pre School					
Pre School	71,802	-	-	71,802	71,606
Total Charitable Activities	263,235	2,904	10,793	276,932	296,165

7 Grants payable

	2020 £	2019 £
<i>Paid to individuals</i>		
Missionaries	5,399	6,074
<i>Grant payable to institutions</i>		
Pioneers UK	5,394	5,394
World church baptist missionary society	-	2,000
World church home mission fund	-	2,000
Total (see note 6)	10,793	15,468

8 Governance costs

	2020 £	2019 £
<i>Direct costs</i>		
Independent examination fees (including VAT)	2,904	2,818

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

9 Employee information

	2020 £	2019 £
Staff costs		
Wages and salaries	158,975	156,852
Social security costs	8,073	12,824
Defined benefit employer pension contributions (see note 20)	3,178	3,162
Movement in defined benefit employer deficit provision (see note 20)	293	2,475
Defined contribution employer contributions (see note 20)	9,270	15,375
	<u>179,789</u>	<u>190,688</u>

The number employees on an average head count basis during the year was as follows:

	2020 Number	2019 Number
Full time	3	3
Part time (based on 3 part time staff and 3 bank staff)	5	6
	<u>8</u>	<u>9</u>

There were no employees with emoluments above £60,000.

Key Management Personnel (including the Deacons) received remuneration of £57,380 (2019: £57,401) during the year.

Termination payments of £11,894 for pre-school staff are included within the wages and salaries cost above (2019: £NIL). These are recognised when legal agreement is reached.

10 Net income

This is stated after charging:

	2020 £	2019 £
Staff costs	179,789	190,688
Independent Examination Fee	2,904	2,818
Depreciation of owned assets	<u>11,570</u>	<u>12,134</u>

11 Taxation

The Church is exempt from tax on its charitable activities.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements

for the year ended 30 September 2020 (continued)

12 Tangible fixed assets

	Unrestricted			Restricted			
	General Fixed Asset Fund			Pre School			Total
	Freehold property	Freehold improvements	Office equipment	Furniture & Fittings	Freehold improvements	Equipment	£
	£	£	£	£	£	£	£
Cost:							
At 1 October 2019	2,734,394	669,334	87,431	95,535	26,116	11,618	3,624,428
Additions	-	135,213	210	-	-	-	135,423
Transfer between funds	-	26,116	-	10,056	(26,116)	(10,056)	-
Disposals	-	-	(11,747)	-	-	(1,562)	(13,309)
At 30 September 2020	2,734,394	830,663	75,894	105,591	-	-	3,746,542
Depreciation:							
At 1 October 2019	601,349	71,470	87,431	82,500	19,950	11,618	874,318
Provision for the year	-	7,001	9	1,948	2,612	-	11,570
Transfer between funds	-	22,562	-	10,056	(22,562)	(10,056)	-
Adjustments for disposals	-	-	(11,747)	-	-	(1,562)	(13,309)
At 30 September 2020	601,349	101,033	75,693	94,504	-	-	872,579
Net book value:							
At 30 September 2020	2,133,045	729,630	201	11,087	-	-	2,873,963
At 30 September 2019	2,133,045	597,864	-	13,035	6,166	-	2,750,110

The trustees have reviewed the remaining useful economic life and residual value of the freehold properties, with the result that no depreciation has been charged during the year on the unrestricted freehold property and improvements.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

13 Debtors

	2020 £	2019 £
Other debtors	21,746	3,254
Prepaid expenses and accrued income	9,497	9,337
	31,243	12,591

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	3,438	2,812
	3,438	2,812

15 Restricted funds

2020:

	Balance at 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Balance at 30 Sep 2020 £
Pastoral fund	163	-	-	-	163
Wates Foundation fund	1,294	-	-	-	1,294
Pre School fund	62,957	54,385	(71,802)	(45,540)	-
Building fund	-	23,617	(4,017)	(18,129)	1,471
	64,414	78,002	(75,819)	(63,669)	2,928

2019:

	Balance at 1 Oct 2018 £	Income £	Expenditure £	Transfers £	Balance at 30 Sep 2019 £
Pastoral fund	163	-	-	-	163
Wates Foundation fund	1,294	-	-	-	1,294
Pre School fund	41,855	92,708	(71,606)	-	62,957
Building fund	41,109	14,969	(6,054)	(50,024)	-
	84,421	107,677	(77,660)	(50,024)	64,414

- **Pastoral** – This fund was established to provide gifts and care for those in need in the church and community. It is funded by gifts taken up specifically for this purpose, any shortfall being made up by a transfer from the general fund.
- **Wates Foundation** – This fund is to support a "Language Partners" scheme to help some of the Spanish speaking congregation with their spoken English.
- **Pre School** – This fund relates to the activities carried out by the Pre School. The transfer relates to the use of the premises since 2017.
- **Building Fund** – Donations received to meet the costs of the renovation works to the Church buildings and equipment are held in this fund. The transfer relates to the expenditure on the property capitalised during the year within unrestricted funds.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

16 Unrestricted funds

2020:

	Balance at 1 Oct 2019 £	Income £	Expenditure £	Transfers £	Balance at 30 Sep 2020 £
General fund	10,895	218,496	(186,473)	(71,754)	(28,836)
Designated Funds					
General fixed asset fund	2,743,944	-	(8,958)	135,423	2,870,409
Building fund	42,714	-	-	-	42,714
Accompanied Groups	70	2,852	(5,682)	-	(2,760)
	<u>2,797,623</u>	<u>221,348</u>	<u>(201,113)</u>	<u>63,669</u>	<u>2,881,527</u>

2019:

	Balance at 1 Oct 2018 £	Income £	Expenditure £	Transfers £	Balance at 30 Sep 2019 £
General fund	30,549	187,216	(203,461)	(3,409)	10,895
Designated Funds					
General fixed asset fund	2,692,747	-	(9,522)	60,719	2,743,944
Building fund	50,000	-	-	(7,286)	42,714
Accompanied Groups	394	5,198	(5,522)	-	70
	<u>2,773,690</u>	<u>192,414</u>	<u>(218,505)</u>	<u>50,024</u>	<u>2,797,623</u>

- **General fixed asset** – This fund is to show separately the general fixed assets from the free general funds. Depreciation of capital items falls under this category. Transfers are made from or to the general fund in relation to any fixed asset additions or disposals.
- **Building fund** – This fund is to meet planned redevelopment costs to the Church building. The transfer in 2019 relates to the balance of expenditure on the property capitalised during the year.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

17 Analysis of net assets among funds

2020:

	Fixed assets £	Cash £	Other net assets £	Balance between funds £	Total £
Fund balances at 30 September 2020 are represented by:					
General fund	-	4,134	(7,046)	(29,478)	(32,390)
Designated Funds					
General fixed asset fund	2,873,963	-	-	-	2,873,963
Building fund	-	-	-	42,714	42,714
Accompanied Groups	-	452	-	(3,212)	(2,760)
Restricted Funds					
Pastoral fund	-	-	-	163	163
Wates Foundation fund	-	-	-	1,294	1,294
Pre School fund	-	-	-	-	-
Building fund	-	11,481	1,471	(11,481)	1,471
	<u>2,873,963</u>	<u>16,067</u>	<u>(5,575)</u>	<u>-</u>	<u>2,884,455</u>

2019:

	Fixed assets £	Cash £	Other net assets £	Balance between funds £	Total £
Fund balances at 30 September 2019 are represented by:					
General fund	-	3,818	(27,571)	34,648	10,895
Designated Funds					
General fixed asset fund	2,743,944	-	-	-	2,743,944
Building fund	-	-	-	42,714	42,714
Accompanied Groups	-	(8)	-	78	70
Restricted Funds					
Pastoral fund	-	-	-	163	163
Wates Foundation fund	-	-	-	1,294	1,294
Pre School fund	6,166	54,656	75	2,060	62,957
Building fund	-	79,927	1,030	(80,957)	-
	<u>2,750,110</u>	<u>138,393</u>	<u>(26,466)</u>	<u>-</u>	<u>2,862,037</u>

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

18 Leasing commitments

Operating leases

At 30 September 2020, the outstanding commitments for non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	1,262	2,152
Within two to five years	-	1,262
	<u>1,262</u>	<u>3,414</u>
Total lease payments in the year	<u>2,152</u>	<u>2,152</u>

19 Related party transactions

Expenses totalling £2,329 (2019: £2,174) were reimbursed to 3 (2019: 2) Deacons.

The following Deacons were associated with the following recipients of grants:

		2020 £	2019 £
<i>Deacon</i>	<i>Association</i>		
P King	Pioneers UK	<u>5,394</u>	<u>5,394</u>

The following Deacons received remuneration in the year, as permitted by section 23 of the Constitution:

		2020 £	2019 £
<i>Deacon</i>	<i>Occupation</i>		
Rev R Marzetti	Pastor	<u>30,996</u>	<u>31,008</u>
		<u>30,996</u>	<u>31,008</u>

During the year, total unrestricted income of £24,247 was received from Deacons and restricted income of £100.

A loan of £9,000 was made in the year by a Trustee to help cover operational expenditure. This was fully repaid in the year.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

20 Pension commitments and other post-retirement benefits

Defined benefit scheme

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 Minister is 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. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. 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 2016

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

20 Pension commitments and other post-retirement benefits (continued)

The key assumptions underlying the valuation were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.50
CPI price inflation assumption	2.75
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.50
Assumed investment returns	
- Pre-retirement	3.50
- Post retirement	2.25
Deferred pension increases	
- Pre April 2009	3.50
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	2.70
- Main Scheme pension Post April 2006	2.00

Post-retirement mortality in accordance with 75% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2016 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2019. This valuation has been agreed in principle but not yet signed and completed.

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 1 July 2020, deficiency contributions are payable until 31 December 2028. These contributions are 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. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. This reduction is allowed for in the figures shown below, where appropriate.

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.

	2020 £	2019 £
Balance sheet liability at the start of the year	36,245	37,298
Minus deficiency contributions paid	(3,158)	(3,528)
Interest cost (recognised in SoFA)	520	889
Remaining change to balance sheet liability* (recognised in SoFA)	(227)	1,586
Balance sheet liability at the end of the year	33,380	36,245

* Comprises any change in agreed deficit recovery plan and change in assumptions between accounting periods.

CHATSWORTH BAPTIST CHURCH

Notes to the financial statements for the year ended 30 September 2020 (continued)

20 Pension commitments and other post-retirement benefits (continued)

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:

	2020	2019	2018
Discount rate	0.4%	1.5%	2.5%
Future increases to Minimum Pensionable Income	3.1%	3.4%	3.3%