

HAYWARDS HEATH BAPTIST CHURCH

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

CHARITY REGISTRATION No: 1131365

HAYWARDS HEATH BAPTIST CHURCH

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HAYWARDS HEATH BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

START OF THE FINANCIAL YEAR	1 January 2020
END OF THE FINANCIAL YEAR	31 December 2020
CUSTODIAN TRUSTEE	The Baptist Union Corporation Limited
CUSTODIAN TRUSTEE ADDRESS	PO Box 44 129, Broadway, Didcot Oxfordshire OX11 8RT
CHURCH LEADERSHIP:	
MINISTER	C Norden
OTHER TRUSTEES	R Biersteker (resigned 10th September 2020) P Gilbert (resigned 15th July 2020)) L Goodchild (Secretary) (appointed 10th September 2020) P Jenkins (appointed 10th September 2020) B Ludlow F Mclachlan C Pearson (resigned 10th September 2020) A Rockett (Secretary) (resigned 1st October 2020) D Ruddock (Treasurer)(appointed 10th September 2020)) A Thompson L Viney
REGISTERED CHARITY	Registration number 1131365
PURPOSE	The church exists to advance the Christian faith according to the principles of the Baptist denomination and to serve the local community through its work and witness. It may also advance education and carry out other charitable purposes in the UK and other parts of the world.
ADDRESS	Sussex Road Haywards Heath West Sussex RH16 4DZ
PRIMARY BANKER	CAF Bank plc 25 Kings Hill Avenue West Malling Kent, ME19 4JQ
INDEPENDENT EXAMINER	Brian Jacobs ACA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing Statement of the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Objectives and activities for the public benefit

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.

In fulfilling its purpose, the church will engage in a range of activities, either on its own or with others, that will vary from time to time, with activities being initiated, expanded or closed, as appropriate. These activities may include but are not restricted to:

- regular public worship, prayer, bible study, preaching and teaching;
- baptism, as defined in the Baptist Union's declaration of principle;
- the communion of the Lord's supper on a regular basis;
- evangelism and mission, locally, regionally, nationally and internationally;
- the teaching, encouragement, welcome and inclusion of young people;
- nurture and growth of Christian disciples;
- education and training for Christian and community service;
- giving and encouraging pastoral care;
- supporting and encouraging charitable social action in the United Kingdom and abroad;
- encouraging relationships with and supporting baptists and other Christians.

The charity acknowledges its requirements to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the review of activities below.

The Trustees confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

Review of activities in 2020

2020, as for many churches in the UK, was a year of unprecedented change due the COVID-19 pandemic. Despite unexpected challenges and disruption, by God's grace the church was able to support and encourage one another in the church family and the wider local community through challenging times. Throughout the year we have held onto the church text for the year from Romans 12:12 encouraging us to be "Joyful in hope, patient in affliction and faithful in prayer" selected in December 2019 that has been a prophetic message for a difficult year.

Haywards Heath Baptist Church started the year with a renewed focus on those new to the church family. We had over 40 people committing to and being trained on the Integrate initiative to ensure that the church family was welcoming and inclusive of everyone— no matter their background, age or how long they had been part of the church family.

A musical fund raiser for those effected by Australian bushfires was organised and held by the youth within the church.

(continued)

HAYWARDS HEATH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Review of activities in 2019 (continued)

In March 2020, due to the national lockdown resulting to limit the spread of COVID-19 pandemic, the church building was closed for communal gatherings. However, despite this challenge the church was still open! Many of the gatherings moved online during this period and the church family was able to welcome new people from more distant locations from Glasgow to South Africa, as well as keeping in regular contact with people isolated by needing to shield for their own safety.

Weekly church meetings were hosted live online using the Zoom video conferencing and were regularly attended by over 100 households either online or, for those without internet access, by phone. Towards the end of 2020, our online meetings were able to be live transcribed for those in the community who are deaf or hard of hearing. The church family was able to support one another by continuing during a time of enforced distancing to see each other on a regular basis, worship and pray together. Including creative and inspiring virtual choirs.

Over the year the online weekly church prayer meeting and the mid-week homegroups has continued to grow and for many in the church family it has been a time of deepened faith.

During both national lockdowns, the church family was pleased to be able to offer Haywards Heath Foodbank the use of the main building to safely meet the needs of increasing number of people who relied on the Foodbank to help provide food during challenging times and to warehouse the huge volume of donations that were given by the local community.

Not all areas of church life were able to continue during 2020. It has been a difficult year for some parts of the church family - particularly for children and youth, who have sorely missed being able to meet up face-to-face, and from the more senior people on the fringe of the church, who were unable to join groups such as Options that aimed at providing a caring community for the elderly.

In the second half of 2020 there were a few short periods where communal gatherings were able to meet in person and the church was able to hold socially distanced communion services and a few in person youth group activities.

The church continues to respond to humanitarian disasters and appeals that are in line with its own charitable purposes, providing members the opportunity to express the love of Christ through their financial donations. The church also supports Baptist denominational mission and other individuals engaged in mission. During 2020, total grants of £17,828 were made to such causes.

Ministry

It has always been the primary focus of the church to preach the good news of Jesus Christ. This has continued Sunday by Sunday throughout the year, both in person and online, by our ministers and other gifted members of the church. In the summer the church held a well-attended online Alpha course which has allowed the gospel to be spread despite having to communicate differently. The excellent video course and format transitioned well to the online format and provided an environment so people seeking Jesus and exploring questions could do so from the security of their own homes.

For part of the year our second minister, whose focus is on family and community work, was placed on the UK Government furlough scheme. Unfortunately, during this period our ministry to young people has been hampered by our youth worker's absence due to long-term sickness.

After a review of current activities, the church leaders and members have agreed to recruit an operations manager in order to better fulfil the vision of the church. The role was advertised and interviews were conducted, but the role was not filled.

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HAYWARDS HEATH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Governance

The church is governed by its constitution.

The minister and deacons are the church trustees providing spiritual leadership, pastoral oversight and the administration of the church. All trustees are elected by the church meeting, requiring a minimum vote of two thirds of the members voting, to secure election. Deacons are eligible to serve two three-year terms, followed by a vacant year when they are not eligible for election.

The trustees meet twice each month, once specifically for prayer and once to conduct the business of the church. A typical business meeting agenda covers pastoral matters, ministry, finance, child and vulnerable adult protection, health and safety, premises and administrative issues.

No remuneration is paid to Trustees for their role as Trustees. The Minister is remunerated by an agreed Stipend.

Financial Review

The trustees maintain a register of financial and operational risks that are regularly reviewed to manage risks that the church is exposed to. The Trustees consider that the major risk facing the church is failure to reach new generation. They have recognised that this needs continued focus, planning and outreach in order to mitigate the potential impact.

Total income for the year was £225,828 (2019: £361,902). The church was also fortunate to receive donations this year of £170,524 (2019: £257,234).

Total expenditure for the year was £181,719 (2019: £255,292). This included a further £19,547 (2019: £50,834) of property and refurbishment costs in connection with the rebuild of the Sussex Road church which were incurred in the year.

Total funds at the balance sheet date were £1,754,096 (2019: £1,749,947). Of these £1,489,773 (2019: £1,476,582) were held as restricted funds. Within unrestricted funds were £199,011 (2019: £199,214) tied up in tangible fixed assets leaving £105,272 (2019: £74,151) of free reserves.

The church has been unable to meet since the Covid 19 Lockdown in March 2020. This has meant that weekly offerings usually made at services have not been collected, which has led to a reduction in income. However regular donations through standing orders have continued almost unchanged and together with reduced expenditure resulting from the cessation of some activities, the trustees consider the charity to be a viable going concern.

The trustees have considered the level of reserves they wish to retain appropriate to the size of the church, its needs and financial commitments. The trustees' objective is to ensure there are sufficient resources for the church to meet its financial commitments in the event of a temporary shortfall in income or unexpected expenditure. Given the current commitments in respect of the redevelopment of the church building, the trustees consider it appropriate to hold free reserves at the current level. This will be reviewed in light of the prevailing financial circumstances.

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HAYWARDS HEATH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Fund Raising Policy

The church receives donations from the congregation and members through weekly offerings, specific appeals and one off donations.

Due to the limited nature of the fundraising activities currently undertaken, the church does not formally monitor compliance with the Code of Fundraising Practice. The church does not consider that any of its fundraising activities constitute unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give and has not received any complaints in respect of this during the year. Requests are only made to those who are already members and supporters of the church and people can unsubscribe at anytime. The church does not work with any commercial participators or professional fundraisers.

Approved by the trustees on 8 June 2021 and signed on their behalf by:



Lydia Goodchild
Church Secretary

HAYWARDS HEATH BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAYWARDS HEATH BAPTIST CHURCH

I report to the trustees on my examination of the charity for the year ended 31 December 2020 which are set out on pages 9 to 22.

Responsibilities and basis of report

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

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

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination 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.

Brian Jacobs ACA.

B. D. Jacobs

Date: 21 June 2021

HAYWARDS HEATH BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
INCOME					
Donations, legacies and Grants	2a	136,085	88,712	224,797	356,560
Income from charitable activities	2b	1,003	-	1,003	5,262
Income from investments	2c	28	-	28	80
Other income	2d	-	-	-	-
TOTAL INCOME		137,116	88,712	225,828	361,902
EXPENDITURE					
Charitable expenditure:					
Grants payable in furtherance of the charity's objects	3a	-	18,394	18,394	31,833
Direct costs of activities in furtherance of the charity's objects	3b	61,391	19,945	81,336	141,679
Support costs	3c	18,218	-	18,218	12,495
Expenses for managing and administering the charity	3d	10,090	53,681	63,771	69,285
TOTAL EXPENDITURE		89,699	92,020	181,719	255,292
NET INCOME / EXPENDITURE		47,417	(3,308)	44,109	106,610
Net transfer between funds	9	(16,499)	16,499	-	-
Net movement in funds		30,918	13,191	44,109	106,610
Total funds brought forward		273,365	1,476,582	1,749,947	1,643,337
TOTAL FUNDS CARRIED FORWARD		304,283	1,489,773	1,794,056	1,749,947

Movements on all reserves and all recognised gains and losses are shown above. All the charity's operations are classed as continuing.

The notes on pages 11 to 22 form part of these financial statements.

HAYWARDS HEATH BAPTIST CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	31 December 2020		31 December 2019	
		£	£	£	£
Fixed assets					
Tangible assets	4		1,858,784		1,911,932
Current assets					
Debtors	6	11,014		4,538	
Cash at bank and in hand	5	<u>49,662</u>		<u>47,560</u>	
		60,676		52,098	
Creditors: amounts falling due within one year	7	(46,216)		(60,612)	
NET CURRENT ASSETS			14,460		(8,514)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,873,244</u>		<u>1,903,418</u>
Creditors: amounts falling due in more than one year	8		(79,188)		(153,471)
NET ASSETS			<u>1,794,056</u>		<u>1,749,947</u>
CAPITAL AND RESERVES					
Income funds:					
General funds			304,283		273,365
Restricted funds	9		<u>1,489,773</u>		<u>1,476,582</u>
			1,794,056		1,749,947

Approved by the trustees on 8 June 2021 and signed on their behalf by:



Lydia Goodchild
Church Secretary

The notes on pages 11 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

General information

Haywards Heath Baptist Church is an unincorporated charity limited by guarantee and registered in England and Wales. The registered address and charity number of the charity can be found in the legal and administrative information page.

a) Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting in accordance with the Charities Act 2011 and in accordance with applicable accounting standards.

The 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 the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Haywards Heath Baptist Church meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in Sterling (£) and rounded to the nearest £1. A summary of the significant accounting policies is set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Donations

Donations are accounted for gross when received.

c) Legacies

Legacies are accounted for when their receipt is probable and can be properly quantified.

d) Investment income

Investment income is included in the accounts in the year it is receivable.

e) Fund raising and publicity costs

The church does not make formal appeals for funds; expenditure on these items is therefore not material.

f) Grants payable

The church makes grants to other organisations whose charitable objects complement its work. They are accounted for in the year in which they are paid as no legal or constructive obligation arises prior to this.

g) Costs of charitable activities

These are the costs incurred on running the charity's operations. They include the direct costs of the ministry and organisations as well as the premises support costs and the administration costs. Expenditure is shown inclusive of VAT.

h) Governance costs

This represents direct expenditure on the governance of the church. Most of the management is carried out without charge by volunteers. This intangible cost is not included in the statement of financial activities since there is no measurable cost to volunteers for their service.

i) Fixed assets

The church and manse premises are included in the balance sheet at cost. Furniture in the church premises is included at cost or net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

1. ACCOUNTING POLICIES (continued)

j) Depreciation

Depreciation has not historically been charged on church or manse premises because, in the opinion of the trustees, the residual value of the asset is not less than the original cost price. Following the completion of the new church building, the cost less the land will be depreciated over the estimated useful life of 50 years

Depreciation on other fixed assets is calculated to write off the cost on a straight line basis over their expected useful life at the following rates:

Computers and equipment 25%

k) Fund Accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

l) Going Concern

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

m) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pensions

The charity participates in a funded multi-employer defined benefit scheme. It has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The charge to the income and expenditure represents the employer contribution payable to the scheme for the accounting period. Contributions payable from the charity to the scheme under the terms of its funding agreement for past deficits are recognised as a liability within provisions in the balance sheet.

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

2 INCOME	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
a) Donations and legacies				
Weekly offerings	14,144	511	14,655	18,894
Donations	97,971	72,553	170,524	257,234
Income tax recovered	23,970	15,648	39,618	50,282
Legacies	-	-	-	-
Grants		-	-	30,150
	<u>136,085</u>	<u>88,712</u>	<u>224,797</u>	<u>356,560</u>
<i>2019 fund split</i>	<i>146,952</i>	<i>209,608</i>	<i>356,560</i>	
b) Income from charitable activities				
Organisations:				
Chatterbox	443	-	443	1,990
Youth Groups	253	-	253	2,009
Women's fellowship	-	-	-	-
Options	307	-	307	1,263
	<u>1,003</u>	<u>-</u>	<u>1,003</u>	<u>5,262</u>
<i>2019 fund split</i>	<i>5,262</i>	<i>-</i>	<i>5,262</i>	
c) Income from investments				
Interest	28	-	28	80
	<u>28</u>	<u>-</u>	<u>28</u>	<u>80</u>
<i>2019 fund split</i>	<i>80</i>		<i>80</i>	
d) Other income				
Other	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<i>2019 fund split</i>	<i>2</i>	<i>-</i>	<i>2</i>	

HAYWARDS HEATH BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

3 EXPENSES	Unrestricted funds	Restricted funds	Total 2020	Total 2019 (restated)
	£	£	£	£
a) Grants payable in furtherance of the charity's objects				
Given to other causes:				
BU Home Mission	-	6,318	6,318	6,235
BMS World Mission	-	7,974	7,974	7,176
Link missionaries	-	1,336	1,336	4,007
Tearfund (Syrian refugees)	-	-	-	2,379
YWAM Mozambique	-	-	-	1,185
Tearfund (Mozambique)	-	-	-	1,185
International Bible Training Institute	-	-	-	3,084
Brighton & Hove City Mission	-	500	500	316
Other	-	1,700	1,700	3,816
Gifts from fellowship fund	-	566	566	2,450
	-	18,394	18,394	31,833
<i>2019 fund split</i>	-	31,833	31,833	
b) Costs of activities in furtherance of the charity's objects				
Ministry:				
Ministers' stipends and other salaries	36,725	-	36,725	51,278
National insurance	483	-	483	1,083
Pension contributions payable	1,353	-	1,353	2,209
Pension deficit adjustment (note 15)	(14,672)	-	(14,672)	661
Expenses	3,797	-	3,797	2,506
Travel	829	-	829	1,713
Telephone	1,212	-	1,212	1,325
Manse rent	13,044	-	13,044	12,744
Manse expenses	5,884	-	5,884	5,429
Manse maintenance	-	-	-	2,239
Other ministry	725	398	1,123	4,401
Property/ Refurbishment costs	11,027	19,547	30,574	50,834
Organisations:				
Chatterbox	326	-	326	1,901
Junior church	-	-	-	446
Youth Groups	302	-	302	1,802
Women's fellowship	-	-	-	-
Options	356	-	356	1,107
	61,391	19,945	81,336	141,679
<i>2019 fund split</i>	89,680	51,999	141,679	

Manse rent expenses were incurred in order to provide a suitable ministers' manse.

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

3 EXPENSES (continued)	Unrestricted funds	Restricted funds	Total 2020	Total 2019 (restated)
	£	£	£	£
c) Support costs				
Premises:				
Gas	461	-	461	846
Electricity	2,700	-	2,700	304
Water	(125)	-	(125)	358
Insurance	3,596	-	3,596	1,342
Telephone/internet	1,242	-	1,242	383
Cleaning, maintenance and repairs	10,344	-	10,344	722
Transition Costs	-	-	-	6,327
	<u>18,218</u>	<u>-</u>	<u>18,218</u>	<u>10,282</u>
<i>2019 fund split</i>	<i>10,282</i>	<i>-</i>	<i>10,282</i>	
d) Expenses for managing and administering the charity				
Administration:				
Photocopier	415	-	415	288
Minibus	-	-	-	25
Delegates and subscriptions	1,260	-	1,260	2,246
Catering	524	-	524	486
Church material	679	-	679	238
Publicity	175	-	175	751
Copyright licence	1,454	-	1,454	920
Sundry equipment	3,308	-	3,308	7,669
Depreciation	203	52,945	53,148	24,224
Professional fees	1,214	-	1,214	251
Independent examination fee	-	-	-	1,860
Miscellaneous	91	-	91	399
Finance costs:				
Mortgage interest	-	736	736	602
Pension liability interest cost (note 15)	767	-	767	1,888
	<u>10,090</u>	<u>53,681</u>	<u>63,771</u>	<u>41,847</u>
<i>2019 fund split</i>	<i>17,428</i>	<i>24,419</i>	<i>41,847</i>	

All church expenses are in support of its activities as a whole and it is not appropriate to relate them to any particular category of income.

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

4 TANGIBLE FIXED ASSETS

		Premises Unrestricted funds £	Premises Restricted funds £	Equipment Unrestricted funds £	Equipment Restricted funds £	Total £
Cost	01-Jan-20	199,000	1,690,328	43,095	98,381	2,030,804
Additions		-	-	-	-	-
Disposals		-	-	-	-	-
Cost at	31-Dec-20	199,000	1,690,328	43,095	98,381	2,030,804
Depreciation	01-Jan-20	-	28,350	42,881	47,641	118,872
Charge		-	28,350	203	24,595	53,148
Depreciation at	31-Dec-20	-	56,700	43,084	72,236	172,020
Net book value	31-Dec-20	199,000	1,633,628	11	26,145	1,858,784
Net book value	31-Dec-19	199,000	1,661,978	214	50,740	1,911,932

The church is the beneficial owner of the following freehold properties in Haywards Heath: church premises in Sussex Road, 9 Sussex Road and a manse at 14 Pinewood Way. The church uses the combined site in Sussex Road for its work and ministry in the local community. All three properties are held in trust on behalf of the church by The Baptist Union Corporation Limited.

The church has no annual commitments under non-cancelling operating leases.

	31 December 2020 £	31 December 2019 £
5 CASH AT BANK AND IN HAND		
Bank accounts	42,704	53,884
BU Corporation Deposit accounts	-	-
Building society accounts	3,527	4,054
Organisations	3,431	2,195
	<u>49,662</u>	<u>60,133</u>

	31 December 2020 £	31 December 2019 £
6 DEBTORS AND PREPAYMENTS		
Tax recoverable	3,116	11,459
Prepayments and accrued income	7,898	1,843
	<u>11,014</u>	<u>13,302</u>

	31 December 2020 £	31 December 2019 £
7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Accruals	5,769	1,892
Accrued pension deficit recovery payments (note 15)	4,949	4,842
Other creditors	298	112,293
Baptist Union Corporation	-	10,080
South East Baptist Association	4,000	4,000
Members Loans	31,200	-
	<u>46,216</u>	<u>133,107</u>

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

	31 December 2020	31 December 2019 (restated)
8 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR		
	£	£
Baptist Union Corporation	-	63,359
South East Baptist Association	28,000	32,000
Members Loans	26,800	16,000
Accrued pension deficit recovery payments (note 15)	24,388	42,112
	<u>79,188</u>	<u>153,471</u>

8a LOANS

	Balance £	Drawdown £	Interest £	Repayment £	Balance £
Baptist Union Corporation	67,884	37,062	736	105,682	-
South East Baptist Assoc.	36,000	-	-	4,000	32,000
Members Loans	16,000	69,000	-	27,000	58,000

The Baptist Union Corporation loan was repaid in July 2020

The South East Baptist Association loan is interest free and is repayable over 8 years.

Members Loans are interest free and repayable over 2 years.

9 RESTRICTED FUNDS

	Mission £	Fellowship £	Building £	Total restricted £
Balance at 1 January 2020	2,819	3,582	1,470,180	1,476,582
Income:				
Donations & Grants	1,150	511	71,403	73,064
Tax recovered	198	-	15,450	15,648
Interest	-	-	-	-
Total income	1,348	511	86,853	88,712
Transfer from general fund	16,499	-	-	16,499
Sub total	20,667	4,093	1,557,033	1,581,793
Expenditure	18,226	566	73,228	92,020
Balance at 31 December 2020	2,441	3,527	1,483,805	1,489,773

Mission fund

The mission fund is used to receive gifts made specifically for mission causes or for named beneficiaries involved in mission work, which can be individuals or organisations, and to distribute such monies to beneficiaries (or as directed by them, unless such direction is contrary to the stated wishes of the donor). The fund is also the vehicle through which the church's budgeted giving to mission is effected, a transfer from general fund of £21,502 was made, in respect of 2019.

Fellowship fund

Gifts for this fund are to assist any church member or regular attender who is in short-term financial need. Disbursements from this fund are made at the discretion of the members appointed from time to time for this purpose by the church meeting.

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

9 RESTRICTED FUNDS (continued)

Building fund

The purpose of this fund is to allow Haywards Heath Baptist Church (HHBC) to obtain a building or buildings for use by HHBC or HHBC organisations for Christian worship and church activities and/or for community service. Such buildings can be obtained on a freehold or leasehold basis and can be for a shared purpose approved by HHBC. If a congregation planted by HHBC wishes to become a member of the Baptist Union as an independent church, HHBC can decide suitable terms by which to transfer to that congregation the building that it is using. For clarity, the term 'building' includes the provision of equipment such as seats, catering facilities etc. which enables it to fulfil its function. The fund is not available to meet running costs of buildings.

10 ORGANISATIONS (DESIGNATED FUNDS)

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Chatterbox	877	443	326	994
Youth Groups	2,098	253	302	2,049
Womens Fellowship	-			
Options	437	307	356	388
	<u>3,412</u>	<u>1,003</u>	<u>984</u>	<u>3,431</u>
Payments by church:				
Junior church			-	
Awaken / Fortify			-	
			<u>984</u>	

Of the £5,256 an amount of £1,212 was expended from the church's general funds

11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds £	Restricted funds £	31 December 2020 Total £	31 December 2019 Total £
Fixed assets and investments	199,011	1,659,773	1,858,784	1,911,932
Monetary assets	129,660	(115,200)	14,460	(8,515)
Liabilities (due in more than one year)	(24,388)	(54,800)	(79,188)	(153,471)
	<u>304,283</u>	<u>1,489,773</u>	<u>1,794,056</u>	<u>1,749,946</u>

12 RELATED PARTIES

The custodian trustee of the church is The Baptist Union Corporation Limited which is a registered charity (no. 249635) and which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain and the South Eastern Baptist Association. The Home Mission Fund is the principal working fund of that Union.

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

13 PAYMENTS TO TRUSTEES AND MINISTERS

Trustees

The Church made donations to the Baptist Union Home Mission Fund as set out in note 3a.

The following trustees were reimbursed for expenditure incurred on behalf of the church.

Paul Gilbert	£	1,685
Carl Pearson	£	72
David Ruddock	£	1,912

Ministers

	2020	2019
The following payments were made to ministers:	£	£
Stipend	38,316	41,168
Expenses and travel	4,626	4,219
	<u>42,942</u>	<u>45,387</u>

The stipend figures shown above are not in addition to those in note 14 (Staff costs and numbers) and do not include salary payments to a part-time youth worker.

The church uses a payroll service provided by West of England Baptist Association to operate a PAYE scheme in respect of staff costs. The church paid into a pension scheme on behalf of its ministers and also paid certain manse costs.

The church paid rent of £13,044 (2019: £12,744) to F Norden, wife of C Norden, for use of her property as a manse as part of ministers' manse provision.

No other payments were made to ministers or any persons connected with them during this financial period. No other material transaction took place between the charity and a minister or any person connected with them.

14 STAFF COSTS AND NUMBERS

	2020	2019
	£	£
Gross salaries	45,132	53,095
Salaries recovered from Insurers	(6,826)	(1,818)
Employer's national insurance costs	3,239	3,839
Employment allowance	(2,756)	(2,756)
Employer's pension contributions payable	3,673	2,209
Pension contributions recovered from Insurers	(2,320)	(618)
Pension deficit adjustment (see note 15)	14,672	661
	<u>54,814</u>	<u>54,613</u>

The staff costs above are included within note 3b.

The charity employed three people during the year as follows.

	No.	No.
Activities in furtherance of the charity's objects	3	3

There were no employees who received employee benefits of more than £60,000 in either year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

15 PENSIONS

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 Ministers and some members of the church staff are eligible to join the Scheme. From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva plc. 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

15 PENSIONS (continued)

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70

Post-retirement mortality in accordance with 80% of the S2NFA and S2NMA 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%.

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 30th September 2020, deficiency contributions are payable until 30th June 2026. 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 Trustees and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July and 31 December 2020.

Movement in Balance Sheet liability

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

Accounting date (year ending):	31 December 2020 £	31 December 2019 £
Balance sheet liability at start of year	46,954	49,993
Deficiency contributions paid in year	(3,712)	(4,842)
Interest cost (note 3d)	767	1,142
Remaining change to balance sheet liability* (note 3b)	(14,672)	661
Balance sheet liability at year end	<u>29,337</u>	<u>46,954</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

15 PENSIONS (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:

Accounting date	31		
	31 December	December	31 December
	2020	2019	2018
Discount rate	0.4%	1.7%	2.4%
Future increases to Minimum Pensionable Income	3.0%	3.2%	3.3%

Consequent upon the departure of the Minister from the church in 2007, the Church had a cessation event under Section 75 of the Pensions Act 1995. This makes the Church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Scheme. At present the Church is paying the ongoing deficiency contributions outlined above, and the balance sheet liability shown is based on those deficiency contributions. However, the Pension Scheme Trustee has the right to quantify and seek payment of the debt at any time.

16 CAPITAL COMMITMENTS

There were no outstanding capital commitments as at 31st December 2020