

HAYWARDS HEATH BAPTIST CHURCH

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

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 2021
END OF THE FINANCIAL YEAR	31 December 2021
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	L Goodchild (Secretary) P Jenkins B Ludlow F Mclachlan D Ruddock (Treasurer) 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 2021

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

2021 continued to be a year of upheaval due to the COVID-19 pandemic. Despite continued 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. We shared the hope of the gospel and often came back to our church text for the year from Isaiah 43 v19 'See I am doing a new thing! Now it springs up; do you not perceive it?'

The church invested time and energy into communicating, connecting and supporting those in particular need. Our Minister and church family shared God's love and comfort with those at the end of their earthly journey and provided continuing care to the bereaved. Our partnership with Food Bank grew with a member of the church joining the Board of Trustees. We now host 'The Feast', which is an initiative run by another local church to provide friendship and meals to vulnerable members of the local community.

(continued)

HAYWARDS HEATH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Review of activities in 2021 (continued)

Town Day 2021 saw us in the local park providing free Christian resources, games and snacks for over 70 children and their families. It has been a challenge to build up our children and youth work and in September we began a new monthly initiative 'Café Church' providing all age worship along with breakfast! This has proved popular and we have welcomed new people from across the age spectrum.

Options, a group providing a caring community for the elderly, restarted in person meeting in the church café each month. Several senior people on the fringe of the church have returned to a warm welcome.

A new Ladies Group was formed with the first outing being a breakfast together in November and future outreach events, such as a pottery workshop, are planned in the year ahead.

In the run up to Christmas we provided a group for primary aged children with craft, snacks and teaching about Jesus being enjoyed. The church family supported Link to Hope, an initiative to provide Christmas presents to the most marginalised and disadvantaged in Romania, Bulgaria, Moldova and Ukraine. Gifts were also collected for 'Christmas Cheer' a charity supporting those in need in the Brighton area. A Christmas Wreath Making Workshop especially welcoming non-church people, was well attended. The Christmas services saw regulars and visitors alike coming to celebrate Jesus' birth.

During the year online church prayer meetings have continued on Zoom and in-person, once permitted, with a new Prayer and Praise format being started on a Sunday evening once a month. Mid-week homegroups have returned in person or continue to benefit from Zoom depending on the vulnerability of the group members. These are integral to our sense of family and community.

God has indeed been doing new things!

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 2021, total grants of £17,535 were made to causes including Release International and the local Brighton and Hove City Mission.

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.

We ran two online evangelistic courses, Alpha, for those seeking to know more of the Gospel.

It has been a time of change in staffing levels with our second minister, whose focus was on family and community work, leaving in the summer to undertake a full time Ministerial position. Sadly, our Youth Worker left our employ in November due to long-term sickness.

We were delighted to employ a Part Time Administrator who began work in August 2021.

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HAYWARDS HEATH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (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 £194,773 (2020: £225,828), of which £144,394 (20120: £170,524) were receive as donations.

Total expenditure for the year was £173,293 (2020: £181,719).

Total funds at the balance sheet date were £1,815,536 (2020: £1,754,096). Of these £1,504,248 (2020: £1,489,773) were held as restricted funds. Within unrestricted funds were £199,011 (2020: £199,011) tied up in tangible fixed assets leaving £112,277 (2020: £105,272) of free reserves.

Due to the Covid 19 in force during the year, weekly offerings usually made at services have not been collected for the majority of the year. This has lead to a continued reduction in income. However regular donations through standing orders have held up well, which together with reduced expenditure resulting from the continued cessation of some activities lead the trustees to firmly believe 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

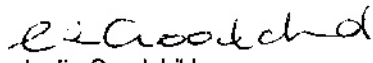
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

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 10th May 2022 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 2021 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.

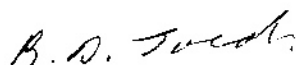
Independent examiner's statement

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.



Date: 17 May 2022

HAYWARDS HEATH BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
INCOME					
Donations, legacies and Grants	2a	130,422	60,357	190,779	224,797
Income from charitable activities	2b	117	-	117	1,003
Income from investments	2c	4	-	4	28
Other income	2d	3,873	-	3,873	-
TOTAL INCOME		134,416	60,357	194,773	225,828
EXPENDITURE					
Charitable expenditure:					
Grants payable in furtherance of the charity's objects	3a	-	19,159	19,159	18,394
Direct costs of activities in furtherance of the charity's objects	3b	74,771	240	75,011	81,336
Support costs	3c	16,117	-	16,117	18,218
Expenses for managing and administering the charity	3d	10,061	52,945	63,006	63,771
TOTAL EXPENDITURE		100,949	72,344	173,293	181,719
NET INCOME / EXPENDITURE		33,467	(11,987)	21,480	44,109
Net transfer between funds	9	(26,462)	26,462	-	-
Net movement in funds		7,005	14,475	21,480	44,109
Total funds brought forward		304,283	1,489,773	1,794,056	1,749,947
TOTAL FUNDS CARRIED FORWARD		311,288	1,504,248	1,815,536	1,794,056

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

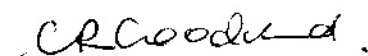
The notes on pages 11 to 22 form part of these financial statements.

HAYWARDS HEATH BAPTIST CHURCH

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	31 December 2021	31 December 2020
		£	£
Fixed assets			
Tangible assets	4	1,805,839	1,858,784
Current assets			
Debtors	6	10,555	11,014
Cash at bank and in hand	5	<u>67,135</u>	<u>49,662</u>
		77,690	60,676
Creditors: amounts falling due within one year	7	(25,503)	(46,216)
NET CURRENT ASSETS		52,187	14,460
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,858,026</u>	<u>1,873,244</u>
Creditors: amounts falling due in more than one year	8	(42,490)	(79,188)
NET ASSETS		<u>1,815,536</u>	<u>1,794,056</u>
CAPITAL AND RESERVES			
Income funds:			
General funds		311,288	304,283
Restricted funds	9	<u>1,504,248</u>	<u>1,489,773</u>
		1,815,536	1,794,056

Approved by the trustees on 10th May 2022 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 2021

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 2021 (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 2021 (continued)

2 INCOME	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
a) Donations and legacies				
Weekly offerings	9,455	183	9,638	14,655
Donations	96,137	48,257	144,394	170,524
Income tax recovered	23,402	11,918	35,320	39,618
Legacies	1,428		1,428	-
	<u>130,422</u>	<u>60,357</u>	<u>190,779</u>	<u>224,797</u>
<i>2020 fund split</i>	<i>136,085</i>	<i>88,712</i>	<i>224,797</i>	
b) Income from charitable activities				
Organisations:				
Chatterbox	1	-	1	443
Youth Groups	-	-	-	253
Women's fellowship	-	-	-	-
Options	116	-	116	307
	<u>117</u>	<u>-</u>	<u>117</u>	<u>1,003</u>
<i>2020 fund split</i>	<i>1,003</i>	<i>-</i>	<i>1,003</i>	
c) Income from investments				
Interest	4	-	4	28
	<u>4</u>	<u>-</u>	<u>4</u>	<u>28</u>
<i>2020 fund split</i>	<i>28</i>		<i>28</i>	
d) Other income				
Rental Income	3,873	-	3,873	-
	<u>3,873</u>	<u>-</u>	<u>3,873</u>	<u>-</u>
<i>2020 fund split</i>	<i>-</i>	<i>-</i>	<i>-</i>	

HAYWARDS HEATH BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

3 EXPENSES	Unrestricted funds	Restricted funds	Total 2021	Total 2020
a) Grants payable in furtherance of the charity's objects	£	£	£	£
Given to other causes:				
BU Home Mission	-	6,942	6,942	6,318
BMS World Mission	-	9,593	9,593	7,974
Link missionaries	-	-	-	1,336
Release International	-	500	500	500
Brighton & Hove City Mission	-	500	500	500
Other	-	-	-	1,200
Gifts from fellowship fund	-	1,624	1,624	566
	-	19,159	19,159	18,394
<i>2020 fund split</i>	-	18,394	18,394	
b) Costs of activities in furtherance of the charity's objects				
Ministry:				
Ministers' stipends and other salaries	42,787	-	42,787	36,725
National insurance	-	-	-	483
Pension contributions payable	1,311	-	1,311	1,353
Pension deficit adjustment (note 15)	(1,069)	-	(1,069)	(14,672)
Expenses	1,656	-	1,656	3,797
Travel	243	-	243	829
Telephone	1,307	-	1,307	1,212
Manse rent	13,320	-	13,320	13,044
Manse expenses	5,819	-	5,819	5,884
Manse maintenance	6,934	-	6,934	-
Other ministry	1,199	240	1,439	1,123
Property/ Refurbishment costs	776	-	776	30,574
Organisations:				
Chatterbox	130	-	130	326
Junior church	-	-	-	-
Youth Groups	267	-	267	302
Women's fellowship	-	-	-	-
Options	91	-	91	356
	74,771	240	75,011	81,336
<i>2020 fund split</i>	61,391	19,945	81,336	

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 2021 (continued)

3 EXPENSES (continued)	Unrestricted funds	Restricted funds	Total 2021	Total 2020
c) Support costs				
	£	£	£	£
Premises:				
Gas	1,108	-	1,108	461
Electricity	2,593	-	2,593	2,700
Water	388	-	388	(125)
Insurance	3,729	-	3,729	3,596
Telephone/internet	967	-	967	1,242
Cleaning, maintenance and repairs	7,332	-	7,332	10,344
	<u>16,117</u>	<u>-</u>	<u>16,117</u>	<u>18,218</u>
<i>2020 fund split</i>	<i>18,218</i>	<i>-</i>	<i>18,218</i>	
d) Expenses for managing and administering the charity				
Administration:				
Photocopier	11	-	11	415
Delegates and subscriptions	1,495	-	1,495	1,260
Catering	629	-	629	524
Church material	151	-	151	679
Publicity	663	-	663	175
Copyright licence	1,285	-	1,285	1,454
Sundry equipment	1,680	-	1,680	3,308
Depreciation	-	52,945	52,945	53,148
Professional fees	3,516	-	3,516	1,214
Independent examination fee	-	-	-	-
Miscellaneous	263	-	263	91
Finance costs:				
Mortgage interest	-	-	-	736
Pension liability interest cost (note 15)	368	-	368	767
	<u>10,061</u>	<u>52,945</u>	<u>63,006</u>	<u>63,771</u>
<i>2020 fund split</i>	<i>10,090</i>	<i>53,681</i>	<i>63,771</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 2021 (continued)

4 TANGIBLE FIXED ASSETS

		Premises Unrestricted funds £	Premises Restricted funds £	Equipment Unrestricted funds £	Equipment Restricted funds £	Total £
Cost	01-Jan-21	199,000	1,690,328	43,095	98,381	2,030,804
Additions		-	-	-	-	-
Disposals		-	-	-	-	-
Cost at	31-Dec-21	199,000	1,690,328	43,095	98,381	2,030,804
Depreciation	01-Jan-21	-	56,700	43,084	72,236	172,020
Charge		-	28,350	-	24,595	52,945
Depreciation at	31-Dec-21	-	85,050	43,084	96,831	224,965
Net book value	31-Dec-21	199,000	1,605,278	11	1,550	1,805,839
Net book value	31-Dec-20	199,000	1,633,628	11	26,145	1,858,784

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 2021 £	31 December 2020 £
5 CASH AT BANK AND IN HAND		
Bank accounts	61,872	42,704
BU Corporation Deposit accounts	-	-
Building society accounts	2,085	3,527
Organisations	3,178	3,431
	<u>67,135</u>	<u>49,662</u>

	31 December 2021 £	31 December 2020 £
6 DEBTORS AND PREPAYMENTS		
Tax recoverable	2,613	3,116
Prepayments and accrued income	7,942	7,898
	<u>10,555</u>	<u>11,014</u>

	31 December 2021 £	31 December 2020 £
7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Accruals	6,621	5,769
Accrued pension deficit recovery payments (note 15)	5,110	4,949
Other creditors	9,772	298
Baptist Union Corporation	-	-
South East Baptist Association	4,000	4,000
Members Loans	-	31,200
	<u>25,503</u>	<u>46,216</u>

HAYWARDS HEATH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

	31 December 2021	31 December 2020 (restated)
8 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR		
	£	£
Baptist Union Corporation	-	-
South East Baptist Association	24,000	28,000
Members Loans	-	26,800
Accrued pension deficit recovery payments (note 15)	18,490	24,388
	<u>42,490</u>	<u>79,188</u>

8a LOANS

	Balance £	Drawdown £	Interest £	Repayment £	Balance £
South East Baptist Assoc.	32,000	-	-	4,000	28,000
Members Loans	58,000	-	-	58,000	-

The South East Baptist Association loan is interest free and is repayable over 7 years.

9 RESTRICTED FUNDS

	Mission £	Fellowship £	Building £	Total restricted £
Balance at 1 January 2021	2,441	3,527	1,483,805	1,489,773
Income:				
Donations & Grants	880	183	47,377	48,440
Tax recovered	193	-	11,725	11,918
Interest	-	-	-	-
Total income	1,072	183	59,102	60,357
Transfer from general fund	16,462	-	10,000	26,462
Sub total	19,976	3,709	1,552,907	1,576,592
Expenditure	17,775	1,624	52,945	72,344
Balance at 31 December 2021	2,201	2,085	1,499,962	1,504,248

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 £16,462 was made, in respect of 2021.

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 2021 (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 2021 £	Income £	Expenditure £	At 31 December 2021 £
Chatterbox	994	1	131	864
Youth Groups	2,048	-	147	1,901
Womens Fellowship	-			
Options	388	116	92	412
	<u>3,431</u>	<u>117</u>	<u>370</u>	<u>3,178</u>
Payments by church:				
Junior church			-	
Youth Groups			-	
			<u>370</u>	

11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds £	Restricted funds £	31 December 2021 Total £	31 December 2020 Total £
Fixed assets and investments	199,011	1,606,828	1,805,839	1,858,784
Monetary assets	130,767	(78,580)	52,187	14,460
Liabilities (due in more than one year)	(18,490)	(24,000)	(42,490)	(79,188)
	<u>311,288</u>	<u>1,504,248</u>	<u>1,815,536</u>	<u>1,794,056</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 2021 (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.

L Goodchild	£	127
David Ruddock	£	2,453
L Viney	£	18

Ministers

	2021	2020
	£	£
The following payments were made to ministers:		
Stipend	33,927	38,316
Expenses and travel	1,899	4,626
	<u>35,826</u>	<u>42,942</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 £13,0320 (2020: £13,044) 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

	2021	2020
	£	£
Gross salaries	50,146	45,132
Salaries recovered from Insurers	(7,360)	(6,826)
Employer's national insurance costs	3,018	3,239
Employment allowance	(3,018)	(2,756)
Employer's pension contributions payable	3,253	3,673
Pension contributions recovered from Insurers	(1,941)	(2,320)
Pension deficit adjustment (see note 15)	(1,069)	14,672
	<u>43,029</u>	<u>54,814</u>

The staff costs above are included within note 3b.

The charity employed four people during the year as follows.

	No.	No.
Activities in furtherance of the charity's objects	4	4

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 2021 (continued)**

15 PENSIONS

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

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a 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.

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 Ltd. 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 if 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 Limited. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

The Minister(s) (and some members of the church staff) is / are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (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 increase adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post-retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus .5% pa)	1.70
Minimum Pensionable Income increases (CPI plus .5% pa)	3.20
Deferred pension increases (based on RPI)	
- Pre April 2009	3.20
- Post April 2009	2.50

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. 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 signed in September 2020, deficiency contributions are payable until 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.

Movement in Balance Sheet liability

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

Accounting date (year ending):	31 December 2021 £	31 December 2020 £
Balance sheet liability at start of year	29,337	46,954
Deficiency contributions paid in year	(5,036)	(3,712)
Interest cost (note 3d)	368	767
Remaining change to balance sheet liability* (note 3b)	(1,069)	(14,672)
Balance sheet liability at year end	<u>23,600</u>	<u>29,337</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 2021 (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
	2021	2020	2019
Discount rate	2.0%	1.4%	2.1%
Future increases to Minimum Pensionable Income	4.1%	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

The deacons have committed to improvement works to the church manse at 14 Pinewood Way of £6,000