

HAYWARDS HEATH BAPTIST CHURCH

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

**CHARITY REGISTRATION No: 1131365**

# HAYWARDS HEATH BAPTIST CHURCH

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# HAYWARDS HEATH BAPTIST CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

<b>START OF THE FINANCIAL YEAR</b>	1 January 2022
<b>END OF THE FINANCIAL YEAR</b>	31 December 2022
<b>CUSTODIAN TRUSTEE</b>	The Baptist Union Corporation Limited
<b>CUSTODIAN TRUSTEE ADDRESS</b>	PO Box 44 129, Broadway, Didcot Oxfordshire OX11 8RT
<b>CHURCH LEADERSHIP:</b>	
<b>MINISTER</b>	Currently vacant
<b>OTHER TRUSTEES</b>	J Batchelor (Appointed 16th November 2022) R Biersteker (Appointed 28th April 2022) L Goodchild (Secretary) P Jenkins B Ludlow F Mclachlan D Ruddock (Treasurer) A Thompson L Viney (Resigned 16th November 2022)
<b>REGISTERED CHARITY</b>	Registration number 1131365
<b>PURPOSE</b>	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.
<b>ADDRESS</b>	Sussex Road Haywards Heath West Sussex RH16 4DZ
<b>PRIMARY BANKER</b>	CAF Bank plc 25 Kings Hill Avenue West Malling Kent, ME19 4JQ
<b>INDEPENDENT EXAMINER</b>	Brian Jacobs ACA

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2022. 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 2022**

During 2022 we continued to encourage the church family to meet in-person as all COVID regulations ended. The truth found in our church text for the year from 2 Timothy 1:9 'God has saved us and called us to a holy life – not because of anything we have done but because of his own purpose and grace' encouraged us to share the hope of the gospel with those who were struggling in the aftermath of a global pandemic. By God's grace the church family supported each other as we came to terms with the toll COVID had taken individually and as a community of God's people. The church family continued to share God's love and comfort with those at the end of their earthly journey and provided continuing care to the bereaved. With God's strength we started to rebuild our groups serving people from across the age spectrum and reaching out to the wider local community.

Our partnership with Food Bank continued with the option to collect supplies from the premises, which was ceased during COVID, re-starting. A food donation point was well used and regular Foodbank Trustee meetings were held on the premises. 'The Feast', an initiative run by another local church to provide friendship and meals to vulnerable people, continued to be hosted each week at the church cafe and is supported by some volunteers who are members of the church.

(continued)

## HAYWARDS HEATH BAPTIST CHURCH

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

#### **Review of activities in 2022 (continued)**

The church hosted a Jubilee Tea to celebrate the Queen's 70th anniversary on the throne and 50 older folk met to enjoy scones, sandwiches, music and a short reflection on the Queen's own faith in her King – Jesus Christ. Sadly, later in the year, our local Town Day event was cancelled due to the death of her Majesty.

We were delighted to appoint a part time Children and Families Worker to develop this important work and provide support to families, some of whom struggle for various reasons. A new group for Primary aged children, Ignite, was launched and has a good core group attending. A Light Party was held in October which was well attended with children from the church inviting their friends along. Café Church continues to bring those across the age range into our caring and supportive fellowship. In November, we held a Newcomers' Lunch to welcome new folk and we are keen to repeat this enjoyable event.

Options, a group providing a supportive space for the elderly continued and enjoyed a full programme of events with many of the members being from the local community. For Silver Sunday we held a very popular Songs of Praise service and to equip us to further serve the older generation we invited a charity 'Faith In Later Life' to lead a workshop.

During the year we ran a Restored Lives course that offered support and skills to help recovery from the breakdown of a serious relationship. We also ran an online discipleship course, Discipleship Explored, to help those attending explore the excitement, challenge and joy of following Christ.

Towards the end of the year we opened a Warm Space to help our local community with the cost of living soaring and fears around electricity costs. This space provides a free, warm, welcoming and safe environment for people who wish to come on a Monday or Wednesday during the winter - to save on heating costs, to share community, use the wifi or to work from. In the run up to Christmas the church family again supported Link to Hope, an initiative to provide Christmas presents to the most marginalised and disadvantaged in Romania, Bulgaria, Moldova and Ukraine. The Christmas services saw regulars and visitors alike coming to celebrate Jesus' birth.

Most of our mid-week homegroups met in person through the year with some use of Zoom remaining if the group members were particularly vulnerable. These offered support and care as we seek to learn from our Lord and discern his will for us.

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 2022, total grants of £25,914 were made to causes including responding to the conflict in Ukraine through BMS and forming a partnership with a local evangelistic church in Zaporizhzhia. Our harvest offering was directed to supporting the construction of a borewell by supporting Amigos International.

#### **Ministry**

In July our minister left to undertake further study and we are actively seeking God's provision for a minister to lead us forward under God's direction to serve each other and our community.

Sharing the good news of the gospel has been our focus with many gifted members of the church continuing and developing their own ministries. The majority of the congregation have now returned to meeting in person but we still have a small number joining via Zoom on a Sunday morning. We have regular opportunities to meet for in-person prayer, our Prayer and Praise service launched in 2021, continues and a monthly prayer meeting is held via Zoom. Our youth leaders ran a baptism course and the church family and many visitors celebrated with several of the young people as they were baptised.

As mentioned above, we were delighted to appoint a part time Children and Families Worker to lead and develop our work in this area. Our part time Church Administrator continues to support the leadership and volunteers throughout the year and has been a welcoming presence for visitors from the local community.

(continued)

# HAYWARDS HEATH BAPTIST CHURCH

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (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 £244,569 (2021: 194,773). The church was also fortunate to receive donations this year of £164,144 (2021: £144,393).

Total expenditure for the year was £134,796 (2021: £173,293).

Total funds at the balance sheet date were £1,925,309 (2021: £1,815,536). Of these £1,534,201 (2021: £1,504,248) were held as restricted funds. Within unrestricted funds were £199,011 (2021: £199,011) tied up in tangible fixed assets leaving £192,097 (2021: £112,277) of free reserves.

Total income for the year increased by £50k due to an increase in donations and associated gift aid (£30k) and rental income (£20k) due to the letting of the vacant manse. The trustees and church membership have decided that the manse is no longer suitable for purpose and intend to sell in 2023. See reserves note above. Due to the resignation of the senior minister and the minister in training completing the training period, total expenditure reduced by £39k. The trustees are seeking a replacement minister, and expect a similar level of expenditure in 2023 increasing back to former levels in 2024. 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. This will continue to be reviewed in light of the prevailing financial circumstances.

The current level of reserves are now significantly in excess of the churches requirements. The trustees have decided that the excess reserves will be utilised to part finance the purchase of a new manse that will cost significantly more than the proceeds realised from the sale of the existing building.

(continued)

## HAYWARDS HEATH BAPTIST CHURCH


### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022 (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 11th April 2023 and signed on their behalf by:



Lydia Goodchild  
Church Secretary

## 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 2022 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:

*30 April 23*  
2023



# HAYWARDS HEATH BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b>INCOME</b>					
Donations, legacies and Grants	2a	149,899	69,639	219,538	190,779
Income from charitable activities	2b	1,286	-	1,286	117
Income from investments	2c	595	-	595	4
Other income	2d	23,150	-	23,150	3,873
<b>TOTAL INCOME</b>		<b>174,930</b>	<b>69,639</b>	<b>244,569</b>	<b>194,773</b>
<b>EXPENDITURE</b>					
<b>Charitable expenditure:</b>					
Grants payable in furtherance of the charity's objects	3a	-	25,914	25,914	19,159
Direct costs of activities in furtherance of the charity's objects	3b	46,995	-	46,995	75,011
Support costs	3c	19,474	-	19,474	16,117
Expenses for managing and administering the charity	3d	12,513	29,900	42,413	63,006
<b>TOTAL EXPENDITURE</b>		<b>78,982</b>	<b>55,814</b>	<b>134,796</b>	<b>173,293</b>
<b>NET INCOME / EXPENDITURE</b>		<b>95,948</b>	<b>13,825</b>	<b>109,773</b>	<b>21,480</b>
Net transfer between funds	9	(16,128)	16,128	-	-
<b>Net movement in funds</b>		<b>79,820</b>	<b>29,953</b>	<b>109,773</b>	<b>21,480</b>
Total funds brought forward		311,288	1,504,248	1,815,536	1,794,056
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>391,108</b>	<b>1,534,201</b>	<b>1,925,309</b>	<b>1,815,536</b>

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 2022

	Notes	31 December 2022		31 December 2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		1,775,939		1,805,839
<b>Current assets</b>					
Debtors	6	6,080		10,555	
Cash at bank and in hand	5	<u>146,403</u>		<u>67,135</u>	
		152,483		77,690	
Creditors: amounts falling due within one year	7	(3,113)		(25,503)	
<b>NET CURRENT ASSETS</b>			149,370		52,187
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,925,309</u>		<u>1,858,026</u>
Creditors: amounts falling due in more than one year	8		-		(42,490)
<b>NET ASSETS</b>			<u>1,925,309</u>		<u>1,815,536</u>
<b>CAPITAL AND RESERVES</b>					
<b>Income funds:</b>					
General funds			391,108		311,288
Restricted funds	9		<u>1,534,201</u>		<u>1,504,248</u>
			<u>1,925,309</u>		<u>1,815,536</u>

Approved by the trustees on 11th April 2023 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 2022

### 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) updated in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 2022 (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) Employee Benefits**

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in an independently administered fund.

Prior to 2012 pension provision was made through multi-employer defined benefit pension plans.

Where it is not possible for the charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. The unwinding of the discount is recognised as a finance cost and any other change in the measurement of this liability is expensed to the Statement of Financial Activities

# HAYWARDS HEATH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

<b>2 INCOME</b>	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>a) Donations and legacies</b>				
Weekly offerings	12,309	401	12,710	9,638
Donations	108,373	55,771	164,144	144,393
Income tax recovered	27,777	12,466	40,243	35,320
Legacies	-	1,000	1,000	1,428
Grants	1,440	-	1,440	-
	<u>149,899</u>	<u>69,639</u>	<u>219,538</u>	<u>190,779</u>
2021 fund split	130,422	60,357	190,779	
<b>b) Income from charitable activities</b>				
Organisations:				
Chatterbox	637	-	637	1
Youth Groups	-	-	-	-
Women's fellowship	-	-	-	-
Options	649	-	649	116
	<u>1,286</u>	<u>-</u>	<u>1,286</u>	<u>117</u>
2021 fund split	117	-	117	
<b>c) Income from investments</b>				
Interest	595	-	595	4
	<u>595</u>	<u>-</u>	<u>595</u>	<u>4</u>
2021 fund split	4	-	4	
<b>d) Other income</b>				
Rental	23,150	-	23,150	3,873
	<u>23,150</u>	<u>-</u>	<u>23,150</u>	<u>3,873</u>
2021 fund split	3,873	-	3,873	

## HAYWARDS HEATH BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

<b>3 EXPENSES</b>	Unrestricted funds	Restricted funds	Total 2022	Total 2021 (restated)
<b>a) Grants payable in furtherance of the charity's objects</b>	£	£	£	£
Given to other causes:				
Amigos International	-	3,052	3,052	6,942
BMS World Mission	-	6,528	6,528	9,593
BNS World Mission Ukraine Appeal	-	2,388	2,388	-
BU Home Mission	-	6,000	6,000	500
International Needs	-	1,368	1,368	500
Link To Hope	-	1,369	1,369	
Prison Fellowship	-	2,158	2,158	
South East Baptist Association	-	2,000	2,000	
Other	-	200	200	
Gifts from fellowship fund	-	851	851	1,624
	-	25,914	25,914	19,159
<i>2021 fund split</i>	-	19,159	19,159	
<b>b) Costs of activities in furtherance of the charity's objects</b>				
Ministry:				
Ministers' stipends and other salaries	40,254	-	40,254	42,787
National insurance	-	-	-	-
Pension contributions payable	1,921	-	1,921	1,311
Pension deficit adjustment (note 15)	(21,056)	-	(21,056)	(1,069)
Expenses	33	-	33	1,656
Travel	555	-	555	243
Telephone	1,057	-	1,057	1,307
Manse rent	10,125	-	10,125	13,320
Manse expenses	2,916	-	2,916	5,819
Manse maintenance	6,431	-	6,431	6,934
Other ministry	2,700	-	2,700	1,439
Property/ Refurbishment costs	-	-	-	776
Organisations:				
Chatterbox	533	-	533	130
Junior church	-	-	-	-
Youth Groups	808	-	808	267
Women's fellowship	-	-	-	-
Options	718	-	718	91
	46,995	-	46,995	75,011
<i>2021 fund split</i>	74,771	240	75,011	

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 2022 (continued)

<b>3 EXPENSES (continued)</b>	Unrestricted funds	Restricted funds	Total 2022	Total 2021
<b>c) Support costs</b>				
	£	£	£	£
Premises:				
Gas	1,091	-	1,091	1,108
Electricity	3,421	-	3,421	2,593
Water	487	-	487	388
Insurance	3,993	-	3,993	3,729
Telephone/internet	1,332	-	1,332	967
Cleaning, maintenance and repairs	9,150	-	9,150	7,332
	<u>19,474</u>	<u>-</u>	<u>19,474</u>	<u>16,117</u>
<i>2021 fund split</i>	<i>16,117</i>	<i>-</i>	<i>16,117</i>	
<b>d) Expenses for managing and administering the charity</b>				
Administration:				
Photocopier	(119)	-	(119)	11
Delegates and subscriptions	2,953	-	2,953	1,495
Catering	1,663	-	1,663	629
Church material	797	-	797	151
Publicity	770	-	770	663
Copyright licence	1,367	-	1,367	1,285
Sundry equipment	416	-	416	1,680
Depreciation	-	29,900	29,900	52,945
Professional fees	3,041	-	3,041	3,516
Independent examination fee	-	-	-	-
Miscellaneous	1,183	-	1,183	263
Finance costs:				
Mortgage interest	-	-	-	-
Pension liability interest cost (note 15)	442	-	442	368
	<u>12,513</u>	<u>29,900</u>	<u>42,413</u>	<u>63,006</u>
<i>2021 fund split</i>	<i>10,061</i>	<i>52,945</i>	<i>63,006</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 2022 (continued)

### 4 TANGIBLE FIXED ASSETS

		Premises Unrestricted funds £	Premises Restricted funds £	Equipment Unrestricted funds £	Equipment Restricted funds £	Total £
Cost	01-Jan-22	199,000	1,690,328	43,095	98,381	2,030,804
Additions		-	-	-	-	-
Disposals		-	-	-	-	-
Cost at	31-Dec-22	199,000	1,690,328	43,095	98,381	2,030,804
Depreciation	01-Jan-22	-	85,050	43,084	96,831	224,965
Charge		-	28,350	-	1,550	29,900
Depreciation at	31-Dec-22	-	113,400	43,084	98,381	254,865
Net book value	31-Dec-22	199,000	1,576,928	11	(0)	1,775,939
Net book value	31-Dec-21	199,000	1,605,278	11	1,550	1,805,839

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 2022 £	31 December 2021 £
<b>5 CASH AT BANK AND IN HAND</b>		
Bank accounts	43,602	61,872
BU Corporation Deposit accounts	100,246	-
Building society accounts	-	2,085
Organisations	2,555	3,178
	<u>146,403</u>	<u>67,135</u>

	31 December 2022 £	31 December 2021 £
<b>6 DEBTORS AND PREPAYMENTS</b>		
Tax recoverable	2,728	2,613
Prepayments and accrued income	3,352	7,942
	<u>6,080</u>	<u>10,555</u>

	31 December 2022 £	31 December 2021 £
<b>7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Accruals	453	6,621
Accrued pension deficit recovery payments (note 15)	-	5,110
Other creditors	2,660	9,772
Baptist Union Corporation	-	-
South East Baptist Association	-	4,000
	<u>3,113</u>	<u>25,503</u>



# HAYWARDS HEATH BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

	31 December 2022	31 December 2021
<b>8 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR</b>		
	£	£
Baptist Union Corporation	-	-
South East Baptist Association	-	24,000
Members Loans	-	-
Accrued pension deficit recovery payments (note 15)	-	18,490
	<u>-</u>	<u>42,490</u>

### 8a LOANS

	Balance £	Drawdown £	Interest £	Repayment £	Balance £
South East Baptist Assoc.	28,000	-	-	28,000	-

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 2022	2,202	2,085	1,499,961	1,504,248
Income:				
Donations & Grants	8,837	401	47,934	57,172
Tax recovered	1,953	-	10,513	12,466
Interest	-	-	-	-
Total income	10,790	401	58,447	69,639
Transfer from general fund	16,128	-	-	16,128
Sub total	29,121	2,486	1,558,408	1,590,015
Expenditure	25,063	851	29,900	55,814
Balance at 31 December 2022	4,058	1,635	1,528,508	1,534,201

#### 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 £16,128 was made, in respect of 2022

#### 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 2022 (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 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
Chatterbox	864	637	533	968
Youth Groups	1,901	-	658	1,243
Options	412	649	718	343
	<u>3,178</u>	<u>1,286</u>	<u>1,909</u>	<u>2,555</u>
Payments by church:				
Junior church			-	
Awaken / Fortify			150	
			<u>2,059</u>	

### 11 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted funds	Restricted funds	31 December 2022 Total	31 December 2021 Total
	£	£	£	£
Fixed assets and investments	199,011	1,576,928	1,775,939	1,805,839
Monetary assets	192,097	(42,727)	149,370	52,187
Liabilities (due in more than one year)	-	-	-	(42,490)
	<u>391,108</u>	<u>1,534,201</u>	<u>1,925,309</u>	<u>1,815,536</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 2022 (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	£	75
F Mclachlan	£	200
David Ruddock	£	2,133

#### Ministers

	2022	2021
	£	£
The following payments were made to ministers:		
Stipend	20,205	33,927
Expenses and travel	588	1,899
	<u>20,793</u>	<u>35,826</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 £10,125 (2021: £13,320) 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

	2022	2021
	£	£
Gross salaries	40,254	50,146
Salaries recovered from Insurers	-	(7,360)
Employer's national insurance costs	2,756	3,018
Employment allowance	(2,756)	(3,018)
Employer's pension contributions payable	1,921	3,253
Pension contributions recovered from Insurers	-	(1,941)
Pension deficit adjustment (see note 15)	(21,056)	(1,069)
	<u>21,119</u>	<u>43,029</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	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 2022 (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 2022 (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.

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

#### Movement in Balance Sheet liability

Section 28.11A of 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 2022 £	31 December 2021 £
Balance sheet liability at start of year	23,600	29,337
Deficiency contributions paid in year	(2,986)	(5,036)
Interest cost (note 3d)	442	368
Remaining change to balance sheet liability* (note 3b)	(21,056)	(1,069)
Balance sheet liability at year end	0	23,600

\* 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 2022 (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:

<b>Accounting date</b>	<b>31</b>		
	<b>31 December</b>	<b>December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Discount rate	5.30%	2.0%	1.4%
Future increases to Minimum Pensionable Income		4.1%	3.2%

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 2022