

Bethel Baptist Church

Report and Accounts

Year ended 31 December 2020

Stewardship 
Active generosity

1 Lamb's Passage, London EC1Y 8AB
www.stewardship.org.uk

BETHEL BAPTIST CHURCH
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020

ADDRESS FOR CORRESPONDENCE	Bethel Baptist Church Penlline Road Cardiff CF14 2AA
GOVERNING DOCUMENT	Constitution adopted in 2009
CHARITY REGISTRATION NUMBER	1132093
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	Rev Jonathan Vaughan-Davies Alun Streeter Ruth Evans Susan Rock Stephen Burton (resigned May 2021) Stephen Vaughan Timothy Pickles (Treasurer) Melanie Lewis Juraj Yhrincat Ken Williams Stephen Parker Richard Hodges (appointed March 2019)
CUSTODIAN TRUSTEES	Baptist Union of Great Britain
BANKERS	Lloyds Bank plc
INDEPENDENT EXAMINER	Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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BETHEL BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st DECEMBER 2020

The Trustees have pleasure in submitting the Report and Accounts for the year ended 31st December 2020.

Objects of the charity

The charity, which is a church, is governed by a constitution and is constituted as a trust. The charity's principal objects, as set out in its governing document, are:

- a) to advance the Christian faith according to the principles of the Baptist denomination
- b) to advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

Summary of the charity's main activities and achievements

To further the above objects and vision, the charity's main activities and achievements were as follows:

The Church is not a building, but a gathering of ordinary people of different ages and backgrounds, whose lives have been changed by Jesus Christ, the Son of God. The New Testament reveals the Church as a community of people properly taught and cared for who, by loving and serving Jesus Christ, were committed to love and care for each other and to bring a blessing to the area in which they lived. Bethel Baptist Church, its trustees and members are committed to the restoration of those New Testament principles. It is not alone in this; it is one of many Churches in the area, country and all over the world that is re-discovering the excitement of knowing Jesus Christ. The vision is to see the people of Cardiff and specifically those within the Church's local area come into this experience of knowing Jesus as their Lord, Saviour and friend. Alongside holding Sunday services and a Sunday school each week, Bethel seeks to engage with and support the fellowship and community in several different ways. Some of the main ones of the year are highlighted below.

In planning the activities, the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Impact of Covid-19

Due to Covid-19, the everyday operation of Bethel has changed, with a move to serving the community via online platforms where needed. Bethel is in a fortunate position where the giving from the members, and the reserve, have allowed the church to move online easily. The money was available to buy a Zoom licence so that meeting times are not limited, to extend our music licence so that we are able to broadcast online, and to invest in technology that provides high quality streaming via YouTube.

There was thankfully no requirement to furlough staff, as the work and the money were available to continue to pay them. Staff have moved to working from home where possible, though the minister and youth leader have broadcast Sunday services from the church building, in line with Covid-19 regulations.

The trustees have adapted to meeting online via Zoom, and as the options to reopen the church became available, Trustees' meetings became weekly to ensure the church was ready to reopen safely. Members' meetings have also taken place on Zoom on a regular basis – to keep members

informed, to give members an opportunity to share opinions, and to make decisions regarding the running of the church. Only the AGM was missed, and this will take place later in 2021.

In the early part of the year, the Whitchurch Centre was let out to a wide number of community groups, as has been the case for many years. This unfortunately came to an end with the Covid restrictions in March.

Teaching and discipleship

Sunday services moved online as soon as restrictions recommended that churches stopped meeting in person in March 2020. These started very simply and developed over time to incorporate more elements. Within a few months, services included contributions from many people within the church, in terms of Bible readings, drama, testimonies, prayers, artwork, and leading music. Sung worship is filmed by individuals at home and brought together using software, to create a virtual music group. With the addition of lyrics under the images, viewers at home can sing along, worshipping God as part of a community.

Services continue to follow the usual pattern of sung worship, prayers, Bible reading, Bible teaching and a time for reflection. Each service ends with an active encouragement to make a drink and phone someone to have a chat, as a way of building fellowship and community at time when many people have felt isolated.

Because services are now online, the number of people being reached and blessed is wider than ever before. Those who – before lockdown – were unable to attend in person due to ill health, family and work commitments, a dislike of social situations, or any number of reasons have been able to attend online, either for livestream at 10.30am and 6.00pm, or at any time later in the week.

Being aware that not everyone has access to the internet, other avenues were explored to meet the needs of those without. The service is recorded each week and sent by post to anyone who would like a copy, along with the news sheet which otherwise appears on the church website and social media.

Jon, as Minister, started writing a blog at the start of lockdown as a further way of encouraging and uplifting people. He uses everyday experiences to highlight Bible truths. It is shared on the website, on social media and paper copies are available to those who would like them.

Caring and pastoral support

Small Groups

In the usual way of things, Small Groups (of about 10 people) meet in each other's homes every week to support and look after each other. This is through spending time together and building relationships, reading and studying the Bible as a group, praying together and providing practical support. With the advent of Covid-19, Small Groups – like everything else – moved online. Each group decided what format its meeting would take, depending on the needs and wishes of the members. Some groups continued with detailed Bible Study, whereas others spent more time listening to each other's concerns and struggles of the past week. These groups are a vital lifeline to many people as it enables them to connect with God's word and God's people on a personal level.

Pastoral support

A team of people usually undertake visits to those who cannot attend services and meetings in person. During the pandemic, this team continued to support people through phone calls, video chats and sending letters/cards, ensuring that no one was left without a friend, at a time when it was easy to feel isolated.

Lunch Club

Lunch Club ran weekly until March 2020 when, like all other church activities, it stopped due to Covid-19. The club usually meets every week and is open to anyone over the age of 60. It is an opportunity for older people to enjoy time together and it provides much-needed companionship to many who are lonely. Some of its members were “shielding” through the pandemic and had very limited contact with other people, even family and close friends, so it was important for Lunch Club to continue providing as much support as possible. The leaders kept in regular contact with all its members who wished to do so. This form of fellowship was very much appreciated by members and their families. Where there was no reply to phone calls, a card was written and posted so that members knew they were not forgotten.

WhatsApp Groups

Several WhatsApp groups have been created to provide social interaction and support. The largest of these is open to anyone connected with the church who wishes to be involved and is used for sharing news, memes, prayer requests and encouragement and is, in a small way, a replacement for interaction at the activities which are no longer taking place. Smaller WhatsApp groups provide a space for those in specific circumstances to support one another: Health and Social Care Workers / those working in Education / those who have been furloughed from work.

Social events

Social events are usually held throughout the year and include quizzes, barn dances, afternoon teas, concerts and lunches. Many of these are not feasible online, but towards the end of the year a quiz was held on Zoom and was well attended. Teams were created using breakout rooms and it was good to see friendly rivalry between them.

Mission

Children's and Young People's work

In Quarter 1 of 2020, Children's work continued as normal with Sunday School and mid-week meetings for all ages from birth to eighteen. This included:

Sunday meetings, where children learn about God's love for them through singing, praying and reading the Bible together at age-appropriate levels. For younger children, this centres around learning key Bible stories; for older children and teenagers this includes discussion of how faith forms a central part in facing the challenges of life. At the start of 2020, all children aged 3 – 11 received a Bible suitable to their age.

Chatterbox, our toddler group, which provides a space for pre-school children to play and sing, while parents and expectant parents support each other through conversation and sharing experiences together.

Kidzone, a meeting for Primary School aged children. Many attend this event who do not attend on a Sunday and a variety of families from the community are reached. The sessions involve games, craft, singing and a God Spot with Biblical teaching.

Bzone, with a similar structure to Kidzone, is for younger secondary school ages and seeks to build relationships and explore faith.

Coze is for older secondary school children and sixth formers and builds on the relationships formed at younger levels. It looks to deepen faith and support young people as they become adults.

From the start of lockdown, all groups moved online in some form. **Sunday services** now conclude with a session aimed at primary aged children, led by our Youth Leader. These slots feature puppets, craft, singing and teaching to illustrate Bible truths, and also have a “news and updates” section. For this, parents send in photos and stories of what children have been doing during the week, thus allowing children to stay connected to friends they would usually see at church. **Kidzone**, **Bzone** and **Coze** moved to Zoom to enable children to continue to meet, and a Bethel server was created on Minecraft to provide a new dimension to the online community. All relevant paperwork and safeguarding measures were completed before these groups began

to meet online. **Chatterbox** attempted a Zoom meeting but found that toddlers struggled to interact using this medium.

Throughout the year, a variety of small projects sought to support different ages in different ways, in addition to the regular weekly groups.

- A series of interviews were produced between the Children and Youth Worker and various people within the church, looking at how each person was coping with lockdown and lessons they had learnt from it. This aimed to help teenagers as they navigated the challenges of the year and demonstrate that there was support for any difficulties they were experiencing.
- In the summer Bethel would usually run a week-long holiday club for children aged 5 – 11. As this was not possible, a Sunday series was run on YouTube that included many of the elements of a holiday club. The theme of this was the story of Moses and named “Camp Freedom”.
- All children were invited to take part in re-telling the Nativity story. Each was assigned a character and were filmed at home singing and acting, ready to be combined into a full narrative. This formed a key part of one of the Christmas services and was broadcast on YouTube. It was a great opportunity for the children and young people to take part in a group project and be reminded that they are part of a bigger community even in a time when they were seeing very few people.
- At Christmas, all children and youth connected with the church (including students at university) were given an Advent Calendar that came with a booklet of the Christmas Story. It was reported that many families were blessed by this.

Alpha

During the year, the church ran an online Alpha course via Zoom. This was an opportunity for anyone exploring faith to ask questions and seek answers. The 11 sessions covered a variety of topics, and each week included a time for social interaction, video presentations that delved into the topic of the week and a time for open discussion. Through it one person came to know Jesus as their Lord and Saviour.

Summary

Financial review

During the year income decreased by £30,900, to £117,300, and expenditure increased by £3,300, to £126,300. As a result, the cash held by the charity decreased by £8,900, to £109,000, of which all but £235 is unrestricted and can be used for any charitable purpose.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £10,000 (which equates to approximately 4 months of ministerial salaries) so that the charity could continue to operate should income and / or expenditure vary adversely. In addition to this, the reserves policy requires the church to hold £55,000 as a contingency reserve. At the year end, the charity held unrestricted cash of £108,800. Funds remain in excess of the specified amount, as maintenance work at the church and manse that was due to take place in 2020 has not yet been carried out.

Governance

Bethel Baptist Church has a membership, and members of the Church are accepted in accordance with the Constitution which requires them to profess faith in Jesus Christ.

The Church Members' Meeting normally takes place five or six times per year and has responsibility for the overall policy of the church. In accordance with the Constitution, the members appoint Elders and Deacons who, together with the Minister, Church Secretary and Treasurer (who are also appointed by the Members), are collectively known as the Trustees. They are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Relevant matters may be submitted to the Church Members' Meeting by the Trustees for guidance or may be raised by members in Church Members' Meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at Church Members' Meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

The Trustees meet monthly and are responsible for the strategic direction and policy of the charity. If there are issues that require more regular meetings of the Trustees, then they will meet together more frequently.

Church life has been broken down into 5 areas, with small leadership teams (Mission and Ministry Teams – MMTs) overseeing each area. These teams will have a Trustee, together with other church members that are considered to have the suitable knowledge and skills to provide leadership in these areas. Decision making in that area is delegated to the MMT, with the Trustee on the team ensuring that decisions are in line with the strategy and vision of the charity – and may then be subject to agreement at the Church Members' Meeting at the discretion of the Trustees. The MMTs usually meet once every two months. Minutes of these MMT meetings are circulated to the Trustees so they are aware of decision made.

Responsibilities of trustees

Charity law requires us as Trustees to prepare financial statements for each accounting year which record the receipts and payments of the charity for the year.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

Approval

This report was approved by the trustees and signed on their behalf by:

Timothy Pickles

Date: 17 October 2021

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
BETHEL BAPTIST CHURCH

I report to the trustees on my examination of the accounts of Bethel Baptist Church ('the charity') for the year ended 31 December 2020 on pages 8 to 12 following.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jaimée Young

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: 26 October 2021

BETHEL BAPTIST CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	<u>Unrestricted Funds</u>		Restricted Funds	Total 2020	Total 2019
		General Funds	Designated Funds			
		£	£	£	£	£
Income receipts						
Donations		91,806	-	75	91,881	94,630
Gift aid receipts		19,260	-	-	19,260	23,770
Legacies		-	-	-	-	5,000
Income from conferences and events		-	-	-	-	4,430
Income from letting of facilities		4,520	-	-	4,520	15,683
Charitable activities		-	1,185	-	1,185	4,225
Interest		192	-	-	192	402
Other		302	-	-	302	83
Total receipts		116,080	1,185	75	117,340	148,223
Payments						
Payments in relation to charitable activities undertaken directly	2	105,162	1,489	-	106,651	106,289
Grants paid in relation to charitable activities undertaken by others	3	19,578	-	60	19,638	16,727
Total payments		124,739	1,489	60	126,289	123,016
Net of receipts / (payments) before transfers		(8,659)	(304)	15	(8,949)	25,208
Transfers between funds	5	(15)	(145)	160	-	-
Net movement in funds		(8,675)	(449)	175	(8,949)	25,208
Cash funds as at last year end		57,727	60,209	60	117,997	92,790
Cash funds at this year end	A	49,053	59,760	235	109,048	117,997

The notes on pages 10 - 12 form part of these accounts.

BETHEL BAPTIST CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Unrestricted Funds</u>		Restricted funds	Total 2020	Total 2019
	General funds	Designated funds			
	£	£	£	£	£
A Cash funds					
Cash at bank with immediate access	33,770	-	235	34,005	42,385
Notice deposits	10,523	59,760	-	70,283	70,099
Bank and cash held by church groups	4,760	-	-	4,760	4,050
Petty cash	-	-	-	-	1,463
	<u>49,053</u>	<u>59,760</u>	<u>235</u>	<u>109,048</u>	<u>117,997</u>
B Other monetary assets					
Gift aid due to charity	1,469	-	-	1,469	1,666
	<u>1,469</u>	<u>-</u>	<u>-</u>	<u>1,469</u>	<u>1,666</u>
C Liabilities					
Falling due within one year:					
Baptist Union pension deficit	2,778	-	-	2,778	3,623
Fee for Independent Examination	1,440	-	-	1,440	1,440
	<u>4,218</u>	<u>-</u>	<u>-</u>	<u>4,218</u>	<u>5,063</u>
Falling due after one year:					
Baptist Union pension deficit	88,422	-	-	88,422	81,077
	<u>88,422</u>	<u>-</u>	<u>-</u>	<u>88,422</u>	<u>81,077</u>
Total	<u>92,640</u>	<u>-</u>	<u>-</u>	<u>92,640</u>	<u>86,140</u>
D Assets retained for charity's own use				Value 2020	Value 2019
				£	£
Freehold buildings:					
Church and hall				2,979,426	2,979,426
22 Pendwyallt Road				272,707	261,945
Fixtures, fittings and equipment				143,009	141,009
				<u>3,395,142</u>	<u>3,382,380</u>

The trustees have used insurance values as the trustees are unable to reliably estimate current values; insurance values may differ materially from current values.

The accounts were approved by the trustees and signed on their behalf

by Timothy Pickles date 17 October 2021

The notes on pages 10 - 12 form part of these accounts.

BETHEL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

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. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

	<u>Unrestricted Funds</u>		Restricted Funds	Total 2020	Total 2019
	General funds	Designated funds			
	£	£	£	£	£
2 Payments in relation to charitable activities undertaken directly					
Salaries, pension and expenses	72,687	-	-	72,687	53,028
Local mission and outreach	1,371	1,426	-	2,797	6,746
Youth and children's work	1,489	63	-	1,552	7,830
Church events and ministries	442	-	-	442	2,508
Worship	1,077	-	-	1,077	2,227
Computers & website	1,617	-	-	1,617	1,457
Governance costs	1,680	-	-	1,680	1,322
Property costs (church and manse):					
Repairs, maintenance and equipment	7,615	-	-	7,615	10,935
Utilities and council tax	6,986	-	-	6,986	7,256
Insurance	4,009	-	-	4,009	3,923
Training and resources	87	-	-	87	827
Printing, stationery, other office costs	2,138	-	-	2,138	3,297
Telephone	1,125	-	-	1,125	1,174
Fees and subscriptions	2,545	-	-	2,545	2,250
Bank charges	291	-	-	291	506
Miscellaneous costs	-	-	-	-	1,002
	<u>105,162</u>	<u>1,489</u>	<u>-</u>	<u>106,651</u>	<u>106,289</u>

3 Grants and gifts paid to others

Organisations:					
South Wales Baptist Association	8,837	-	-	8,837	7,052
BMS World Mission	8,810	-	-	8,810	7,710
Message Wales	1,500	-	-	1,500	648
Other institutions < £1000	431	-	60	491	1,316
	<u>19,578</u>	<u>-</u>	<u>60</u>	<u>19,638</u>	<u>16,727</u>

BETHEL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Transactions with related parties

The Rev Jonathan Vaughan-Davies served as a church leader and was paid £28,488 [2019: £27,600] for serving in that capacity, not for serving as a trustee; these payments are permitted by the charity's governing document.

In addition, the charity incurred expenditure in respect of the provision of accommodation (which is customary for ministers) to Jonathan Vaughan-Davies, who is a trustee, so that they could better perform their duties. These costs are included within 'Property costs' in note 2 above.

5 Movement of funds

	Balance at 31Dec2019 £	Receipts £	Payments £	Transfers £	Balance at 31Dec2020 £
<i>General funds</i>	57,727	116,080	(124,739)	(15)	49,053
<i>Designated funds</i>					
Contingency reserve	55,000	-	-	-	55,000
Kidzone	138	88	(39)	-	187
Chatterbox	186	57	(4)	-	240
Bzone	139	75	(21)	(145)	48
Ladies' Fellowship	696	65	(655)	22	128
Lunch Club	4,050	900	(771)	(22)	4,157
	<u>117,937</u>	<u>117,265</u>	<u>(126,229)</u>	<u>(160)</u>	<u>108,813</u>
<i>Restricted funds</i>					
Shoe Box Appeal	19	-	(19)	-	-
BMS 'Birthday scheme'	-	75	-	-	75
Ty Hafan	-	-	-	160	160
Christmas Cards	41	-	(41)	-	-
	<u>60</u>	<u>75</u>	<u>(60)</u>	<u>160</u>	<u>235</u>
Total funds	<u><u>117,997</u></u>	<u><u>117,340</u></u>	<u><u>(126,289)</u></u>	<u><u>-</u></u>	<u><u>109,048</u></u>

The Baptist Mission Society 'Birthday scheme' is a scheme for members to pay a gift on their Birthday to BMS for support towards the work of BMS.

6 The Baptist Pension Scheme

Background to the disclosure

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the Employer and the other participating employers. The Scheme comprises a Defined Contribution Plan and a Defined Benefit Plan.

The pension cost shown in the Receipts and Payments Statement comprises contributions to the Defined Contribution Plan and deficiency contributions to the Defined Benefit Plan (see below).

The Minister(s) and Assistant Minister are eligible to join the Scheme.

The Defined Contribution Plan

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 (or 3% if the employer is in the segregated DC section) 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. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

BETHEL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Defined Benefit Plan

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The next actuarial valuation of the DB Plan is due as at 31 December 2022.

Recovery plan

A recovery plan dated 30 September 2020 has been agreed to make good the above deficit in assets. Therefore, in addition to the contributions to the DC Plan set out above, the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

It has been agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction in all deficiency contributions payable between 1 July 2020 and 31 December 2020. The Recovery Plan envisages deficiency contributions continuing until June 2026.

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020.

Key assumptions

The key assumptions underlying the actuarial valuation of the DB Plan were as follows:

<i>Type of financial assumption</i>	<i>% pa</i>
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	2.70

Payments made in the year

	2020	2019
	£	£
Defined Contribution Plan:		
Employee contributions	3,654	2,934
Employer contributions	2,740	2,201
	6,394	5,135
Deficiency contributions to Defined Benefit Plan	2,778	3,623
	9,172	8,758

Basis for determining the DB plan pension liability

The pension liability disclosed in the Statement of Assets and Liabilities in respect of the DB Plan is based on an estimate of the amount that the charity would be required to pay should the charity decide to settle the debt immediately; the Baptist Pension Scheme (the 'BPS') have provided this estimate. The BPS is collecting deficit contributions monthly however these deficit contributions have not been calculated by reference to the charity's share of the pension deficit and, based on the current schedule of contributions, it is possible that the sum of all future annual deficit contributions will be significantly less than the liability disclosed in the Statement of Assets and Liabilities. The charity does not foresee any circumstances that could result in immediate payment of the whole debt however the trustees believe that the BPS may ask the church to increase its contributions towards the deficit and therefore, to be prudent, they have chosen to disclose a liability for the employer debt in the Statement of Assets and Liabilities.