



**STREATHAM
BAPTIST
CHURCH**

STREATHAM BAPTIST CHURCH

ANNUAL REPORT AND ACCOUNTS

1 APRIL 2021 - 31 MARCH 2022

CONTENTS

Purpose and Activities	2
Achievements and Performance	2
Financial Review	5
Structure, Governance and Management	7
Reference and Administrative Details	11
Independent Auditor's Report	12 - 14
Statement of Financial Activities	15
Balance Sheet	16
Notes to the Accounts	17 - 23

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

1. Purpose and Activities

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. This is achieved by:

- Providing an environment in which Christians can worship God and grow in their faith in the Lord Jesus Christ.
- Actively encouraging Christians to develop their faith in the Lord Jesus Christ.
- Actively promoting the Gospel of the Lord Jesus Christ locally, regionally, nationally and internationally.
- Undertaking social works in the local community which will assist in meeting the needs of the community and bring the Gospel to those who might not otherwise receive it.

Streatham Baptist Church Leaders can confirm that they are aware of the Charity Commission guidance on public benefit and have complied with their duty to have due regard to the Charity Commission's guidance on public benefit (PB1, PB2 and PB3) when reviewing the Church's objectives, planning its activities and exercising any powers or duties to which the guidance is relevant.

The Church's main activities which it carries out to fulfil its charitable purposes for the public benefit, are:

- Regular public worship, prayer; Bible study, preaching and teaching;
- Baptism as defined by the Baptist Union of Great Britain's Declaration of Principle;
- Regular observance of the Communion of the Lord's Supper;
- Evangelism and Mission, locally, regionally, nationally and internationally;
- The teaching, encouragement, welcome and inclusion of all people regardless of their background;
- Expressing God's love to the community through the mission of the Church;
- 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 at home and abroad;
- Encouraging relationships with and supporting Baptists and other Christians; and
- Raising finance to further the Purpose by receiving donations, grants and loans.

2. Achievements and Performance

Introduction and WayForward

On Wednesday March 23 a minute's silence was held to commemorate the two years since the first lockdown and remember the 188,000 lives that have been tragically lost to Covid.

It's hard not to overestimate the impact the pandemic has had on our lives.

The pandemic not only brought death and disruption but also a new vocabulary, Words such as coronavirus, social distancing, and herd immunity became common parlance.

One word in particular which became popular through the government's employment support scheme was the word, furlough.

At huge cost to the government and UK taxpayers, workers were given paid hiatus from work.

But the word actually has a military history, referring to time given to soldiers for leave. The furlough period was to allow soldiers to rest, recover and recuperate before returning to active duty.

Whilst the military association might seem unfortunate at a time of war, nevertheless it has felt that the church has been on furlough from the spiritual battlefield for the past two years, with many church activities being on hold or even closing.

However in the past few months there has been a growing sense that the church is once again returning to the fray.

The Wayforward search for the senior minister post, stepped up a gear with the completed church profile submitted to the new Pastoral Vacancy List.

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

Despite two promising candidates with one reaching the 'preach with a peep phase' no appointment was made, and the church is in the third round of interviews with a new candidate invited to preach with a peep in April 2022. We continue to trust in the Lord's timing.

Despite the ongoing delay with the new appointment the church indicated it did not want church life to come to a complete standstill during this furlough period and encouraged the leadership to press on with seeking a fresh vision for the church.

The leaders have held two away days to look at the church vision. Following those days of prayer and discussion the leadership sensed God calling them to building "An inter-generational, multi-ethnic church committed to worshipping Jesus together, empowered by the Spirit, to serve one another and our local community", and to make several spiritual commitments towards fulfilling that vision. Further work is being done to unpack the full implication of this vision and to make some adjustments following feedback from the church.

That sense of getting back on the frontline was further picked up in our motto verse for 2022.

1 Peter 2:9

But you are a chosen people, a royal priesthood, a holy nation, God's special possession, that you may declare the praises of him who called you out of darkness into his wonderful light.

The verse reminded us of our identity, calling and work to be a priesthood of believers and a holy nation declaring God's praises through our service and worship

Public Worship

This year has seen an unprecedented number of challenges for those who serve in Public Worship. As a Leadership team, we sought to open the building for Sunday services as soon as possible after the third lockdown. This required a lot of planning and thoughtful reflection on the risks involved in doing so. As Ministers, we were in continuous dialogue about balancing health and pastoral implications of reopening with concerns about exercising our rights to physically gather to worship. We were also mindful that in reopening we would need to ensure that we sought not to be overburdened with restrictions that inhibited the worshipping experience of those who gathered in person. As a team, we decided to adhere closely to the Baptist Union of Great Britain's advice and recommendations. As the Ministerial team, we are truly thankful for all those who serve in enabling our gatherings throughout this time. With all the challenges those who have served on our teams have done so sacrificially and with excellence.

The second thing we are to be thankful for is the time we spent reflecting on racial injustice. Following the death of George Floyd and a series of deaths in the States and the UK, the Ministers identified a need to discuss racism and what the Gospel's response was to this issue of injustice in society and the Church. We decided to conduct a teaching series on injustice exploring gender, race, and disability with guest preachers sharing their lived experiences. In addition, we embarked on a listening process enabling members to discuss the issue of race and their lived experiences. As a community, we spent one Sunday service reflecting on the experiences of four individuals who took part in the Listening Assemblies which impacted many people. This was all grounded in Paul's challenge in Ephesians 2.

For he himself is our peace, who has made the two groups one and has destroyed the barrier, the dividing wall of hostility, by setting aside in his flesh the law with its commands and regulations. His purpose was to create in himself one new humanity out of the two, thus making peace, and in one body to reconcile both of them to God through the cross, by which he put to death their hostility.

Ephesians 2:14-16

A cross-section of the members shared how positive the journey was, which included: the preaching, teaching, and Listening Assembly conversations.

One challenge ahead is how we foster and develop inclusive Worship meetings. This would include prayer meetings and Sunday services. Currently, there are members who are unable to return either because of

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

the risk to their health or high levels of anxiety. The team is reflecting on what it means to facilitate hybrid meetings that are inclusive, (not simply streaming events that are non-participatory) in order to ensure that we are able to meet pastoral needs effectively. The team continues to discuss what can be done with the resources we have at our disposal and a future update will be provided.

Pastoral Care

One of the greatest blessings in the area of Pastoral Care is seeing week by week how we continue to care for one another as a church family. This is not just the ministers, leaders or pastoral care team but each one of us as we provide love and care in relationships throughout the church.

In doing so we are obeying Jesus' encouragement in John 13:34 that we should love one another as by this people would know that we are his disciples. This acknowledges the missional impact of being a loving community!

To illustrate this, we had some lovely feedback recently from someone who had been bereaved in the fellowship recently saying how touched she was that so many people had reached out to her having read of her loss in the bulletin.

Another blessing is the Pastoral Care Team. It has continued to offer pastoral care to our most vulnerable and elderly members and house visits are slowly resuming post Covid. An extra layer of blessing is that one of our members has joined the team recently as part of the process of applying to Ministerial Recognition Committee. He is an experienced healthcare Chaplain and a great asset to the team.

Safeguarding is sometimes part of our pastoral care and is the more challenging aspect. The team has seen some changes over the past year, and we wish to take this opportunity to thank our Designated Person for his contribution to the church's safeguarding team during his time which ended in December 2021. We are exploring recruiting more people to this important team who grapple with some of the harder parts of church life and human experience.

However, there is even a great blessing here as over the last few months many of us have successfully completed or renewed our new Safeguarding Training. Safeguarding training really enhances our pastoral care as a community and means we can respond correctly and safely when difficult things happen, we all have responsibilities in this area.

Discipleship

In regards to discipleship, we have a lot to thank God for over the last year. The first is the baptism of two young adults who dedicated their lives to God in July 2021 in one of our Sunday services. Their commitment is evidence of the work of the Spirit among us and the faithful dedication of all those who have journeyed with them up until this point. They continue to be committed to the Young Adults Ministry 2or3.

This year has seen the appointment to the post of Communications Coordinator. This new post will not only enable us to be more effective in our internal and external communication but enable us to be much more effective in realising our desire to see communications as part of our discipleship strategy. It is important to note that this is not merely an administrative appointment but rather will increase our capacity to facilitate fellowship and enhance our ability to communicate the gospel to the wider community. Our Communications Coordinator brings a wealth of experience in his experience working for a Christian Organisation and missional experience. This is a significant appointment and one that we are deeply thankful for.

A challenge for us moving forward is how to equip and encourage prayer in the life of our worshipping community. While we have a solid core of faithful members who gather weekly on a Thursday evening and Sunday morning to pray, we could certainly develop the number of those who attend regularly. It must be highlighted, however, that as a Christian community we are time poor. A cross-section of the membership has young families and/or two jobs/ zero contract hours. It is then by no means a coincidence that those who struggle to attend our current prayer meetings are from these groups. As a group, we will need to reflect on how to reduce the barriers to individuals attending prayer meetings.

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

As a Ministerial team, we would like to thank those who facilitate our prayer meetings so faithfully and those who have stepped out of their comfort zone and responded to the Spirit's leading to lead prayer meetings. God is truly at work.

Local Mission

Despite the lockdown restricting some of our activities, one of the activities that continues to flourish is Belonging. These English classes continue on a weekly basis over zoom. We would like to thank our volunteer leading this for being a beacon of light in the community. We are continually thankful for the leadership and heart to serve refugees and migrants on the margins of our community in need of English tuition.

International Mission

We continued to support seven missionaries and mission projects run by people who have had connections with Streatham Baptist Church as well as supporting Baptist Mission both in the UK and overseas. Through them the gospel has met both spiritual and physical needs.

Enabling

Enabling encompasses all the ministry areas which underpin the others – the central functions which enable us to engage in mission and ministry.

There are four main functions: the Leadership Team, Finance, HR and Premises.

The Leadership Team (Trustees) has been blessed by Suzann Douglas joining us in September 2021. We have also been blessed by 3 In Person Away Days together which have helped us grapple with longer term strategic issues and seek God for the vision and values of the church.

Our finances have been expertly managed by our Church Manager whose heart for good stewardship has seen our expenditure well controlled over the last year with savings made wherever possible. Jung Khang has continued as our Interim Treasurer and a volunteer as our Financial Co-ordinator. But as these are temporary posts, we are still in need of a Treasurer who can be a Trustee.

Our premises are slowly re-opening with additional users almost on a weekly basis as we learn to live with Covid. Having responsibility for three properties – the Church, Christian Fields and Lewin Road is a considerable undertaking which requires hard work. We are pleased to report that the source of the cracks in the Sanctuary has been proved to be the tree in an adjacent property garden and since its removal the cracks are declining. We are currently processing our claim regarding this matter.

In terms of Human Resources, our Children Worker and Administrative Assistant have both left our employment in the last year. Our children's work is currently being ably led by a volunteer. We are grateful to a volunteer who has joined the HR Advisory Team and contributed greatly to new policies in this area. Finally, it is important for me to mention the ongoing work of our Risk Management Strategy Group. This group underpins much of the enabling function and has delivered our response to the challenges of the risks of Covid-19.

3. Financial Review

Introduction

During the last financial year, the Church Trustees continued to lead the Church's many activities, thereby advancing the Christian Faith for the benefit of both those who attend the church and people in the local and wider communities. They were ably supported by the Church Finance Group. This group advises and assists the Church Treasurer in the development, implementation and review of effective policies and procedures that ensure sound management of all Church finances. The financial results of the year 2021-22 are set out in the accompanying financial statements and notes to the accounts.

Unrestricted Funds Overview

Overall, resources were well managed in 2021-22 despite the challenges of the pandemic. Total incoming resources exceeded resources expended by £15,615 in 2021-22 (income exceeded expenditure by £9,211 in 2020-21) before fund transfers and £9,353 (income exceeded expenditure by £8,828 in 2020-

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

21) after fund transfers, which were down to rental income from Christian Fields and Lewin Pre-School. Both income and expenditure were below the budget for the year.

Unrestricted Funds Incoming Resources – The main source of incoming resources, generous regular giving by members and friends, was slightly higher than in the previous financial year, but this was partly offset by lower donations. Regular giving to the General Fund in 2021-22 totalled £256,078 (compared to £255,780 in 2020-21). Donations totalling £7,630 (compared to £16,578 in 2020-21) along with Gift Aid recovery of £53,852 (£57,831 in 2020-21) resulted in total income from offerings and donations of £319,243 (£330,188 in 2020-21). There was also a small amount of funding from other sources (hire of the Church premises, fees and deposit interest) yielding a total income of £328,346 (£337,212 in 2020-21).

Unrestricted Funds Resources Used – Overall, these were also a little lower than in the previous year (£312,732 in 2021-22 compared to £328,001 in 2020-21). Unsurprisingly, ministry costs were the largest area of expenditure. They totalled £228,274 in 2021-22 (compared to £242,733 in 2020-21), enabling the Church to pay for staff to lead the Church in worship activities and to teach children and young people. Mission (international and local) costs totalled £26,852 in 2021-22 (£27,370 in 2020-21). This reflects the fact that a number of key missional activities in the year were curtailed due to Covid-19. Premises costs (£57,605 in 2021-22, compared to £56,699 in 2020-21), continue to be well managed by the Church and increased only slightly with the restarting of activities.

Balance Sheet Overview

The Trustees regularly review the Church's share of the Baptist Pension Scheme (BPS) deficit liability. A deed, dated 28th October 2019, was signed by two trustees from each of the Baptist Union of Great Britain (BUGB), the Baptist Pensions Trust Ltd and Streatham Baptist Church, acknowledging that payments made by the BUGB to the BPS in December 2018 included full and final settlement of the Church's liability to the BPS in respect of an unwitting employer cessation event in June 2006.

The BPS Trustees further reduced the risks in the BPS by using some of the BPS funds to buy an annuity in December 2019. This has further reduced SBC's potential BPS deficit liability.

The three properties owned by the Church underwent their quinquennial revaluation in August 2018. The total increase in their values was included in the balance sheet for 2017-18 and the details are shown in notes 13-15.

Designated Funds

Designated Funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in Note 5 to the financial statements. Financial details are in Note 20. The surplus of £9,920 - (before transfers) is mostly due the rental income from Christian Fields. Work and equipment costing £13,930 inc. VAT was carried out to upgrade our AV System in the Sanctuary for Live Streaming and maintain the residential properties in Lewin Road and Christian Fields. To fund expenses needed for the repair of the church's flat roof £8,000 were transferred into Premises Reserves as agreed at the AGM on 24th March 2022. As a result, the Premises Reserve balance increased during the year (£31,716 in March 2022, compared to £24,152 in March 2021).

The Christian Fields property was used as a manse until the previous Senior Minister left in January 2019. Following extensive refurbishment, this property was let to tenants who pay rent at the end of March 2020. So this property is now classified as an investment property (as advised under SORP 2019) and therefore rental income received is classified as investment income. The costs of maintaining and administering the property are offset against the income and surplus income is repaid, at least annually, to the General Fund. £7,000 was transferred in 2021-22 (£19,472 was transferred in 2020-21).

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

In addition to contributions to the direct work of the Church, Members and friends also gave through the Church to other charities, including Tearfund and the local foodbank; and to a Christmas Day Collection, which was donated to Missionaries associated with the Church.

Restricted Funds

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 cost of raising and administering such funds are charged against the specific fund. Most of these funds exist to manage the financial transactions of self-funding groups operating as part of the ministry and mission of Streatham Baptist Church. But two funds, Specified Gifts Fund and Specified Missionary Fund exist to ensure that all gifts (and any associated tax recovery) given by Church Members and friends to charities and other good causes specified by them is passed on to the named good cause. The main beneficiaries of Restricted Fund gifts in 2021-22 were the COVID-19 Fund to support people being impacted by Covid-19 and a Pastoral Appeal Fund to support a church family with a particular urgent financial need larger than that covered by normal pastoral gifts. The purpose and use of each restricted fund is summarised in Note 4 to the financial statements. Financial details are in Note 20.

Endowment Funds

Streatham Baptist Church has no endowment funds.

Investment Policy

SBC Trustees approved a revised Investment Policy in July 2019 in relation to investment properties and cash reserves held by the Church. This policy provides guidelines that assist the Trustees in making confident, informed decisions regarding management and investment of funds held by SBC.

Reserves Policy

SBC Trustees approved a revised Reserves Policy in July 2020, which includes reasons why SBC should hold reserves, the target level for SBC reserves and monitoring and management of the reserves. This policy enables SBC Trustees to properly manage SBC finances, including safeguarding SBC assets and responsibly managing SBC financial risks, in accordance with their legal responsibilities. The actual level of free reserves (using the Charity Commission definition) held at 31 March 2022 was £149,574 (£134,680 in March 2021). This is above the target level of £121,588 (one-third of the 2021-2022 Unrestricted Funds Budget) (£123,821 in 2020-21) because of less spending during lockdown. In setting the level of the reserves the Trustees considered key financial risks in relation to the continuity of the operation of SBC's charitable activities, including maintenance of buildings, Baptist Pension Scheme liabilities and unexpected cash-flow disruption.

In addition to the free reserves, the Trustees have created some designated funds as detailed in Note 5.

4. Structure, Governance and Management

a) Legal Status of Streatham Baptist Church

The Church was established in its present form by a Deed of Trust on 31 December 1875 which was enrolled at the High Courts of Justice (Chancery Division) on 8 March 1876.

The Church was an Excepted Charity until 30 September 2009 and had a new Trust Deed and Constitution accepted under the Declaration of Baptist Trusts for Churches 2003 on 9 May 2006.

Following changes in Charity Law, a further new Constitution was passed by the Church Meeting on 24 September 2009 and the Church was registered as a Charity (number 1132313) on 23 October 2009.

The Church is also a member of the Baptist Union of Great Britain and of the London Baptist Association, both of which are Registered Charities.

b) Statement regarding Church Leaders / Trustees

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

The Church Leaders are the Charity Trustees and therefore responsible for the general oversight of the Church and for its strategic direction. The present structure of Church Leaders was introduced on 1 September 1996.

Rev Nathan McGuire, Mrs Rachel Waitt and Rev Christopher André-Watson were appointed Leaders of the Church on account of their ministerial appointments with the Church. The Church Leaders / Trustees are appointed by the Church Members' Meeting.

c) The Appointment and Removal of Charity Trustees

The following information is detailed in the Charity's Constitution (2009).

The statutory definition of Charity Trustees in Section 97(1) of the Charities Act 1993 is "persons having the general control and management of the administration of a charity".

The Church Members' Meeting shall appoint Charity Trustees to be responsible for the governance of the Church and where there is a Minister, that person is a Charity Trustee because of their role and responsibilities. Subject to any specific or general directions of the Church Members' Meeting the control, management and administration of the Church shall be by the Charity Trustees save that the Charity Trustees are not required to do anything that would cause them to be in breach of this constitution or any trustee duty placed upon them as a result of this role.

Charity Trustees shall (with the possible exception of any newly appointed Minister) be chosen from among the Church Members with the maximum number of Charity Trustees being agreed from time to time by the Church Members' Meeting.

The Church Members' Meeting shall arrange for the appointment of a Church Treasurer (or equivalent) who shall by the nature of his/her responsibilities be a Charity Trustee.

Any person qualified to be a full member (rather than an Associate Member) of the Church shall be eligible for election as a Charity Trustee (unless disqualified by statute).

A close family member (spouse, parent, child, sibling) of a serving Charity Trustee shall be eligible for appointment as a Charity Trustee.

Charity Trustees shall serve so long as they have the support of the Church Members' Meeting and (except for those in ministerial office) shall be appointed and re-appointed at least once every three years. Charity Trustees (except those in ministerial office) shall be appointed for one term of three years with the opportunity to be nominated for a further three-year term which must be followed by a vacant year when they shall not be eligible for reappointment.

The appointment of Charity Trustees shall be undertaken by processes that are public, clear and open so that all Church Members are enabled to consider prayerfully who should be appointed as Charity Trustees. The process shall ensure that notice is given of any forthcoming election so that Church Members may freely nominate prospective Charity Trustees whose names shall be submitted (after indication of their willingness to be appointed) for decision to the Church Members with the intention of ensuring that those appointed have a sufficient level of support from them.

Nominations for the role of Charity Trustee other than a Minister shall be made to an existing Charity Trustee not later than three Sundays (or other regular weekly meeting time when the Church gathers together) before the Church Members' Meeting at which the election is to be held. Nominations must be submitted in writing with the supporting signature of two other Church Members and the consent of the candidate. No person may nominate more candidates than there are places vacant. Requests for nominations shall be made at all weekly services on the two Sundays (or other regular weekly meeting time when the Church gathers together) immediately before that day when nominations must cease.

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

Voting shall be by secret ballot at a Church Members' Meeting. Church Members shall be asked to vote for those nominated candidates whom they believe would serve the Church well as Charity Trustees. They shall vote for no more candidates than there are vacancies. Two members attending the meeting shall be appointed as scrutineers to count the votes and they shall report in writing and in confidence to the person chairing the Church Members' Meeting, the number of votes cast for each candidate. The number of candidates, being not more than the number of vacancies, receiving the highest number of votes shall be declared to be elected provided that each candidate so declared shall have received votes from at least 75% of those full members attending the meeting.

A technical defect in the appointment of a Charity Trustee of which Charity Trustees were unaware at the time does not invalidate decisions taken by the Charity Trustees.

A Special Church Members' Meeting may rescind the appointment of any Charity Trustee (except of those in ministerial office) at any time.

Where a Church Members' Meeting is considering the dismissal of a Charity Trustee (except of those in ministerial office) the Charity Trustee shall be allowed to hear what is said to the Church Members' Meeting and to correct any errors of fact and offer an explanation of the circumstances or reasons for their actions before withdrawing so that the Church Members' Meeting may prayerfully and carefully consider whether the appointment should be terminated.

d) Statement of Leaders' Financial Responsibilities

The Leaders are required under the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the Church's financial activities during the year and of its financial position at the end of the year.

In preparing financial statements giving a true and fair view, the Leaders should follow best practice and:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgments and estimates that are reasonable and prudent;
- c) State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the church will continue in operation.

The Leaders are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the church. These should enable them to ascertain the financial position of the church and ensure that the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STREATHAM BAPTIST CHURCH ANNUAL REPORT YEAR ENDED 31 MARCH 2022

e) Risk Management

The Leaders of Streatham Baptist Church (SBC) acknowledge their responsibilities as Trustees of SBC to ensure that SBC has appropriate risk management processes in place for the identification, assessment and management of risks faced by SBC. They have appointed a Risk Management Strategic Group (RMSG) to exercise strategic oversight responsibility for risk management on behalf of the SBC Leadership team, in particular to help develop, implement, maintain and coordinate a risk management framework for the church so that risks associated with all church activities are identified and assessed and appropriate policies, procedures and controls are implemented. The Framework is intended to embed an increasingly effective approach to risk identification, prevention and management across all areas of SBC activity. The RMSG provides regular reports, advice and information updates to the SBC Trustees so that they can discharge their responsibilities for risk management effectively. The RMSG members include Trustees, senior management staff and volunteers, who bring strategic risk management skills and expertise in identified risk areas.

The RMSG identified the following major risk areas to be addressed during 2021-22:

- Continued Mitigation of Risks arising from the Corona Virus Pandemic;
- Review of the Church Risk Assessment;
- Safeguarding of Children and Adults at Risk;
- HR Policy Development;

During 2021-2022 the Trustees continued to regularly carry out comprehensive assessments of the risks associated with the Covid-19 pandemic and updated appropriately the risk mitigation procedures to reflect the changing levels of risk. This enabled the church premises to open safely for church services and other activities as restrictions eased. The church continues to gradually resume previous activities during 2022-2023 in line with the changing risk environment and the 2022-2023 budget provided for these.

A major review of the Church Risk Assessment included revised risk assessments. It revealed that many more risk mitigation measures are now in place and highlighted some that need to be further addressed in 2022-2023.

Safeguarding policies and procedures continue to be reviewed regularly, so that best practice can be incorporated into them and followed. On-line safeguarding training took place during the year.

The Trustees approved several new and revised risk management policies during the year, including five HR policies, a Hire Policy and a revised Complaints Policy.

A risk management plan was created for 2022-2023, which includes further new policy development, review of some existing policies and training to help church members, trustees and staff manage risks connected with church activities. Financial risks associated with the current energy crisis have been mitigated by the early renewal of gas and electricity supply contracts at favourable rates.

The SBC Leaders, as Trustees, are satisfied that major risks have been reviewed and systems or procedures have been or are being established in order to manage those risks. The Trustees remain alert to any emerging risks and seek to address these by identifying and prioritising key actions as well as monitoring and evaluating existing systems of control or mitigation measures.

f) Grant Making Policy

The Church's grant making policy is to support those individual Christians and groups of Christians whose work and ministry is in accordance with the aims and objectives of Streatham Baptist Church, as stated in Section 1 above.

**STREATHAM BAPTIST CHURCH
ANNUAL REPORT YEAR ENDED 31 MARCH 2022**

5. Reference and Administrative Details

a) Name and address

Streatham Baptist Church, 22 Lewin Road, Streatham, LONDON SW16 6JR

b) Leaders (Trustees) of Streatham Baptist Church

The leaders of Streatham Baptist Church at the date of this report and during the year were:

Rev Nathan Lee McGuire	Joint Associate Minister- Missional	Inducted to Streatham Baptist 03/09/2017
Mrs Rachel Ann Waitt	Joint Associate Minister- Missional	Inducted to Streatham Baptist 03/09/2017
Rev Christopher Randolph André-Watson	Interim Minister	Inducted to Streatham Baptist 12/05/2019
Mrs Jacqueline Wood Ritter	Elected Leader	Re-elected on 26/01/2020 for 2nd 3-year term
Mrs Laura Lock	Elected Leader	Elected 10/11/2019 for a 3-year term
Ms Jung Khang	Elected Leader	Elected 26/11/2020 for a 3-year term
Mr Stephen Joseph	Elected Leader	Elected 26/11/2020 for a 3-year term
Mrs Suzann Douglas	Elected Leader	Elected 30/09/2021 for a 3-year term
Mrs Jennifer Mary Dowlen	Elected Leader	Elected 29/09/2022 for a 3-year term

There were no other leaders in office during the year ended 31 March 2022

c) Bank:

Natwest Bank plc, 54 Streatham High Road, London, SW16 1XE

d) Auditors:

GBJ (Chartered Accountants), Sterling House, 27 Hatchlands Road, Redhill, Surrey RH1 6RW

Signed on behalf of the Leaders of Streatham Baptist Church on _____



Mrs Rachel Waitt BA (Hons), PGCE
Associate Minister



Ms Jung Khang
Trustee with Financial Responsibility

STREATHAM BAPTIST CHURCH
YEAR ENDED 31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT TO THE LEADERS OF
STREATHAM BAPTIST CHURCH

Opinion

We have audited the financial statements of Streatham Baptist Church for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Leader's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Leaders have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Leaders' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Respective Responsibilities of the Leaders (Trustees)

STREATHAM BAPTIST CHURCH
YEAR ENDED 31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT TO THE LEADERS OF
STREATHAM BAPTIST CHURCH

As explained more fully in the Leaders' Responsibilities Statement set out on page 9, the Leaders are responsible for the preparation of the financial statements which give a true and fair view.

In preparing the financial statements, the leaders are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the leaders either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We enquired of management concerning the Charity's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

The Charity is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, tax legislation, anti-bribery legislation, GDPR and employment law.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:

- revenue recognition including the timing of income
- restricted funds activity
- potential management bias in determining accounting estimates

It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the Charity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We also considered the effectiveness of the Charity's control environment to identify and prevent any irregularities and fraud.

STREATHAM BAPTIST CHURCH
YEAR ENDED 31 MARCH 2022

INDEPENDENT AUDITOR'S REPORT TO THE LEADERS OF
STREATHAM BAPTIST CHURCH

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Other information

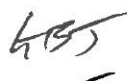
The Leaders are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of our report

This report is made solely to the Church's leaders, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Church's leaders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Church's leaders as a body, for our audit work, for this report, or for the opinions we have formed.



GBJ LLP
Chartered Accountants and Statutory Auditor
Sterling House
27 Hatchlands Road
Redhill
Surrey
RH1 6RW

Date: 14/12/2022

GBJ LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Streatham Baptist Church - 1132313
Statement of Financial Activities
For the period from 01 April 2021 to 31 March 2022

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds	Prior year total funds
Incoming resources						
Incoming resources from generated funds						
Offerings & Donations	317,686.02	1,556.75	9,876.80	—	329,119.57	343,071.66
Grants	—	—	—	—	—	—
Premises	10,245.00	23,800.00	—	—	34,045.00	42,000.00
Fund Raising	—	—	130.50	—	130.50	136.89
Fees & Subscriptions	5.00	—	1,890.50	—	1,895.50	—
Deposit Interest	399.07	—	0.78	—	399.85	481.14
Other incoming resources	11.10	—	—	—	11.10	44.00
Total income	328,346.19	25,356.75	11,898.58	—	365,601.52	385,733.69
Resources used						
Charitable activities						
Ministry	228,273.74	—	4,085.34	—	232,359.08	243,730.18
Mission	26,852.37	1,506.75	5,425.90	—	33,785.02	39,483.64
Upkeep of Premises	57,605.43	13,930.23	—	—	71,535.66	74,845.45
Support Costs - Office Staff	—	—	—	—	—	—
Support Costs - Office Running Costs	—	—	—	—	—	—
Governance costs						
Audit and Examiners' Fees	—	—	—	—	—	—
Bank and Loan Charges	—	—	—	—	—	—
Other resources used	—	—	—	—	—	1,200.00
Fund Raising & Publicity	—	—	410.47	—	410.47	722.45
Total expenditure	312,731.54	15,436.98	9,921.71	—	338,090.23	359,981.72
Net income / (expenditure) resources before transfer	15,614.65	9,919.77	1,976.87	—	27,511.29	25,751.97
Transfers						
Gross transfers between funds - in	7,238.30	13,500.00	—	—	20,738.30	40,326.52
Gross transfers between funds - out	(13,500.00)	(7,238.30)	—	—	(20,738.30)	(40,326.52)
Other recognised gains / losses						
Gains / losses on investment assets	—	—	—	—	—	—
Gains on revaluation, fixed assets, charity's own use	—	—	—	—	—	—
Net movement in funds	9,352.95	16,181.47	1,976.87	—	27,511.29	25,751.97
Reconciliation of funds						
Total funds brought forward	4,601,057.21	47,376.85	26,732.03	—	4,675,166.09	4,649,414.12
Total funds carried forward	4,610,410.16	63,558.32	28,708.90	—	4,702,677.38	4,675,166.09

STREATHAM BAPTIST CHURCH
ACCOUNTS AS AT 31 MARCH 2022
BALANCE SHEET

As at 31.3.2021		TANGIBLE ASSETS (for use by the Church)	As at 31.3.2022	
£	£		£	£
	3,198,000.00	Church Buildings (Note 13)	3,198,000.00	
	700,000.00	Manse - Christian Fields (Note 14)	700,000.00	
	525,000.00	Property - Lewin Road (Note 14)	525,000.00	
4,423,000.00		TOTAL FREEHOLD PROPERTY		4,423,000.00
	132,143.29	Church Equipment - cost (Note 16)	135,831.59	
	-132,143.29	less depreciation charges (Note 8)	-133,372.72	
0.00				2,458.87
	32,069.68	Office Equipment - cost (Note 16)	32,069.68	
	-29,518.50	less depreciation charges (Note 8)	-31,703.69	
2,551.18				365.99
	23,591.41	Kitchen Equipment - cost (Note 16)	23,591.41	
	-23,198.36	less depreciation charges (Note 8)	-23,591.41	
393.05				0.00
4,425,944.23		TOTAL FIXED ASSETS		4,425,824.86
	111,663.97	Bank Balances	143,227.25	
	122,666.63	Deposit Account Balances	123,052.54	
	433.24	Cash in Hand	710.23	
	0.00	Lewin Fair Trade Stock (at cost)	0.00	
	24,318.65	Debtors & Prepayments	22,210.26	
	259,082.49	Total Current Assets	289,200.28	
	-9,860.63	Sundry Creditors and Accruals	-12,347.76	
	-9,860.63	Total Current Liabilities	-12,347.76	
249,221.86		NET CURRENT ASSETS		276,852.52
4,675,166.09		TOTAL NET ASSETS		4,702,677.38
	1,839,000.00	REPRESENTED BY		
	2,809,434.06	General Fund (Unrestricted) - revaluation reserve	1,839,000.00	
	4,648,434.06	General Fund (Unrestricted)	2,834,968.48	
	26,732.03	Restricted Funds (Note 20)	4,673,968.48	
4,675,166.09			28,708.90	
4,675,166.09		TOTAL FUNDS		4,702,677.38

The notes on pages 17 - 23 form part of these accounts.

Signed on behalf of the Leaders of Streatham Baptist Church

R. Waitt

Mrs Rachel Waitt, BA (Hons), PGCE
Associate Minister - Missional

Ms Jung Khang

Ms Jung Khang
Trustee with Financial Responsibility

**STREATHAM BAPTIST CHURCH
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

NOTES TO THE ACCOUNTS (CONTINUED)

ACCOUNTING POLICIES

1. General.

These accounts have been prepared on an accruals basis (under the historic cost convention as modified by the revaluation of land and property) and in accordance with the Charities SORP (FRS 102) and the Financial Reporting Standard 102. The Church has taken advantage of the exemption in the SORP from the requirement to produce a cashflow statement on the grounds that it does not qualify as a larger charity. This charity is a public benefit entity.

2. Incoming Resources.

Voluntary income, i.e. offerings and donations, are included in incoming resources when they are receivable. Offerings and donations include tax recovered on Gift Aid. The income from fund raising activities is shown gross, with the associated costs included in fund raising costs.

3. Resources Expended.

These are included in the Statement of Financial Activities on an accruals basis, inclusive of all VAT (which is not recoverable). Expenditure which is directly attributable to specific activities has been included in these cost categories. Where significant costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

4. The Streatham Baptist Church accounts include the following restricted funds:

- Friendly Club – This fund accounts for all the financial transactions of this weekly club which is self-funding and aims to provide activities for older persons which stimulate their physical, mental and spiritual life in a supportive and friendly atmosphere;
- Lewin Fair Trade Stall – This fund accounts for all financial transactions of the Stall, which offers fairly traded goods for sale and donates its profits to benefit those in poverty;
- Youth Holidays – This fund accounts for all the financial transactions associated with holidays and other outings that will benefit the spiritual, physical and emotional well-being of those attending church youth activities;
- Jelly Tots – This fund accounts for all the financial transactions of this caring adults and toddler group
- Specified Gifts – The purpose of this fund is to ensure that all gifts (and any associated tax recovery) given by Church members and friends to charities and other good causes specified by them are passed on to the specified beneficiaries;
- Conferences – This fund accounts for all church conferences income and expenditure;
- Ladies Meetings – This fund accounts for all the financial transactions of the Women of Purpose Group which is self-funding and meets with the aim of encouraging spiritual growth and fellowship among the women of the Church;
- Mens Meetings – This fund accounts for all the financial transactions of the Men of Destiny Group which is self-funding and meets with the aim of providing support and encouraging spiritual growth and fellowship for the men of the Church through various events;
- Young Adults – This fund accounts for the financial transactions of On the Edge, which is a self-funding group that aims to meet the spiritual needs of people aged 18-35 who may find it difficult to engage in conventional church expressions.
- Lone Parent – This fund accounts for the financial transactions of the self-funding Parenting Alone Group, which aims to support and encourage lone parents.
- Missionary Fund – The purpose of this fund is to ensure that all gifts (and any associated tax recovery) given by Church members and friends to missionary charities and mission trips specified by them are passed on to the specified beneficiaries.

The financial details for each fund are shown in Note 20.

**STREATHAM BAPTIST CHURCH
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

NOTES TO THE ACCOUNTS (CONTINUED)

5. The Streatham Baptist Church accounts include the following designated funds:
- Lewin Road – The purpose of this fund is to manage the rental income and property management outgoings of this mixed-use property. Surplus funds are returned to the General Fund which provided the resources for substantial renovation on this property;
 - Premises Reserve – The purpose of this fund is to enable major repairs and renovations to church premises to be well managed without regard to the financial year end;
 - Christian Fields – The purpose of this fund is to manage the rental income and property management outgoings of this property, which became an investment property on 1 April 2020. Surplus funds will be returned to the General Fund.
 - Photocopier and Equipment Accrual Funds – The purpose of these funds is to facilitate planned purchases of equipment e.g. photocopier accrual;
 - Hire Funds – The purpose of these funds is to enable good management of hire fees and deposits held on a temporary basis;
 - Other Designated Funds – The purpose of these funds is to enable good management of other funds held for limited periods, e.g. special collections at Streatham Baptist Church.
- The financial details for each fund are shown in Note 20.
6. Management and Administration.
Ministry and Mission costs include Office Support costs, governance costs, auditors' fees, and bank charges.
7. Fund Raising Costs.
Fund raising expenditure comprises costs incurred in encouraging financial contributions to activities associated with the church's work, as shown in Note 4.
8. Depreciation.
- a. The Church, Office and Kitchen equipment bought for the Church (as included in Note 16) is depreciated at 33% straight line.
 - b. The Lewin Belles – hand-bells (included within church equipment in Note 16) are fully depreciated.
 - c. All fixed assets, with the exception of the hand-bells, are deemed to be represented by General Funds. Restricted and Designated Funds which are utilised for the purchase of fixed assets are therefore transferred to General Funds.

STATEMENT OF FINANCIAL ACTIVITIES

9. The total number of employees at 31 March 2022 was: 3 Full-time and 5 Part-time. These employees were all involved in ministry, mission, management and upkeep of the church. No employee earned £60,000 per annum or more. During the year the church paid gross salaries of £173,448 (£188,239 in 2020-21) and Employers' National Insurance payments of £11,127 (£11,675 in 2020-21). Employer contributions of £18,842 (£18,782 in 2020-21) were made to the Baptist Pension Scheme on behalf of eight employees, including £5,151 (£3,805 in 2020-21) in payment deficit contributions.
10. The Church is reliant upon a large number of volunteers in order to fulfil its purpose. These include regular teams of volunteers who assist with administration, run various clubs for youth, children and elderly and, as stewards, receive the church offerings each Sunday. Six volunteers were recognised as voluntary staff due to the nature of their voluntary activities.

**STREATHAM BAPTIST CHURCH
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

NOTES TO THE ACCOUNTS (CONTINUED)

11. Three trustees who are all ministers received payment as they are paid employees of the charity. Section 23 of the Church Constitution states that, "Notwithstanding that a Minister or Ministers appointed by the Church are Charity Trustees they will be entitled to be paid an agreed remuneration or stipend out of the general funds of the Church." Details of the payments are shown below.

Trustee	Employment Post	Salary	Pension Contribution	Expenses (Travel, Parking / Phone)
Rev Chris André-Watson	Interim Minister	£23,169 (2021-22) £22,827 (2020-21)	£2,291 (2021-22) £2,249 (2020-21)	£180 (2021-22) £177 (2020-21)
Mrs Rachel Waite	Associate Minister - Missional	£24,678 (2021-22) £23,256 (2020-21)	£2,361 (2021-22) £2,291 (2020-21)	£519 (2021-22) £197 (2020-21)
Rev Nathan McGuire	Associate Minister - Missional	£19,407 (2021-22) £19,337 (2020-21)	£975 (2021-22) £946 (2020-21)	£3,549 (2021-22) £2,379 (2020-21) Includes Manse costs

A Salary Review Group comprising members of the Finance Group plus two other non-employed Leaders determine the salaries of the three employed Ministers / Leaders. Mrs Rachel Waite and Rev Nathan McGuire were appointed as ministers in August 2017. Following his ordination as Baptist Minister, Rev Nathan McGuire received new Terms of Appointment commencing 11th September 2019, which included residential occupancy of an unfurnished rent free manse (the upper floors of Lewin Road) for the better performance of his duties. Following the resignation of Rev Philip Robinson in January 2019 to take up a ministerial appointment in another church, Rev Chris André-Watson was inducted as Interim Minister on 12th May 2019.

Eight trustees received no payment for expenses during 2021-22.

12. Streatham Baptist Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited). Since April 2017 all eligible staff have been automatically enrolled in the Scheme, which is not contracted out of the State Second Pension. In March 2021 eight members of staff were in 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. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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

STREATHAM BAPTIST CHURCH ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE ACCOUNTS (CONTINUED)

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. In March 2022 one former member of staff now employed by another church, one retired member of staff and two widows of retired members of staff were in the Defined Benefit (DB) Plan within the Scheme.

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 next actuarial valuation of the DB Plan within the Scheme is due as at 31 December 2022.

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%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was 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. Streatham Baptist Church pays 6% of Minimum Pensionable Income. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020. In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

The key financial assumptions underlying the valuation were as follows:

Type of 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

As there are a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for Streatham Baptist Church in 2021-22 is £18,842, including a deficiency contribution of £5,151 (£18,782 & £3,805 in 2020-21).

However, the Baptist Pension Trust now provides monthly estimated employer debt calculations for Streatham Baptist Church. The estimated employer debt for Streatham Baptist Church at 20 March 2022 was £14,400 (£24,800 in March 2021). These calculations represent an estimate of the employer debt that Streatham Baptist Church would need to pay should it exit the defined benefit section of the Scheme by paying its employer debt immediately. The Church is currently reducing its exposure to its employer debt by making monthly deficiency contributions as outlined above.

**STREATHAM BAPTIST CHURCH
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

NOTES TO THE ACCOUNTS (CONTINUED)

Following the departure of Rev Mike Wood from the Church in 2006, the Church had a cessation event under Section 75 of the Pensions Act 1995. This made 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.

In 2019 the Church entered into a "Deferred Debt Arrangement". Under this arrangement the Church is no longer liable for this debt, but the Church continues to pay the ongoing deficiency contributions as outlined above. There are limited circumstances under the Deferred Debt Arrangement where the Church would become responsible for a debt equal to its share of the current Scheme deficit (assessed by reference to the up to date cost of securing benefits by the purchase of annuities).

The Baptist Pension Scheme also makes available a calculation spreadsheet, which enables a balance sheet liability at year end to be calculated according to the Financial Reporting Standard (FRS) FRS 102, which requires agreed deficit recovery payments to be recognised as a liability. According to FRS 102 standard calculations, SBC's balance sheet pension debt recovery payments liability at 31 March 2022 was £22,700 (£28,640 at 31 March 2021).

BALANCE SHEET

13. The Church Buildings were valued at £2,550,000 in August 2013 and revalued at £3,198,000 in August 2018 by independent chartered surveyors (Land Commercial Surveyors Ltd).
14. The Church owns the Manse, Christian Fields which was revalued at £700,000 in August 2018 by independent chartered surveyors (Landmark Chartered Surveyors) and Lewin Road which was revalued at £525,000 in August 2018 by the same independent chartered surveyors (Landmark Chartered Surveyors)
15. The Leaders are of the opinion that the amounts referred to in Notes 13, 14 and 19 at which the properties are stated are at least equal to their values.

STREATHAM BAPTIST CHURCH
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE ACCOUNTS

16 Summary of Fixed Assets for use by the Church

	Freehold Property	Church Equipment	Office Equipment	Kitchen Equipment	Total
<u>Gross Book Value</u>	£	£	£	£	£
- At 1 April 2021	2,584,000.00	132,143.29	32,069.68	23,591.41	2,771,804.38
- Additions		3,688.30	0.00	0.00	3,688.30
- Disposals		0.00	0.00	0.00	0.00
- At 31 March 2022	<u>2,584,000.00</u>	<u>135,831.59</u>	<u>32,069.68</u>	<u>23,591.41</u>	<u>2,775,492.68</u>
<u>Accumulated Depreciation</u>					
- At 1 April 2021		132,143.29	29,518.50	23,198.36	184,860.15
- Charge for Year		1,229.43	2,185.19	393.05	3,807.67
- Transfers					
- Eliminated on Disposals		0.00	0.00	0.00	0.00
- At 31 March 2022	<u>0.00</u>	<u>133,372.72</u>	<u>31,703.69</u>	<u>23,591.41</u>	<u>188,667.82</u>
<u>Revaluation</u>					
- At 1 April 2021	1,839,000.00				1,839,000.00
Revaluation in Year	0.00				0.00
- At 31 March 2022	<u>1,839,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,839,000.00</u>
<u>Net Book Value</u>					
At 31 March 2022	<u>4,423,000.00</u>	<u>2,458.87</u>	<u>365.99</u>	<u>0.00</u>	<u>4,425,824.86</u>
At 31 March 2021	4,423,000.00	0.00	2,551.18	393.05	<u>4,425,944.23</u>

17 This note is not needed this year

18 This note is not needed this year

19 Analysis of net assets between funds

	<u>General Funds</u>	<u>Designated Funds (Note 20)</u>	<u>Restricted Funds (note 20)</u>	<u>Total</u>
	£	£	£	£
Fixed Assets	4,425,824.86	0.00	0.00	4,425,824.86
Net Current Assets	184,585.30	63,558.32	28,708.90	276,852.52
Net assets at 31st March 2022	<u>4,610,410.16</u>	<u>63,558.32</u>	<u>28,708.90</u>	<u>4,702,677.38</u>

