

NEW MALDEN BAPTIST CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NEW MALDEN BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

The managing trustees

The managing trustees of the church comprise the ministers, lay elders and deacons. Elders and deacons are selected based on scriptural qualifications presented to members at the Church Meetings prior to the vote on them being appointed. Trustee responsibilities are outlined in the Baptists Together Guideline Leaflet C15: Help I'm a Charity Trustee. Handover advice and materials are given by previous holders of the role although learning on the job is an essential part as well. The managing trustees of New Malden Baptist Church during 2021 were as follows:

Elders:	Johnny Pozzo	Minister
	Andy Fuller	Associate Minister
	Simon Bramwell	Associate Minister
	Colin Mumford	Lay Elder

Deacons:	Claire Caldwell
	Ian Fifield (Treasurer)
	Martin Maggs
	Anne Miller (Secretary)
	Andrew Stewart
	Philip Moat
	Keren Holding

In 2021 Simon Bramwell was ordained and became an Associate Minister for NMBC with an induction service held in September. Jung Reggio recommenced her trial period as a Trainee Minister in October, after it had been postponed in 2020 because of the limitations for experience due to Covid.

Principal address	Church Office 1a Westbury Road New Malden Surrey KT3 5BE
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Auditors	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
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Bankers	Barclays Bank plc, Kingston Branch
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Solicitors	Anthony Collins, 134 Edmund Street, Birmingham, B3 2ES
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NEW MALDEN BAPTIST CHURCH

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NEW MALDEN BAPTIST CHURCH

CHURCH LEADERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Church Leaders present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Church's Constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Church's objects are the advancement of the Christian faith. The vision for the church is to 'love God and live generously'.

The Church Leaders have paid due regard to guidance issued by the Charity Commission on public benefit in deciding what activities the Church should undertake.

Achievements and performance

Programme

NMBC encourages regular attenders to belong to a small group. These groups meet regularly in people's homes for prayer and Bible study and provide an environment where people can make friends and support one another.

The children's and young people's work includes a range of activities aimed at encouraging personal, social and spiritual development.

These include:

- Sunday morning group meetings according to age group (during physical morning worship);
- Family worship services on Zoom;
- Youth Bible study/discussion groups for teenagers.

Our Parent & Toddler/Babies group (Tadpoles) meets on Friday mornings.

Our "Lunch Plus" event that provides a meal, conversation, speakers and features for people in the local community, especially individuals living on their own, and has served around 50 – 60 meals was only able to meet twice at the back end of the year.

Our meetings online continued in 2021, but we were able to move activities back into the building gradually as Covid restrictions were eased. The only physical activity that took place throughout was Foodbank once a week providing food parcels to people in need.

Events

NMBC started the year in January with Prayer from Friday evening to Saturday evening.

NEW MALDEN BAPTIST CHURCH

CHURCH LEADERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Outreach

Malden Manor Community Church meets weekly for Sunday gatherings in a local school building. This incorporates a monthly Family Service. In addition a weekly youth group, a mid-week bible study and a women's group are held in local homes, and prayer walking and outreach takes place once a week. The vacant retail outlet in the local station which has been refurbished into a community hub has been used for guitar, craft and gardening groups run or assisted by church members, as a location for a weekly housing surgery, as well as a base for other community organisations as lockdown permitted. The weekly distribution of unsold food to local people in need in collaboration with the Malden Manor Co-op continues and was greatly appreciated during lockdown. In the run-up to Easter and Christmas short Christian messages were posted daily on social media and at Christmas, cream teas and Christmas hampers were created and delivered to local people. As lockdown eased community contacts and activities are began.

NMBC cooperates with other churches and organisations in Kingston on community projects e.g. Street Pastors and the Joel Project based at St Peter's Church through Kingston Churches Action on Homelessness. A night shelter was held in February and March.

NMBC is a site for the Kingston Food Bank initiative on Thursdays; it is based at other local churches on other days of the week: Kingston URC, Surbiton New Life Baptist Church and Kings Centre, Chessington.

NMBC members support Act for Justice, a group which seeks to combat human trafficking, forced labour, sexual exploitation and domestic servitude by raising awareness and funds.

NMBC supports families and marriages through initiatives such as parenting courses; some NMBC members also work with Marriage Encounter.

Each year NMBC is a collection point for the shoebox appeal run by Operation Christmas Child and collects around 60 boxes for children in poverty.

NMBC joined with Insight to film 'The Christmas Journey' in December for Y2 children from local primary schools, with over two and a half thousand children having chance to view this resource.

Mission

We provide practical and financial support for individuals and groups working in the UK and overseas to meet spiritual and material needs.

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The church maintains links with churches in other parts of the UK and with Mission Partners working in varied overseas' ministries. We contribute to BMS World Mission and Baptist Home Mission.

NMBC also supports more local charitable organisations:-

- Kingston Churches Action on Homelessness;
- Insight - working in schools in the borough;
- Universities & Colleges Christian Fellowship staff team in four local universities;
- Oxygen youth work, including Street Pastors

NEW MALDEN BAPTIST CHURCH

CHURCH LEADERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Building

The fire alarms and extinguishers were inspected during the year. The shutters in the kitchen, which are connected to the fire alarm system, had UPS units replaced.

Heating repairs were carried out during the year as was the annual maintenance. A refrigerant gas cert was issued.

Gas certification was done in Nov following a service of the cooker, later than usual as the kitchen was not being used due to Covid restrictions and that is the only area in the church that uses gas.

Some repairs to the flat roof were carried out during the year. Electrical repairs were also carried out to the kitchen supply. A number of general repairs were also carried out within the church building.

Financial review

General Fund

The budget for 2021 aimed to break even, however to achieve this a line entitled Faith Giving for £15k had to be included in the accounts. There was no specific Gift Day although one was held toward a planned weekend away in April 2022. During the year a few one off gifts were received and direct giving through banking system increased. However there was a decline by not having loose offerings. There was a favourable response at the end of the year after it was forecast that our finances for 2021 were not looking good.

Expenditure for the year was lower than budget, although further repairs were required for the church flat roof. We weren't able to hold Alpha or any other onsite evangelistic events and as the building wasn't used as much as hoped cleaning was down too.

In total the General fund showed a small over expenditure for the year of £214.

Other Funds

Other Restricted Fund income during the year comprised designated gifts that were and will be passed on to the intended recipients during 2021 or early in 2022.

The Fellowship Fund continued to provide a facility whereby gifts from individuals in the fellowship could be passed on to those suffering financial hardship.

Reserves

At the year end the church had total reserves of £4,595,494 (2020: £4,595,708) of which £21,256 (2020: £17,776) are restricted. The majority of the remaining reserves are held in fixed assets. The church's policy is to hold sufficient reserves to cover the cost of any redundancy reserves in accordance with Baptist Union advice against the eventuality of a sudden and significant drop in the church's income which could result in the need to make redundancy payments to staff.

Fundraising

The church engaged in fundraising, in the form of receiving free-will offerings/donations, some of which were gift-aided, from members of our fellowship. However, we did not contract the service of any professional fundraisers as defined by section 58 of the Charities Act 1992. Other than publicly inviting an offering at every service, we do not engage in persistent fundraising or intrusive fundraising practices with any of our donors, including vulnerable people, and we never have private or coercive discussions with individuals about their giving. Our fundraising practices are ethical and in accordance with Biblical principles. No complaints were received about our fundraising practices.

NEW MALDEN BAPTIST CHURCH

CHURCH LEADERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management Policy

The Church Leaders has assessed the major risks to which the Church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The worst case scenario is that we have some sizeable deficits for a year or two (before we can take longer-term corrective action), and whilst this would be very stressful to manage (especially in terms of cashflow), even this wouldn't threaten the underlying financial viability of the church, given our strong balance sheet.

Structure, governance and management

The Church is governed by its constitution approved in 2009 and amended in January 2022. It is a registered charity number 1132559 and its principal place of operations is: The Church Office, 1a Westbury Road, New Malden, Surrey KT3 5BE. The Baptist Union Corporation are the custodian trustee for the land on which the church building is situated. Robert Bishop, Colin Mumford, Anthony Wilson, Huw Daniel, Alan Duncan, Martin Maggs and Elizabeth Wynyard are the custodian trustees for the manse. Of those trustees, Colin Mumford and Martin Maggs served as managing trustees during the period.

Statement of Church Leaders' responsibilities

The Church Leaders are responsible for preparing the Church Leaders' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Church Leaders to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Church and of the incoming resources and application of resources of the Church for that year.

In preparing these financial statements, the Church Leaders are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Church Leaders are responsible for keeping sufficient accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Church Leaders' report was approved by the Board of Church Leaders.

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Rev J Pozzo

Dated:

NEW MALDEN BAPTIST CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE CHURCH LEADERS OF NEW MALDEN BAPTIST CHURCH

Opinion

We have audited the financial statements of New Malden Baptist Church (the 'Church') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Church 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

In auditing the financial statements, we have concluded that the Church Leaders' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Church's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Church Leaders with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Church Leaders are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 rise to a material misstatement in the financial statements themselves. If, based on the work we have 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.

NEW MALDEN BAPTIST CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE CHURCH LEADERS OF NEW MALDEN BAPTIST CHURCH

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Church Leaders

As explained more fully in the statement of Church Leaders' responsibilities, the Church Leaders are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Church Leaders determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Church Leaders are responsible for assessing the Church'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 Church Leaders either intend to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to financial reporting and employment legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, agreeing financial statement disclosures to underlying supporting documentation, identifying and testing journal entries, reviewing trustee meeting minutes and evaluating the charity's internal controls.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

NEW MALDEN BAPTIST CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE CHURCH LEADERS OF NEW MALDEN BAPTIST CHURCH

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

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Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the Church by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NEW MALDEN BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Notes							
Income from:							
Donations and legacies		194,510	41,490	236,000	216,558	46,353	262,911
Charitable activities		1,698	-	1,698	3,264	-	3,264
Investments		48	-	48	227	-	227
Total income		196,256	41,490	237,746	220,049	46,353	266,402
Expenditure on:							
Charitable activities	2	201,144	38,010	239,154	227,420	39,452	266,872
Reduction in pension provision	9	(1,194)	-	(1,194)	(23,138)	-	(23,138)
Total expenditure		199,950	38,010	237,960	204,282	39,452	243,734
Gross transfers between funds		-	-	-	5,070	(5,070)	-
Net (expenditure)/income for the year/							
Net movement in funds		(3,694)	3,480	(214)	20,837	1,831	22,668
Reconciliation of funds							
Fund balances at 1 January 2021		4,577,932	17,776	4,595,708	4,557,095	15,945	4,573,040
Fund balances at 31 December 2021		4,574,238	21,256	4,595,494	4,577,932	17,776	4,595,708

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

NEW MALDEN BAPTIST CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	6		4,539,024		4,539,064
Current assets					
Debtors	7	35,636		29,846	
Cash at bank and in hand		78,524		82,876	
		114,160		112,722	
Creditors: amounts falling due within one year	8				
		(18,090)		(6,830)	
Net current assets			96,070		105,892
Total assets less current liabilities			4,635,094		4,644,956
Provisions for liabilities	9		(39,600)		(49,248)
Net assets	11		4,595,494		4,595,708
Income funds					
Restricted funds	10		21,256		17,776
Unrestricted funds			4,574,238		4,577,932
			4,595,494		4,595,708

The financial statements were approved by the Church Leaders on

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Mr I Fifield
Trustee

NEW MALDEN BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

New Malden Baptist Church is a unincorporated association. The church is based at 1a Westbury Road, New Malden, KT3 5BE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The Church is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Church Leaders have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. Thus the Church Leaders continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Church Leaders in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is discounted to present value for longer term liabilities. All expenditure is accounted for on an accruals basis.

Support costs are included in expenditure on charitable activities.

NEW MALDEN BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on cost
Computers	25% on cost

Freehold land and property is not depreciated as the residual value is considered to be sufficiently high to render depreciation immaterial.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NEW MALDEN BAPTIST CHURCH

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

1 Accounting policies

(Continued)

1.9 Financial instruments

The Church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Church's balance sheet when the Church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.10 Provisions

Provisions are recognised when the Church has a legal or constructive present obligation as a result of a past event, it is probable that the Church will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

2 Charitable activities

	Direct costs	Grants	Support	Total 2021	Total 2020
	£	£	£	£	£
Ministry & Pastoral	99,682	-	27,705	127,387	128,368
Evangelism and youth	4,535	-	3,470	8,005	13,230
Mission	-	62,869	3,470	66,339	69,451
Premises and fabric	27,301	-	3,470	30,771	46,511
Membership	3,182	-	3,470	6,652	9,312
	<u>134,700</u>	<u>62,869</u>	<u>41,585</u>	<u>239,154</u>	<u>266,872</u>

NEW MALDEN BAPTIST CHURCH

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

3 Grants payable

	2021 £	2020 £
Grants to institutions:		
Oxygen (Youth Project)	8,273	8,392
Baptist Missionary Society	14,232	15,526
Home Mission Fund	8,067	8,800
RBK Schools CWT	9,523	9,523
European Christian Mission	4,938	4,939
Spurgeon's College	1,292	1,292
Agape	1,755	1,755
Kingston Churches Action on Homelessness	522	1,931
Others	2,750	3,829
Dnipro Hope Mission	1,450	1,200
YWAM Family of Ministries	3,000	-
Northumbrian Ltd	1,800	-
Bring Youth for Christ	400	-
	58,002	57,187
Grants to individuals	4,867	8,774
	62,869	65,961

4 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Staff costs	25,479	-	25,479	25,692
Office stationery and printing	2,663	-	2,663	3,213
Office costs and sundry expenses	1,479	-	1,479	1,142
Subscriptions and licence fees	3,420	-	3,420	3,323
Office telephone	1,458	-	1,458	1,325
Bank charges	200	-	200	200
Audit fees	-	6,068	6,068	4,956
Legal and professional	-	818	818	831
	34,699	6,886	41,585	40,682

NEW MALDEN BAPTIST CHURCH

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

5 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Ministry and pastoral	3	4
Administration	2	2
Total	5	6

Employment costs

	2021 £	2020 £
Wages and salaries	97,287	95,827
Social security costs	3,585	3,189
Other pension costs	9,595	9,203
	110,467	108,219

There were no employees whose annual remuneration was more than £60,000.

6 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 January 2021	4,537,657	40,126	37,745	4,615,528
Additions	-	-	1,208	1,208
Disposals	-	-	(3,033)	(3,033)
At 31 December 2021	4,537,657	40,126	35,920	4,613,703
Depreciation and impairment				
At 1 January 2021	-	40,126	36,339	76,465
Depreciation charged in the year	-	-	1,247	1,247
Eliminated in respect of disposals	-	-	(3,033)	(3,033)
At 31 December 2021	-	40,126	34,553	74,679
Carrying amount				
At 31 December 2021	4,537,657	-	1,367	4,539,024
At 31 December 2020	4,537,657	-	1,407	4,539,064

NEW MALDEN BAPTIST CHURCH

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

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	26,597	27,603
Prepayments and accrued income	9,039	2,243
	<u>35,636</u>	<u>29,846</u>

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	18,090	6,830

9 Provisions for liabilities

	2021 £	2020 £
Pension	39,600	49,248
Movements on provisions:		
		Pension £
At 1 January 2021		49,248
Deficiency contributions paid in year		(8,454)
Unwinding of discount		(1,194)
At 31 December 2021		<u>39,600</u>

A provision has been made for deficit contributions due to the BPS (see note 13). These are required until 30 June 2026. The provision has been calculated from this information and then discounted at 2%. Payments are made monthly.

NEW MALDEN BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds			Balance at 1 January 2021	Movement in funds		Balance at 31 December 2021
	£	Income £	Expenditure £	Transfers £	£	Income £	Expenditure £	£
Building	-	2,000	(2,000)	-	-	-	-	-
Lesotho	1,774	-	-	-	1,774	-	-	1,774
Fellowship	7,396	11,566	(5,240)	-	13,722	7,380	(3,100)	18,002
Other	5,070	1,380	(1,380)	(5,070)	-	-	-	-
Malden Manor	-	27,982	(27,982)	-	-	33,110	(33,110)	-
Malden Manor Fellowship	1,705	3,425	(2,850)	-	2,280	1,000	(1,800)	1,480
	<u>15,945</u>	<u>46,353</u>	<u>(39,452)</u>	<u>(5,070)</u>	<u>17,776</u>	<u>41,490</u>	<u>(38,010)</u>	<u>21,256</u>

The building fund is for the redevelopment of the church building which has been completed but a gift was received towards the roof repair. The Malden Manor fund represents funds that were received specifically to support the church plant there. The Malden Manor restricted fund shows the income received from offerings taken at Malden Manor. The total cost of this ministry is £50,729 and the difference is supported by the general fund of NMBC.

The other restricted funds represent money received in respect of churches and individuals that the church supports at home and overseas. A transfer was made to clear the Other account as the balance has been spent in previous years and not recognised as restricted expenditure.

NEW MALDEN BAPTIST CHURCH

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

11 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	4,539,024	-	4,539,024	4,539,064	-	4,539,064
Current assets/ (liabilities)	96,070	-	96,070	88,116	17,776	105,892
Provisions	(39,600)	-	(39,600)	(49,248)	-	(49,248)
	<u>4,595,494</u>	<u>-</u>	<u>4,595,494</u>	<u>4,577,932</u>	<u>17,776</u>	<u>4,595,708</u>

12 Retirement benefit schemes

The Church operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Church in an independently administered fund.

The charge to the statement of financial activities in respect of defined contribution schemes was £9,203 (2020 - £9,140).

Defined benefit schemes

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, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

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

The ministers are eligible to join the Scheme.

NEW MALDEN BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Retirement benefit schemes

(Continued)

Actuarial valuation as at 31 December 2019

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

The key financial assumptions underlying the valuation were as follows:

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

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in note 9.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date	2021	2020	2019
Discount rate	4.06%	0.4%	1.7%
Future increases to Minimum Pensionable Income	2.0%	3.0%	3.2%

NEW MALDEN BAPTIST CHURCH

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

13 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	98,895	94,340

Transactions with related parties

The pastors are also trustees and received the amounts below in remuneration and pension contributions. These payments are permitted by the terms of the Church's constitution. They are also provided with accommodation.

	2021 £	2020 £
J Pozzo	36,964	36,221
A Fuller	27,578	27,025
	64,542	63,246

Three of the church leaders were reimbursed for travel and mileage expenses of £451 (2020: £463) during the year. A relative of church leaders was employed during the year and received a remuneration of £Nil (2020: £3,152).