

Charity registration number 1132559

**NEW MALDEN BAPTIST CHURCH**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# NEW MALDEN BAPTIST CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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### 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 2022 and to the date of approval of the accounts were as follows:

|                 |  |  |
|-----------------|--|--|
| Elders:         | Johnny Pozzo<br>Andy Fuller<br>Simon Bramwell<br>Colin Mumford   | Minister (resigned 31 January 2023)<br>Associate Minister<br>Associate Minister<br>Lay Elder                         |
| Other trustees: | Claire Caldwell<br>Ian Fifield (Treasurer)<br>Keren Holding<br>Derek Macallan<br>Anne Miller (Secretary)<br>Philip Moat<br>Jung Reggio<br>Andrew Stewart<br>Rajan Thevasagayam | <br><br><br>(appointed 1st January 2023)<br><br><br>(appointed 1st October 2022)<br><br>(appointed 1st January 2023) |

In 2021 Simon Bramwell completed his studies and placement as Minister in Training and, having been ordained in September 2021, is now serving on staff as Associate Pastor. He completed the first year of his three year "Newly Accredited Minister" period in 2022 and has two more years ahead.

It was agreed by the church members to support Jung Reggio's application for ministry and her original six-month placement at the church was extended to one year. She was employed on a Minister-in-Training placement three days a week until August 2023, while she acquires her Accredited Baptist Minister status through Spurgeon's College. An induction service was held to recognize this calling.

Johnny Pozzo gave notice of his resignation in September 2022 and that he would continue working until the end of the year, although due to two events this time was extended until 31 January 2023.

**Principal address** Church Office 1a Westbury Road  
New Malden  
Surrey  
KT3 5BE

**Auditors** Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

**Bankers** Barclays Bank plc, Kingston Branch

**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 2022*

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The Church Leaders present their report and financial statements for the year ended 31 December 2022.

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)
- All age worship services
- Youth Bible study/discussion groups for teenagers

Our Parent & Toddler/Babies group (Tadpoles) meets on Friday mornings. A Foodbank runs every Thursday morning. On Tuesday afternoons, we open the church to the community by hosting a "Warm Welcome Spaces" drop-in café.

#### **Events**

NMBC started the year in January with Prayer from Friday evening to Saturday evening. A church weekend away was held in April attended by about 100 people.

#### **Outreach**

**Malden Manor Community Church** meets weekly for Sunday gatherings in a local school building. Once a month services are based around community meals and the local neighbourhood invited to come. In addition a youth group, mid-week bible study 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 craft, gardening and walking groups run or assisted by church members and is available for local people to use. The weekly distribution of unsold food to local people in need in collaboration with the Malden Manor Co-op continues. Christmas hampers were created and delivered to local people.

# **NEW MALDEN BAPTIST CHURCH**

## **CHURCH LEADERS' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **Outreach (continued)**

NMBC cooperates with other churches and organisations in Kingston through churches together meetings and on community projects such as Warm Welcome Spaces. NMBC joined with Insight, the local schools work Trust, to put on productions at Christmas and Easter: 'The Christmas Journey' in December for Y2 children and Easter Experience for Y6 children.

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, and NMBC members are joined by members from a local Anglican church to serve those coming.

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 produced and managed the running of two Kintsugi Hope Wellbeing courses for members looking at mental health and wellbeing issues.

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.

The Monday Lunch Plus no longer takes place but NMBC responded to a national churches initiative to provide a warm welcoming space for local people on a regular basis in light of heating and cost of living rises.

#### **Mission**

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

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

NMBC also supports more local charitable organisations:-

- Kingston Churches Action on Homelessness;
- Insight - working in schools in the borough;
- Oxygen youth work, including Street Pastors

#### **Buildings**

The fire alarms and extinguishers were inspected during the year. One shutter had UPS replaced. Door closer on Westbury Road sanctuary door repaired. Some fire strips in hall doors replaced.

Heating repairs were carried out during the year as was the annual maintenance. Circulation pump replaced and BMS unit repaired. A refrigerant gas cert was issued. Major repairs carried out in January 2023 to heat exchange unit on the roof. This also involved replacement of a 3 phase contactor in the main supply cupboard.

Gas certification for the kitchen issued.

Some repairs to the flat roof were carried out during the year. A number of general repairs were also carried out within the church building. PAT testing of small appliances was performed. Door entry system repaired.

# **NEW MALDEN BAPTIST CHURCH**

## **CHURCH LEADERS' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **Financial review**

##### **General Fund**

The budget for 2022 aimed to break even, however to achieve this NMBC had to reduce their giving to their mission partners. One justification for this was to acknowledge the fact that MMCC (our own home mission) costs about £10k to run. In April the church ran a weekend away at Ashburnham. The net result was a £4k surplus mainly due to the factor that our gift to them in 2020 was treated as a deposit. During the year a few one off gifts were received. However our Gift Aid recovery is down because a number of key individuals who we could claimed for have moved away.

Expenditure for the year was above budget. This was mainly due to the church maintenance projects mentioned above.

The General fund showed a small surplus of income for the year. At present although electricity costs have risen and were higher than budgeted, they are not as bad as were at one time expected.

##### **Other Funds**

Other Restricted Fund income during the year comprised designated gifts that were and will be passed on to the intended recipients during 2022 or early in 2023.

The Fellowship Fund continued to provide a facility whereby gifts from individuals in the fellowship could be passed on to those suffering financial hardship. The response and need were not as great as in 2021.

##### **Reserves**

At the year end the church had total reserves of £4,644,245 of which £23,201 are restricted with no designated. 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.

##### **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.

# NEW MALDEN BAPTIST CHURCH

## CHURCH LEADERS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### 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 served as a managing trustee 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.

.....  
**Rev S Bramwell**

Dated: .....

# NEW MALDEN BAPTIST CHURCH

## INDEPENDENT AUDITOR'S REPORT

### TO THE CHURCH LEADERS OF NEW MALDEN BAPTIST CHURCH

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#### Opinion

We have audited the financial statements of New Malden Baptist Church (the 'Church') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and 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 Financial Reporting Standard 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 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; 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.

#### 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.

# **NEW MALDEN BAPTIST CHURCH**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE CHURCH LEADERS OF NEW MALDEN BAPTIST CHURCH**

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#### **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.

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.

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.

# **NEW MALDEN BAPTIST CHURCH**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE CHURCH LEADERS OF NEW MALDEN BAPTIST CHURCH**

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#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees 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 2022**

|   |       | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>2021<br>£ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
|   | Notes |                                    |                                  |                    |                                    |                                  |                    |
| <b>Income from:</b>                           |       |                                    |                                  |                    |                                    |                                  |                    |
| Donations and legacies                        |       | 216,870                            | 37,219                           | 254,089            | 194,510                            | 41,490                           | 236,000            |
| Charitable activities                         |       | 18,917                             | -                                | 18,917             | 1,698                              | -                                | 1,698              |
| Investments                                   |       | 437                                | -                                | 437                | 48                                 | -                                | 48                 |
| <b>Total income</b>                           |       | <b>236,224</b>                     | <b>37,219</b>                    | <b>273,443</b>     | <b>196,256</b>                     | <b>41,490</b>                    | <b>237,746</b>     |
| <b>Expenditure on:</b>                        |       |                                    |                                  |                    |                                    |                                  |                    |
| Charitable activities                         | 2     | 222,677                            | 35,274                           | 257,951            | 201,144                            | 38,010                           | 239,154            |
| Reduction in pension provision                | 9     | (33,259)                           | -                                | (33,259)           | (1,194)                            | -                                | (1,194)            |
| <b>Total expenditure</b>                      |       | <b>189,418</b>                     | <b>35,274</b>                    | <b>224,692</b>     | <b>199,950</b>                     | <b>38,010</b>                    | <b>237,960</b>     |
| <b>Net income/(expenditure) for the year/</b> |       |                                    |                                  |                    |                                    |                                  |                    |
| <b>Net movement in funds</b>                  |       | <b>46,806</b>                      | <b>1,945</b>                     | <b>48,751</b>      | <b>(3,694)</b>                     | <b>3,480</b>                     | <b>(214)</b>       |
| <b>Reconciliation of funds</b>                |       |                                    |                                  |                    |                                    |                                  |                    |
| Fund balances at 1 January 2022               |       | 4,574,238                          | 21,256                           | 4,595,494          | 4,577,932                          | 17,776                           | 4,595,708          |
| <b>Fund balances at 31 December 2022</b>      |       | <b>4,621,044</b>                   | <b>23,201</b>                    | <b>4,644,245</b>   | <b>4,574,238</b>                   | <b>21,256</b>                    | <b>4,595,494</b>   |

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 2022

|   | Notes | 2022<br>£ | £         | 2021<br>£ | £         |
|---|-------|-----------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                   |       |           |           |           |           |
| Tangible assets                                       | 6     |           | 4,539,618 |           | 4,539,024 |
| <b>Current assets</b>                                 |       |           |           |           |           |
| Debtors   | 7     | 27,313    |           | 35,636    |           |
| Cash at bank and in hand                              |       | 87,363    |           | 78,524    |           |
|   |       |           |           |           |           |
|   |       | 114,676   |           | 114,160   |           |
| <b>Creditors: amounts falling due within one year</b> | 8     | (10,049)  |           | (18,090)  |           |
|   |       |           |           |           |           |
| Net current assets                                    |       |           | 104,627   |           | 96,070    |
| <b>Total assets less current liabilities</b>          |       |           | 4,644,245 |           | 4,635,094 |
|   |       |           |           |           |           |
| <b>Provisions for liabilities</b>                     | 9     |           | -         |           | (39,600)  |
|   |       |           |           |           |           |
| <b>Net assets</b>                                     | 11    |           | 4,644,245 |           | 4,595,494 |
|   |       |           |           |           |           |
| <b>Income funds</b>                                   |       |           |           |           |           |
| Restricted funds                                      | 10    | 23,201    |           | 21,256    |           |
| Unrestricted funds                                    |       | 4,621,044 |           | 4,574,238 |           |
|   |       |           |           |           |           |
|   |       |           | 4,644,245 |           | 4,595,494 |

The financial statements were approved by the Church Leaders on .....

.....  
Mr I Fifield  
Trustee

# NEW MALDEN BAPTIST CHURCH

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

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### 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 2022

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### 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 2022

### 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<br>2022  | Total<br>2021  |
|----------------------|----------------|---------------|---------------|----------------|----------------|
|                      | £              | £             | £             | £              | £              |
| Ministry & Pastoral  | 116,217        | -             | 29,137        | 145,354        | 127,387        |
| Evangelism and youth | 4,828          | -             | 3,647         | 8,475          | 8,005          |
| Mission              | -              | 41,318        | 3,647         | 44,965         | 66,339         |
| Premises and fabric  | 37,463         | -             | 3,647         | 41,110         | 30,771         |
| Membership           | 14,400         | -             | 3,647         | 18,047         | 6,652          |
|                      | <u>172,908</u> | <u>41,318</u> | <u>43,725</u> | <u>257,951</u> | <u>239,154</u> |

# NEW MALDEN BAPTIST CHURCH

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

### 3 Grants payable

|  | 2022<br>£     | 2021<br>£     |
|--|---------------|---------------|
| Grants to institutions:                  |               |               |
| Oxygen (Youth Project)                   | 4,964         | 8,273         |
| Baptist Missionary Society               | 9,316         | 14,232        |
| Home Mission Fund                        | -             | 8,067         |
| RBK Schools CWT                          | 5,714         | 9,523         |
| European Christian Mission               | 4,939         | 4,938         |
| Spurgeons College                        | 775           | 1,292         |
| Agape                                    | 1,755         | 1,755         |
| Kingston Churches Action on Homelessness | 1,242         | 522           |
| Others                                   | 3,000         | 2,750         |
| Dnipro Hope Mission                      | 2,153         | 1,450         |
| YWAM Family of Ministries                | 3,000         | 3,000         |
| Northumbrian Ltd                         | 1,800         | 1,800         |
| British Youth for Christ                 | 1,200         | 400           |
|  | <b>39,858</b> | <b>58,002</b> |
| Grants to individuals                    | 1,460         | 4,867         |
|  | <b>41,318</b> | <b>62,869</b> |

### 4 Support costs

|                                  | Support costs<br>£ | Governance costs<br>£ | 2022<br>£     | 2021<br>£     |
|----------------------------------|--------------------|-----------------------|---------------|---------------|
| Staff costs                      | 27,313             | -                     | 27,313        | 25,479        |
| Office stationery and printing   | 2,868              | -                     | 2,868         | 2,663         |
| Office costs and sundry expenses | 969                | -                     | 969           | 1,479         |
| Subscriptions and licence fees   | 3,583              | -                     | 3,583         | 3,420         |
| Office telephone                 | 1,533              | -                     | 1,533         | 1,458         |
| Bank charges                     | 200                | -                     | 200           | 200           |
| Audit fees                       | -                  | 6,389                 | 6,389         | 6,068         |
| Legal and professional           | -                  | 870                   | 870           | 818           |
|                                  | <b>36,466</b>      | <b>7,259</b>          | <b>43,725</b> | <b>41,585</b> |

# NEW MALDEN BAPTIST CHURCH

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

### 5 Employees

The average monthly number of employees during the year was:

|                       | 2022<br>Number | 2021<br>Number |
|-----------------------|----------------|----------------|
| Ministry and pastoral | 3              | 3              |
| Administration        | 3              | 2              |
| Total                 | 6              | 5              |

### Employment costs

|                       | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 113,576   | 97,287    |
| Social security costs | 4,008     | 3,585     |
| Other pension costs   | 10,077    | 9,595     |
|                       | 127,661   | 110,467   |

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

### 6 Tangible fixed assets

|                                    | Freehold<br>property<br>£ | Fixtures and<br>fittings<br>£ | Computers<br>£ | Total<br>£ |
|------------------------------------|---------------------------|-------------------------------|----------------|------------|
| <b>Cost</b>                        |                           |                               |                |            |
| At 1 January 2022                  | 4,537,657                 | 40,126                        | 25,125         | 4,602,908  |
| Additions                          | -                         | -                             | 1,501          | 1,501      |
| At 31 December 2022                | 4,537,657                 | 40,126                        | 26,626         | 4,604,409  |
| <b>Depreciation and impairment</b> |                           |                               |                |            |
| At 1 January 2022                  | -                         | 40,126                        | 23,757         | 63,883     |
| Depreciation charged in the year   | -                         | -                             | 908            | 908        |
| At 31 December 2022                | -                         | 40,126                        | 24,665         | 64,791     |
| <b>Carrying amount</b>             |                           |                               |                |            |
| At 31 December 2022                | 4,537,657                 | -                             | 1,961          | 4,539,618  |
| At 31 December 2021                | 4,537,657                 | -                             | 1,367          | 4,539,024  |

# NEW MALDEN BAPTIST CHURCH

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

### 7 Debtors

|   | 2022<br>£     | 2021<br>£     |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Other debtors                               | 23,213        | 26,597        |
| Prepayments and accrued income              | 4,100         | 9,039         |
|   | <u>27,313</u> | <u>35,636</u> |

### 8 Creditors: amounts falling due within one year

|                              | 2022<br>£ | 2021<br>£ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 10,049    | 18,090    |

### 9 Provisions for liabilities

|                                       | 2022<br>£ | 2021<br>£          |
|---------------------------------------|-----------|--------------------|
| Pension                               | -         | 39,600             |
| Movements on provisions:              |           |                    |
|                                       |           | <b>Total<br/>£</b> |
| At 1 January 2022                     |           | 39,600             |
| Deficiency contributions paid in year |           | (6,341)            |
| Unwinding of discount                 |           | (33,259)           |
| At 31 December 2022                   |           | -                  |

# NEW MALDEN BAPTIST CHURCH

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

### 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:

|                               | Movement in funds            |               |                 | Movement in funds            |               |                 |                                   |
|-------------------------------|------------------------------|---------------|-----------------|------------------------------|---------------|-----------------|-----------------------------------|
|                               | Balance at<br>1 January 2021 | Income        | Expenditure     | Balance at<br>1 January 2022 | Income        | Expenditure     | Balance at<br>31 December<br>2022 |
|                               | £                            | £             | £               | £                            | £             | £               | £                                 |
| Lesotho                       | 1,774                        | -             | -               | 1,774                        | -             | -               | 1,774                             |
| Fellowship                    | 13,722                       | 7,380         | (3,100)         | 18,002                       | 988           | (1,817)         | 17,173                            |
| Malden<br>Manor               | -                            | 33,110        | (33,110)        | -                            | 32,538        | (32,538)        | -                                 |
| Malden<br>Manor<br>Fellowship | 2,280                        | 1,000         | (1,800)         | 1,480                        | 285           | (59)            | 1,706                             |
| Ministry<br>support           | -                            | -             | -               | -                            | 2,925         | (860)           | 2,065                             |
| Warm Spaces                   | -                            | -             | -               | -                            | 483           | -               | 483                               |
|                               | <u>17,776</u>                | <u>41,490</u> | <u>(38,010)</u> | <u>21,256</u>                | <u>37,219</u> | <u>(35,274)</u> | <u>23,201</u>                     |

The Lesotho fund is for support of specific projects in Lesotho.

The Malden Manor restricted fund shows the income received from offerings taken at Malden Manor. The total cost of this ministry is £46,448 and the difference is supported by the general fund of NMBC.

The ministry support fund contains gifts that were received to support work in xx.

### 11 Analysis of net assets between funds

|  | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>2021<br>£ |
|--|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31<br>December are<br>represented by: |                                    |                                  |                    |                                    |                                  |                    |
| Tangible assets  | 4,539,618                          | -                                | 4,539,618          | 4,539,024                          | -                                | 4,539,024          |
| Current assets/(liabilities)                           | 81,426                             | 23,201                           | 104,627            | 74,814                             | 21,256                           | 96,070             |
| Provisions   | -                                  | -                                | -                  | (39,600)                           | -                                | (39,600)           |
|  | <u>4,621,044</u>                   | <u>23,201</u>                    | <u>4,644,245</u>   | <u>4,574,238</u>                   | <u>21,256</u>                    | <u>4,595,494</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 (2021 - £9,140).

# NEW MALDEN BAPTIST CHURCH

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

### 12 Retirement benefit schemes

(Continued)

#### Defined benefit schemes

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

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

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

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

The Ministers are eligible to join the Scheme.

#### Actuarial valuation as at 31 December 2019

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

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%.

# NEW MALDEN BAPTIST CHURCH

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

### 12 Retirement benefit schemes

(Continued)

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 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. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

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

#### Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in 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                                | 2022 | 2021  | 2020 |
| Discount rate                                  | 5.3% | 4.06% | 0.4% |
| Future increases to Minimum Pensionable Income | 4.1% | 2.0%  | 3.0% |

### 13 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2022<br>£      | 2021<br>£     |
|------------------------|----------------|---------------|
| Aggregate compensation | <u>107,700</u> | <u>98,895</u> |

# NEW MALDEN BAPTIST CHURCH

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

### 13 Related party transactions

(Continued)

#### 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. J Pozzo and A Fuller are also provided with accommodation.

|  | 2022<br>£     | 2021<br>£     |
|--|---------------|---------------|
| J Pozzo  | 37,354        | 36,964        |
| A Fuller                                       | 27,873        | 27,578        |
| S Bramwell                                     | 21,780        | 15,141        |
| J Reggio (from date of appointment as trustee) | 3,114         | -             |
|  | <u>90,121</u> | <u>79,683</u> |

Three of the church leaders were reimbursed for travel and mileage expenses of £458 (2021: £451) during the year. Trustees gave a total of £49,870 (2021:£43,000) in unrestricted donations during the year.