

Ararat Baptist Church

Year End 31st December 2020

Charity Number: 1132808

ARARAT BAPTIST CHURCH

REPORT OF THE TRUSTEES

FOR THE YEAR ENDING 31st DECEMBER 2020

The Constitution of the Church was adopted on 25th June 2009. The Church registered with the Charity Commission on 19th November 2009. Ararat Baptist Church is an unincorporated charity.

Organisational Structure and Decision Making

The Church is governed by the Trustees who are appointed by the Church membership. The Trustees serve for a period of three years. They meet on a monthly basis and are responsible for the strategic direction of the charity. Authority is given to the Ministers and Church Secretary to take decisions and they would seek to make contact with each other before doing so. When appropriate, the specialist expertise of Church members and friends is also utilised to assist in decision making, for example, building matters, safeguarding, finance.

No election for Trustees was held in late 2020 (for 2021 vacancies) because of the difficulties posed by online general meetings and the provision for secret voting. In May 2021, a Special General Meeting was held to amend the Constitution (using guidance supplied by the Baptist Union of Great Britain) to allow meetings to be held in person, by electronic means or by a combination of physical and electronic.

Under normal circumstances, shortly after their meetings the Trustees report to the Church members' meeting each month (except August and December). During 2020, however, the Trustees held "Zoom" meetings at almost fortnightly intervals but the only members' meeting in person was in February. Members were, however, provided electronically with a weekly update of relevant matters.

The Trustees review the salaries of staff on an annual basis (without the presence of any member of staff or interested party). The salary of Ararat Ministers is above the stipend recommended by the Baptist Union of Great Britain. When determining ministers' salaries, Trustees give consideration to the Baptist Union's suggested annual pay increase. Employees are paid higher than the living wage.

Baptism by immersion upon personal profession of faith is the normal mode of entry into the membership of a Baptist church. But persons seeking membership who have not been baptised in the manner described in the Union's Declaration of Principle may at the discretion of the Church Members' Meeting be accepted for full membership based on their own public profession of faith.

Any person who accepts an invitation to stand for election as a Trustee must have been a church member for one continuous year. Before an election those who are eligible to stand will meet with the ministers to discuss the work and responsibilities of trusteeship. Trustees have access to all agreed policies of the church and the Baptist Union of Great Britain's resources and guidance materials.

All members are encouraged to take part in the spiritual and practical tasks involved in the furtherance of the charitable objectives. The Constitution permits decisions to be made at the Church Meetings by appropriate majorities although the Church seeks to work by consensus wherever possible.

The Finance Team, all volunteers, is responsible to the Trustees for keeping proper accounting records and ensuring compliance with the Charities Act 2011, and the relevant accounting requirements for charities in Annual Financial Statements. These are reviewed and approved by the Trustees and presented for acceptance by the Church members at the Annual General Meeting.

Objectives and aims

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The Church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world. The Church occupies premises that are held by the Baptist Union Corporation Limited on trust which are entirely compatible with the above objectives.

Ararat Baptist Church is committed to enabling as many people as possible to worship at our Church and to become part of our fellowship. Our services and worship put faith into practice through prayer, scripture, music and communion.

Our dual aims remain to provide a facility where Christians, or those who wish to know more about our faith, can come together to worship, learn about their religion and commune together and to provide a community facility open to all the local inhabitants of Whitchurch, Cardiff and to those from further afield.

Public Benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and, in particular, the specific guidance for the advancement of religion for the public benefit.

The community facilities at Ararat Baptist Church are widely used by the local community, external organisations, support groups, fitness and exercise classes, etc. Our new extension was funded and built with the aim of providing improved facilities for community use and prior to the lockdowns during 2020 it was usual to have over 1,000 visitors a week.

The public in general can benefit from our facilities as a meeting place in a friendly and supportive environment. We make no restrictions on anyone attending our Church or community activities and give a warm welcome to all visitors and friends.

Even during 2020 with the constraints of Covid-19 we have seen the importance of the extension and The Ark (café) facility enabling us to support those who are lonely and isolated in the community, thereby helping to tackle some of the challenges of lockdown and improve people's wellbeing and mental health.

Activities and Achievements

As previously mentioned, Ararat Church and Centre aims to be at the centre of the local community. During January and February 2020, our activities included Parent & Toddler groups, weekly Luncheon Club for the elderly and Messy Church for families. Our fairly-new Ark café served refreshments as well as providing a safe space for time alone or with friends. The Renew Wellbeing café, held in the Ark, continued to try and meet the needs of those who would benefit from periods of rest and reflection. An innovation in January was a special celebration of St Dwynwen's Day, the Welsh Valentine's Day. Rooms in the Centre were hired out throughout the week to special interest groups and social gatherings from within the community.

In March, the first lockdown came into force and life as we knew it for both Church and Centre came to an end. From the beginning of the lockdown, our aims were to maintain links with the community and to provide support at this unprecedented time. The Trustees' monthly meetings increased to fortnightly, sometimes weekly, in order to set up ways of achieving these aims.

The first task was to move online our services, weekly times of reflection, children's activities and the Renew Wellbeing session. When restrictions allowed, the Ark café opened and provided a meeting place for those who had been isolated for long periods. Many members of the community commented

on how safe they felt coming to Ararat at this time due to the rigorous safety measures we had put in place. During periods outside of lockdown, soft play sessions were organised by our Children & Families Worker. About 50 sessions were held with up to 40 families attending weekly.

During the summer months, we were able to make use of the lovely grounds in which the Church stands to hold many activities outside. These included Sunday services and a children's Bear Hunt plus a Sheep Trail. Over 50 children attended these special events together with their families.

Ararat always takes part in the Whitchurch Festival and did so again in 2020. Although the festival format was much-changed due to restrictions, the Church concentrated on helping children and families to enjoy the occasion by distributing 50 bags containing activities for the children.

As Christmas approached an afternoon tea with activities was held for families plus a Christmas tea for adults. Christmas hampers were also distributed to families in need. Sadly, our 'Bubble up to Bethlehem' in which people in their respective 'bubbles' would move around scenes from the Nativity, had to be cancelled when a further lockdown was announced at short notice. Our candlelight carol service, always well attended by the community, was held online.

Throughout the year Ararat's Pastoral Team, unable to make visits, kept in touch with people by means of phone calls and letters. This contact was especially appreciated by those who were shielding or self-isolating alone.

It has been an unprecedented year in the life of the Church but many new ways have been found to fulfil our aim of being at the heart of the community – ways which we intend to build on and develop in the days ahead.

Financial Review

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 charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019)".

The detailed financial results for the year, together with a summary of the accounting policies adopted are set out in the accompanying Financial Statements. The net overall result for the year showed a deficit of £86,455, whereas in 2019 there had been a surplus of nearly £2,314,000 caused primarily by a legacy of £565,000 and an insurance revaluation of assets of £1,738,000. In 2020 the closing the buildings because of the Covid-19 restrictions reduced potential income from personal attendance (envelopes and loose collections) and hiring out rooms by some £55,000 (offset by furlough grants of £11,000). Furthermore, some £73,000 of the expenditure incurred could be solely attributed to the utilisation of legacy funds.

The reserves of the Church at the end of the year were £5,230,804 (2019 £5,317,259).

Members and friends of Ararat donate on a voluntary basis to the charity as part of their commitment to the Church. The Trustees are very grateful to members and friends for their continued generous offerings and donations throughout 2020, despite the effects of the Covid-19 pandemic. No wider public appeal was made for funds.

During the year, the specific fund established for regular offerings from members and friends was utilised, in addition to legacy funds, to repay the Baptist Union loan. Following this, the contributors agreed to continue similarly restricted purpose offerings, to accumulate a Maintenance Fund for future repairs to the buildings.

The level of income in 2020 did not require an audit only an independent examination. Steve Ellum of Steve Ellum & Associates Limited, Chartered Accountants, was appointed as Independent Examiner.

Financial Reserves Policy

In early 2021, the Trustees reviewed and amended the financial reserves policy to state that they consider it prudent to hold £35,000 to maintain the religious and charitable work of the Church. This is equivalent to at least two months of essential expenditure. At the year end, although the bank balance of unrestricted funds was less than this at £16,391, the Trustees consider the position satisfactory as there was a further £86,675 immediately available in the Reserve Bank Account. In addition, over £196,000 of the legacy was still to be received from the solicitors as at 31st December 2020.

2019 Legacy

During 2020, members approved the use of part of the £400,000 legacy funds actually received in 2019, on the following.

- underwriting the operating deficit in 2019;
- urgent repairs to roof, windows and doors;
- replacement boilers;
- increasing the hours of the part-time Children & Families' Worker to enable more activities and local support for children and young people;
- tithing 10% of the legacy (over a three-year period) to other charities and organisations such as those working with the homeless, refugees, and supporting people in poverty;
- settling the remaining balance on the Baptist Union loan;
- buying out the Church's liability within the deficit of the Baptist Ministers' Pension Fund;
- underwriting the operating deficit in 2020.

Further strategic plans for the legacy will be considered by the Trustees during 2021.

The outstanding balance of the legacy was received from the solicitors on 23rd March 2021.

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees assess the risks to which the Church is exposed and are satisfied that the systems are in place to mitigate exposure to major risks. Internal control risks are minimised by the implementation of procedures for all transactions and projects. Procedures are also in place to ensure compliance with health and safety of staff, volunteers and visitors to the Church, Community Centre and Ark.

Much of 2020 was spent dealing with the risks and operational difficulties of carrying on through Covid-19. In March, action was taken to halt some regular activities at the Church and Community Centre where there were vulnerable young or elderly people taking part: sanitisers and hand wash guidance were provided for all users. When it was legally possible, outdoor Sunday morning services were held with only the permitted numbers attending, and later in the year, these services were held indoors in the Memorial Hall (with social distancing and plastic screens). The Ark was also opened when permissible, but with strict social distancing and anti-infection measures.

**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES**

FOR THE YEAR ENDING 31st DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number: 1132808

Principal Office: Plas Treoda, Whitchurch, Cardiff, CF14 1PT

Trustees as at 31st December 2020

Rev N Dickerson (Minister)

Rev G Russell-Jones (Minister)

Mrs S Conway (Secretary)

Mr P Burnell (Deacon)

Mr H Carey (Deacon)

Ms H Capelin (Deacon) term of office ended 31/12/2020

Mrs H Evans (Deacon)

Mrs C Higgins (Deacon)

Mrs J Lewis (Deacon)

Mrs S Rees (Deacon)

Mr A Pasley (Deacon) term of office ended 31/12/2020

Mr G Witts (Deacon)

Property Trustees

The Baptist Union Corporation Ltd, Baptist House, 129 Broadway, Didcot, Oxfordshire OX11 8RT

Bankers

The Co-operative Bank plc, P.O. Box 101, 1 Balloon Street, Manchester, M60 4EP6.

Independent Examiner

Steve Ellum & Associates Limited, Chartered Accountants, Adulam House, Glan Yr Afon, Llanelli SA15 3QB

**Approved by order of the Board of Trustees on 16th August 2021 and signed on its behalf by
Rev N Dickerson and Rev G Russell-Jones**



Rev N Dickerson



Rev G Russell-Jones

Independent Examiner's Report To the trustees of Ararat Baptist Church For the Year to 31 December 2020

Independent examiner's report to the trustees on the unaudited financial statements of Ararat Baptist Church.

I report on the accounts of Ararat Baptist Church for the year ended 31 December 2020 set out on pages 1 to 23.

Respective responsibilities of trustees and independent examiner

As the charity's trustees you are responsible for the preparation of the accounts, you consider that the audit requirement of section 144(2) of the Charities Act 2011 (the Act) does not apply and that an independent examination is needed. It is my responsibility to examine the accounts under section 145 of the Act; to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (i) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep proper accounting records in accordance with section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act have not been met; or
- (ii) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



.....
Steve Ellum
for and on behalf of Steve Ellum & Associates Ltd
Chartered Accountants
Adulam House
Glan Yr Afon
SA15 3QB

16 August 2021

ARARAT BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31st DECEMBER 2020

	Note	Unrestricted £	Restricted £	TOTAL £	2019 £
Income					
Donations & Legacies	2.	137,755	8,480	146,235	717,553
Charitable Activities	3.	29,074	-	29,074	62,822
Investment Income	4.	13,149	453	13,602	12,900
Other Income	5.	10,658	-	10,658	-
Total Income		190,636	8,933	199,569	793,275
Expenditure					
Raising Funds	6.	-	-	-	680
Charitable Activities	7.	258,195	3,963	262,158	264,829
Total Expenditure		258,195	3,963	262,158	265,509
Income /(expenditure) for the year		(67,559)	4,970	(62,589)	527,766
Other recognised gains / (losses)					
Surplus on revaluation of assets	13.,14.	-	-	-	1,786,686
Actuarial gains / (losses) on defined benefit pension schemes	24.	(23,866)	-	(23,866)	(621)
Net Income /(expenditure) for the year		(91,425)	4,970	(86,455)	2,313,831
Transfers between funds	22.,23.	(70,387)	70,387		
Net Movement in Funds		(161,812)	75,357	(86,455)	2,313,831
Reconciliation of Funds					
Total Funds brought forward	22.,23.	4,687,488	629,771	5,317,259	3,003,428
Total Charity Funds carried forward	22.,23.	4,525,676	705,128	5,230,804	5,317,259

ARARAT BAPTIST CHURCH
BALANCE SHEET
YEAR ENDED 31st DECEMBER 2020

	Note	Unrestricted	Restricted	TOTAL	2019
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	13.	4,021,475	697,340	4,718,815	4,697,607
Investments	14.	210,134	-	210,134	210,134
		4,231,609	697,340	4,928,949	4,907,741
Current Assets					
Debtors	15.	196,559	-	196,559	165,952
Bank	16.	107,104	7,788	114,892	379,615
		303,663	7,788	311,451	545,567
Current Liabilities due within one year					
Loan	18.	-	-	-	(83,300)
Creditors	19.	(9,596)	-	(9,596)	(8,648)
		(9,596)		(9,596)	(91,948)
Net Current Assets		294,067	7,788	301,855	453,619
Net Assets excluding pension liability		4,525,676	705,128	5,230,804	5,361,360
Defined pension scheme liability	24.	-	-	-	(44,101)
Total Net Assets		4,525,676	705,128	5,230,804	5,317,259
Charity Funds					
Total Funds brought forward	22.,23	4,687,488	629,771	5,317,259	3,003,428
Surplus (deficit) for year		(161,812)	75,357	(86,455)	2,313,831
Total Charity Funds carried forward	22.,23	4,525,676	705,128	5,230,804	5,317,259

The Financial Statements were approved by the Trustees on 16th August 2021

N Dickerson

Rev N Dickerson

T. G. Russell-Jones

Rev G Russell-Jones

ARARAT BAPTIST CHURCH
STATEMENT OF CASH FLOWS
YEAR ENDED 31st DECEMBER 2020

	Note	2020	2019
		£	£
Reconciliation of net cash provided by operating activities			
Net income (expenditure)		(86,455)	2,313,831
Adjustments for:			
- Depreciation	8.	1,382	
- (Increase) / decrease in debtors	15.	(30,607)	(165,952)
- (Decrease) / increase in creditors	19.,24.	<u>(126,453)</u>	<u>(7,370)</u>
Net cash provided by operating activities		(242,133)	2,140,509
Cash flows from investing Activities:			
Purchase and revaluation of fixed and investment assets	13.	(22,590)	(1,786,686)
Net cash provided by investing activities		<u>(22,590)</u>	<u>(1,786,686)</u>
Changes in cash and cash equivalents		(264,723)	353,823
Cash and cash equivalents brought forward	16.	<u>379,615</u>	<u>25,792</u>
Cash and cash equivalents carried forward	16.	<u>114,892</u>	<u>379,615</u>

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2020

1. Accounting Policies

1.1 Charity Information

Ararat Baptist Church is an unincorporated charity whose registered address is Plas Treoda, Whitchurch, Cardiff CF14 1PT

1.2 Basis of Preparation

The Financial Statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

The Financial Statements have been prepared under the historical cost convention apart from values associated with Church buildings and related fixtures and fittings.

The Church constitutes a Public Benefit Entity as defined by FRS 102.

1.3 Going Concern

The Trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

1.4 Critical Accounting Estimates and Judgements

The preparation of the Financial Statements requires the Trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other relevant factors. However, the nature of estimation means that actual outcomes could be different.

1.5 Income Recognition

Income is recognised in the Statement of Financial Activities on the following basis:

- (a) Planned giving, collections and donations are recognised when the Church has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Church is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Church and it is probable that those conditions will be fulfilled in the reporting period.
- (b) Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Church, normally on notification by the bank.
- (c) Income Tax recoverable on donations under Gift Aid is recognised only when it has been received from HMRC.
- (d) 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.
- (e) Rent, room hire and fees for weddings and funerals are recognised on a receivable basis.

1.6 Expenditure Recognition

- (a) Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Church to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.
- (b) Expenditure is accounted for on an accruals basis.
- (c) Grants payable are payments made to third parties in the furtherance of the charitable objects of the Church. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing or amount of the grant.

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

1. Accounting Policies (continued)

1.7 Raising funds

Raising funds includes all expenditure incurred by the Church to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading, and an apportionment of support and governance costs.

1.8 Charitable activities

Costs of charitable activities cover all expenditure relating to the furtherance of the Church's objectives, including an apportionment of support and governance costs.

1.9 Support and Governance costs

Support costs are those that assist the work of the Church but do not directly represent charitable activities and include office and associated costs.

Governance costs comprise all costs involving the public accountability of the Church and its compliance with regulation and good practice, including audit and legal fees.

Most of the management of the Church is carried out without charge by volunteers. This intangible cost is not included in the Statement of Financial Activities since there is no measurable cost to the volunteers for their service.

1.10 Apportionment of Support and Governance costs

Support and governance costs have been apportioned to the cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

1.11 Tangible Fixed Assets

All assets costing more than £1,000 are capitalised.

Value of Church Buildings

The Church buildings have historically been accounted for at insurance value. This approach has been adopted because there is no reliable cost information available. As a result of the transition to FRS 102 the Trustees have taken the insurance cost for Church buildings and related Fixtures and Fittings (but excluding the Investment Property) of £2,491,145 as at transition date (1st April 2014) and used this as deemed cost going forward. A full valuation was undertaken by the Church insurers in January 2020, and the Trustees have accepted this as the fair value for Church buildings and related Fixtures and Fittings at 31st December 2019, and at 31st December 2020.

Impairment of 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).

Depreciation

No depreciation is provided on freehold land as insurance valuations are regularly updated.

Furniture, Fixtures, Fittings & Equipment are depreciated over 6 years.

Plant is depreciated over 10 years

1.12 Investment Property

The former Church manse at Plas Treoda has been let for rental as two flats for a number of years, and is classed as an investment property. The valuation in the Balance Sheet is consistent with that of the main Church buildings, with the insurance cost £177,440 as at transition date to FRS 102 (1st April 2014) being the deemed cost going forward. A full valuation was undertaken by the Church insurers in January 2020, and the Trustees have accepted this as the fair value for the investment property at 31st December 2019, and at 31st December 2020.

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

1. Accounting Policies (continued)

1.13 Taxation

The Church is exempt from tax on its charitable activities.

1.14 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives of the Church at the discretion of the Trustees.

Designated funds are unrestricted funds put aside for a specific project or aim: they can be returned to the General unrestricted funds at any time provided the decision is taken by a quorum of members at the Church meeting. For reporting purposes they are combined with unrestricted funds and termed "Unrestricted".

Restricted funds can only be used for particular restricted purposes within the objects of the Church. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the Notes to the Financial Statements.

1.15 Pension costs and other post-retirement benefits

The Church operates Defined Contribution plans for its employees, with various separate pension providers. Once the agreed contributions have been paid the Church has no further payment obligations. The contributions are recognised as an expense when they are due: amounts not paid at the year end are shown in creditors in the Balance Sheet.

Prior to 2012 pension provision could be made through a multi-employer defined benefit pension plan ("Baptist Ministers' Pension Scheme"). Where this is in deficit the Church Trustees have agreed to participate in a deficit funding arrangement and the Church recognises a liability for this obligation in the Financial Statements.

The amount recognised is the net present value of the contributions payable under the agreement that relates to the deficit, and is shown as an expense in the Statement of Financial Activities and liability in the Balance Sheet.

1.16 Groups

There are a number of organisations ("Groups") operating within the church which are consolidated as part of charitable activities, as they provide local outreach from the Church premises. Their funds are classified as Designated. The Church Trustees have overall responsibility for the management of these Groups.

ARARAT BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31st DECEMBER 2020

	Unrestricted	Restricted	TOTAL	2019
	£	£	£	£
2. Donations and Legacies				
Offerings	82,743	7,040	89,783	115,520
Tax refunds	18,079	1,429	19,508	22,354
Donations	6,583	11	6,594	13,932
Legacies	30,350		30,350	565,747
Total	137,755	8,480	146,235	717,553
3. Charitable Activities	£	£	£	£
Children & Families' Ministry	3,398		3,398	5,442
Community Centre – room hire	3,936		3,936	27,927
Income from The Ark	10,965		10,965	9,613
Fees for weddings and funerals	2,565		2,565	5,563
Group activities (Note 20.)	3,579		3,579	13,115
Secondment income	4,500		4,500	-
Other charitable income	131		131	1,162
Total	29,074	-	29,074	62,822
4. Investment Income	£	£	£	£
Rent received	12,900		12,900	12,900
Bank interest	249	453	702	-
Total	13,149	453	13,602	12,900
5. Other Income	£	£	£	£
HMRC Furlough grants	10,658		10,658	-
	10,658	-	10,658	-
6. Raising Funds	£	£	£	£
Cost of events	-		-	562
				562
Support + Governance costs (Note 9.)			-	118
Total	-	-	-	680
7. Charitable Activities	£	£	£	£
Ministerial	97,665		97,665	92,610
Mission	55,337	400	55,737	41,530
Group activities (Note 20.)	3,204		3,204	11,925
Donations / grants (Note 10.)	22,500		22,500	22,500
Establishment	48,355	563	48,918	50,622
Maintaining investment	2,289		2,289	1,244
Miscellaneous	2,325		2,325	949
	231,675	963	232,638	221,380
Support + Governance costs (Note 9.)	26,520	3,000	29,520	43,449
Total	258,195	3,963	262,158	264,829

ARARAT BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31st DECEMBER 2020

	Unrestricted	Restricted	TOTAL	2019
	£	£	£	£
8. Support Costs				
Staffing	11,687		11,687	20,610
Telephone & IT	4,429		4,429	3,670
Postage & stationery	1,747		1,747	3,089
Leases, licences & subscriptions	5,541		5,541	6,545
Equipment & sundry costs	558		558	3,958
Depreciation	1,382		1,382	
Finance costs	36	3,000	3,036	
Total	25,380	3,000	28,380	37,872
9. Governance Costs	£	£	£	£
Audit / Independent Examination	1,140		1,140	3,840
Other governance costs			-	1,855
Total	1,140	-	1,140	5,695
Support + Governance Costs apportioned (based on use of resources by cost) to:	£	£	£	£
Raising Funds			-	118
Charitable Activities	26,520	3,000	29,520	43,449
	26,520	3,000	29,520	43,567
10. Donations / Grants	£	£	£	£
BMS World Mission	10,500		10,500	10,500
Baptist Union Home Mission	9,500		9,500	9,500
South Wales Baptist College	2,500		2,500	2,500
	22,500	-	22,500	22,500

11. Trustees' Remuneration and Benefits

Rev N Dickerson and Rev G Russell-Jones (Trustees) received remuneration (including gross salary, employer's national insurance and employer's pension contributions) totalling £97,614 (2019 £92,479) for their services as Ministers during the year. From August 2020, Rev Naomi Dickerson was seconded part time to the South Wales Baptist Association to develop Renew Wellbeing Cymru: £4,500 has been received as income for The key management personnel comprise the Trustees and the Ministers.

During the year, no Trustees received expenses in connection with their roles as Trustees.

During the year, £11,720 was received in donations from 13 Trustees and related parties (2019 £16,224 11 Trustees and related parties)

12. Employees

	£	£
Wages and salaries	126,211	119,866
Social security	6,915	7,894
Other pension costs	10,861	11,308
	143,987	139,068

No employee received more than £60,000 during the year

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

12. Employees (continued)

The average number of employees during the year was:

	<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>	2019
Ministerial	2		2	2
Mission	1	1	2	2
Establishment		1	1	1
Support		1	1	1
	<u>3</u>	<u>3</u>	<u>6</u>	<u>6</u>

Pension contributions are paid to Defined Contribution private pension schemes on behalf of the Ministers. The total amount paid into these schemes by the Church was £8,867 (2019 £7,629).

One staff member is in the Baptist Pension Scheme which is a Defined Contribution scheme. The amount paid into this Scheme was £1,994 (2019 £1,975).

The Church paid off its deficiency contribution liability of £65,449 during the year and also £2,518 (2019 £4,548) in relation to former ministers in the Baptist Ministers' Pension Scheme (a Defined Benefit Scheme closed in December 2011). (see Note 24.)

13. Fixed Assets

	Church Property (excluding investment property)	<u>Unrestricted</u> Fixtures, Fittings, Equipment & Plant	Total Unrestricted Church Property	<u>Restricted</u> Church Property	Total Church Property (excluding investment property)
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation					
At 1st January 2020	3,831,749	168,518	4,000,267	697,340	4,697,607
Revaluation					
Additions		22,590	22,590		22,590
At 31st December 2020	3,831,749	191,108	4,022,857	697,340	4,720,197
Depreciation					
At 1st January 2020					
Charge		1,382	1,382		1,382
At 31st December 2020	-	1,382	1,382	-	1,382
Net Book Value					
At 31st December 2020	3,831,749	189,726	4,021,475	697,340	4,718,815
At 31st December 2019	3,831,749	168,518	4,000,267	697,340	4,697,607
Revaluation 2019	1,390,309	110,661	1,500,970	253,022	1,753,992
Additions & revaluation to 2018	139,151	(130,999)	8,152	444,318	452,470
Deemed Cost 1st April 2014	2,302,289	188,856	2,491,145	-	2,491,145
Analysis of Revaluation Surplus 2019	Property (excluding Investment) (as above)				1,753,992
	Investment Property (Note 14.)				32,694
	Total Revaluation Surplus (SOFA)				1,786,686

ARARAT BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31st DECEMBER 2020

13. Fixed Assets (continued)

Accounting Policy 1.11 states that property is shown at insurance value. A valuation undertaken by Ecclesiastical Insurance plc (formerly Baptist Insurance) in January 2020 was used at 31st December 2019 and 31st December 2020, resulting in an increased valuation of £1,643,331 on Church buildings. However, no sub-division was made between the main Church building and Community Centre, and the newer extension for "The Ark". This extension was funded by a restricted use legacy, loan from the Baptist Union Corporation and individual donations, and was classed as Restricted funds in 2017 and 2018. A pro-rata calculation has been made based on the respective values of the main building and extension, as shown in the 2018 Balance Sheet (£2,441,440 + £444,318). The net result is that 84.60% of the increase (£1,390,309) is attributed to the main building (Unrestricted) and 15.40% (£253,022) to the extension (Restricted). The insurance valuation has also been used for fixtures and related fittings rather than the 2014 valuation plus additions less depreciation.

14. Investments

	£	
Cost or valuation		The investment consists of a property –
At 1st January 2020	210,134	the former manse at Plas Treoda, let for rental as two flats.
Revaluation		Accounting Policy 1.12 states that
At 31st December 2020	210,134	property is shown at insurance value. A
Depreciation		valuation undertaken by Ecclesiastical
At 1st January 2020		Insurance plc (formerly Baptist
Charge		Insurance) in January 2020 was used
At 31st December 2020	-	at 31st December 2019 and 31st
		December 2020, resulting in an
Net Book Value		increased valuation of £32,694 on this
At 31st December 2020	210,134	property.
At 31st December 2019	210,134	
Revaluation 2019	32,694	
Deemed Cost 1st April 2014	177,440	

15. Debtors: amounts falling due within one year:

	Unrestricted	Restricted	TOTAL	2019
	£	£	£	£
Trade debtors	220		220	1,205
Other debtors	196,339		196,339	164,747
	196,559	-	196,559	165,952

16. Bank Balances

	£	£	£	£
Petty Cash	100		100	
Current Accounts	20,329	2,434	22,763	41,707
Reserve Account	86,675	5,354	92,029	337,908
	107,104	7,788	114,892	379,615

ARARAT BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31st DECEMBER 2020

	Unrestricted £	Restricted £	TOTAL £	2019 £
17. Operating Leases				
The following operational leases were in existence at 31st December 2020:				
Due in less than 1 year	654			2,900
Due in 2–5 years (per year)	-			2,511

18. Loans (Restricted Funds only)

	£	£
Loan from Baptist Union Corporation	-	83,300
Payable within one year (Note 19.)	-	83,300

The loan of £98,000 in 2017 was to part fund the construction of "The Ark" extension, repayable interest free over 10 years with a gift in lieu of interest at completion. In April 2020, it was repaid in full, plus a gift of £3,000 in lieu of interest.

19. Creditors: amounts falling due within one year

	£	£	£	£
Loan (Note 18.)			-	83,300
Other taxation and social security			-	2,426
Other creditors	1,033		1,033	213
Trade creditors and accruals	8,563		8,563	6,009
	9,596	-	9,596	91,948

20. Group Activities (Designated Funds only)

	Income £	Designated Expenditure £	TOTAL £	2019 £
Luncheon Club	2,382	1,819	563	10
Mid Week Meeting	1,157	1,186	(29)	(95)
Christians Against Torture	40	399	(359)	(25)
	3,579	3,404	175	(110)
less gifts to Church (deemed as internal transactions)		(200)	200	1,300
	3,579	3,204	375	1,190

The activities of Groups are considered to be integral to the activities of the Church for local outreach.

	Bank Balance / Reserves £	2019 £
Luncheon Club	3,289	2,726
Mid Week Meeting	609	638
Christians Against Torture	40	399
	3,938	3,763

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

21. Analysis of Net Assets Between Funds

	Unrestricted	Restricted	TOTAL	2019
	£	£	£	£
Tangible Net Assets	4,021,475	697,340	4,718,815	4,697,607
Investments	210,134		210,134	210,134
Bank	107,104	7,788	114,892	379,615
Other net current assets	186,963		186,963	29,903
	4,525,676	705,128	5,230,804	5,317,259

22. Movement in Unrestricted Funds

Unrestricted Funds	01/01/2020	Incoming Resources	Resources Expended	Transfers	31/12/2020
	£	£	£	£	£
General	4,358,725	186,808	(278,857)	168,387	4,435,063
	4,358,725	186,808	(278,857)	168,387	4,435,063

Designated Funds	01/01/2020	Incoming Resources	Resources Expended	Transfers	31/12/2020
	£	£	£	£	£
Group Activities	3,763	3,579	(3,204)	(200)	3,938
Legacy	325,000	249		(238,574)	86,675
	328,763	3,828	(3,204)	(238,774)	90,613

Total Unrestricted Funds	01/01/2020	Incoming Resources	Resources Expended	Transfers	31/12/2020
	£	£	£	£	£
	4,687,488	190,636	(282,061)	(70,387)	4,525,676

Comparative figures for 2019 are in Note 27.

Description of funds

Unrestricted Funds

General:

These are funds available to the Church for unrestricted use in the furtherance of its charitable aims and objectives. These funds may be revenue (income & expenditure) items or tied up in assets, e.g. the Church buildings, extensions and renovations, fixture and fittings, computer equipment.

Designated Funds

These funds outlined below have been designated by the Trustees for the purposes shown whereas, legally, they are unrestricted. For reporting purposes throughout these Financial Statements they are therefore combined together as "Unrestricted".

Groups: These Groups provide local outreach from the Church premises and have their own bank accounts administered by their officers. The Trustees have overall responsibility for the management of the Groups.
 (Note 20.)

Legacy: A substantial legacy was received in 2019, and with approval of Church members, the Trustees decided to set aside a significant portion of it to be available for future projects, yet to be determined.

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

23. Movement in Restricted Funds

Restricted Funds	01/01/2020	Incoming Resources	Resources Expended	Transfers	31/12/2020
	£	£	£	£	£
Sycamore Fund	2,823	11	(400)		2,434
Renovation & Building	626,948	8,922	(3,563)	70,387	702,694
	629,771	8,933	(3,963)	70,387	705,128

Comparative figures for 2019 are in Note 27.

Description of funds

Restricted Funds

Sycamore: This is a Restricted fund bequeathed by Doris and Burt Brewer to the Church for use in supporting members of the Church in need, and which is regularly replenished by donations at Communion Services.

Renovation and Building: This is the net value of Church property financed by funds provided for that specific purpose only. Such restricted funds have been legacies, donations and gifts, grants, loans received (plus contributions towards their repayment) and, currently, offerings for ongoing maintenance (Maintenance Fund).

Transfers between funds

In 2020 there are two separate elements:

- The portion of the legacy transferred from Unrestricted to Designated and the subsequent reverse transfer to Unrestricted in order to fund approved expenditure (see Note 22.). This expenditure may be of a revenue or capital nature (e.g. acquisition of an asset or extinguishing of a liability), both reflected in the SOFA as a total of £70,187.
- The donation of £200 from one of the Groups to the Renovation and Building Fund treated as an internal transfer, by reduction of both Group expenditure (Designated) and offerings received (Restricted) (see Note 20.).

24. Retirement Pension 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.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see table below).

At the year end there was one member of staff in the Scheme.

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

24. Retirement Pension Schemes (continued)

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

Defined Benefit (DB) Plan

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

Actuarial valuation as at 31st December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31st December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	3.50

Type of financial assumption (continued)	% pa
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70

▪ Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females, with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%..

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

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

24. Retirement Pension Schemes (continued)

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 previous Recovery Plan dated 16th December 2018 and not superseded until 30th September 2020, deficiency contributions were payable until 31st December 2028. These contributions were broadly based on the employer's membership at 31st December 2014 and increased 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 the following table.

Year ended:	31/12/2020	31/12/2019
	£	£
Balance sheet liability at year start	44,101	46,955
Minus deficiency contributions paid	(2,518)	(4,548)
Buy out of liabilities	(65,449)	
Interest cost (recognised in the SoFA)		1,073
Remaining change to balance sheet liability* (recognised in the SoFA)	23,866	621
Balance sheet liability at year end	-	44,101

* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

During the year the Trustees agreed to buy out their Pension Scheme liabilities at a cost of £65,449. The excess of this amount over the calculated Balance Sheet liability at the start of the year was £21,348, and this is recorded in the SoFA as £23,866 (including the deficiency contributions of £2,518 already paid during the year)

25. Related Parties

- (1) The Custodian Trustee of the Church is the Baptist Union Corporation Ltd, a charity (number 249635) controlled by the Baptist Union Council. The Church is also a member of the Baptist Union of Great Britain, and the South Wales Baptist Association (charity number 1102735).
- (2) The Church received a loan of £98,000 in 2017 from the Baptist Union Corporation to part fund the construction of "The Ark" extension. It is repayable interest free over 10 years with a gift in lieu of interest at completion.
It was fully repaid in April 2020. (Note 18.)
- (3) The Church made a donation of £9,500 (2019 £9,500) to Baptist Union Home Mission (Note 10.) and paid £949 in annual subscriptions to the Baptist Union (2019 £879).
- (4) The Church paid £570 in annual subscriptions to the South Wales Baptist Association
- (5) The Church made donations to the following affiliated Baptist organisations: (Note 10.)
Baptist Missionary Society World Mission £10,500 (2019 £10,500)
South Wales Baptist College £2,500 (2019 £2,500)
- (6) Rev N Dickerson and Rev G Russell-Jones (Ministers) are Trustees. Details of remuneration etc are in Note 11.

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

25. Related Parties (continued)

(7) Mrs Alyson Burnell, Ark Manager, is the wife of Mr Paul Burnell, a Trustee. During the year she received a total salary of £8,523 (2019 £1,423 (2 months)).

(8) Break Every Chain Productions, a media company run by Ms Helen Capelin, a Trustee, was paid £2,079 (2019 nil) during the year to provide post-production facilities for online Sunday services.

No amounts were outstanding during the current or prior year regarding the transactions above, apart from the Baptist Union Corporation loan (in 2019 only).

26. Post Balance Sheet Event

The impact of the Covid-19 pandemic during the year and for 2021 is described in the Trustees' Annual Report. The Trustees believe that the reserves of the Church are sufficient to meet the demands of this exceptional situation.

27. COMPARATIVE STATEMENT OF MOVEMENT IN FUNDS
YEAR ENDED 31st DECEMBER 2019

Movement in Funds

Unrestricted Funds	01/01/2019	Incoming Resources	Resources Expended	Transfers	31/12/2019
	£	£	£	£	£
General	2,631,908	770,631	(252,478)	(325,000)	2,825,061
Revaluation		1,533,664			1,533,664
	2,631,908	2,304,295	(252,478)	(325,000)	4,358,725

Designated Funds	01/01/2019	Incoming Resources	Resources Expended	Transfers	31/12/2019
	£	£	£	£	£
Group Activities	3,873	13,115	(11,925)	(1,300)	3,763
Legacy				325,000	325,000
	3,873	13,115	(11,925)	323,700	328,763

Total Unrestricted Funds	01/01/2019	Incoming Resources	Resources Expended	Transfers	31/12/2019
	2,635,781	2,317,410	(264,403)	(1,300)	4,687,488

Restricted Funds	01/01/2019	Incoming Resources	Resources Expended	Transfers	31/12/2019
	£	£	£	£	£
Sycamore Fund	3,995	555	(1,727)		2,823
Renovation & Building	363,652	8,974		1,300	373,926
Revaluation		253,022			253,022
	367,647	262,551	(1,727)	1,300	629,771

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31st DECEMBER 2020

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31st DECEMBER 2019

	Unrestricted	Restricted	TOTAL	2018
	£	£	£	£
Income				
Donations & Legacies	708,024	9,529	717,553	154,675
Charitable Activities	62,822		62,822	46,640
Investment Income	12,900		12,900	12,900
Total Income	783,746	9,529	793,275	214,215
Expenditure				
Raising Funds	680		680	430
Charitable Activities	263,102	1,727	264,829	232,464
Total Expenditure	263,782	1,727	265,509	232,894
Net income /(expenditure) for the year	519,964	7,802	527,766	(18,679)
Other recognised gains / (losses)				
Surplus on revaluation of assets	1,533,664	253,022	1,786,686	
Actuarial gains / (losses) on defined benefit	(621)		(621)	33,195
	2,053,007	260,824	2,313,831	14,516
Transfers between funds	(1,300)	1,300		
Net Movement in Funds	2,051,707	262,124	2,313,831	14,516
Reconciliation of Funds				
Total Funds brought forward	2,635,781	367,647	3,003,428	2,988,912
Total Funds carried forward	4,687,488	629,771	5,317,259	3,003,428