

Charity registration number: 1132808

ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES &
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

ARARAT BAPTIST CHURCH
YEAR ENDED 31 DECEMBER 2022

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**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The trustees present their report and accounts 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 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 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.

OBJECTIVES AND ACTIVITIES

Objective 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 a trust which is entirely compatible with the above objectives. Ararat is committed to enabling as many people as possible to worship at the Church and to become part of the Fellowship. Services and worship put faith into practice through prayer, scripture, music and participating in Holy Communion (Eucharist). Ararat aims to provide a facility where Christians, or those who wish to know more about the Christian faith, can come together to worship and learn and have fellowship together, and also to provide a community facility open to everyone – whether locally from Whitchurch or further afield.

Public Benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities should be undertaken by the Church and, in particular, the specific guidance for the advancement of religion for the public benefit. The community facilities at Ararat are widely used by the local community, external organisations, support groups, fitness and exercise classes. The new extension, now named the Ark, was funded and built with the aim of providing improved facilities for community use, and somewhere in the region of 1,000 people visit each week. The public in general can benefit from the facilities as a meeting place in a friendly and supportive environment. There are no restrictions on anyone attending the Church or community activities and a warm welcome is given to all visitors and friends. Welcoming, companionship and support has been available to those who are lonely and isolated in the community, thereby helping to tackle some of the challenges of lockdown: the wellbeing and mental health of many individuals (some of whom had no contact with Ararat previously) has been helped and improved in this way.

**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

ACHIEVEMENTS AND PERFORMANCE

Rev. Gethin Russell-Jones, the church minister, is supported in the governance of the Church by the Trustees. Since the global pandemic, Ararat has discovered new ways of reaching out to the community using electronic means. Services and meetings are regularly broadcast on Zoom, YouTube and by creating podcasts. The Trustees also meet on "Zoom" for strategic planning once a month.

Ararat provides a range of family activities throughout the week. These range from a dynamic Sunday programme focused on faith and worship, through to five Toddler groups held on week days and attended by dozens of carers and children. Ararat also has thriving Girls and Boys Brigade companies, helping young people with their development and growth.

The Ark Café is busy, providing hospitality and friendship to hundreds of customers each week.

The Renew Wellbeing Café and Miss Tilley's Pop-Up Café.

Renew provides a quiet, safe space where "it's OK not to be OK" and with the aim of contributing to the good mental health of those who attend the sessions; Miss Tilley's is a charity working with young people who have learning difficulties and the relationship between the Church and this team is a close and loving one.

The Ark and Community Centre have gone from strength to strength, becoming a vital place of hospitality and friendship for many hundreds of people.

FINANCIAL REVIEW

2022 was a more usual year as the Church recovered strongly from the Covid-19 pandemic and income was back at its former level without any exceptional receipts from legacies or major donations.

Expenditure slightly exceeded income by a little over £17,000.

Total Charity Funds rose significantly however. The Church's insurer provided valuations which increased the values of the Church buildings and contents by £700,526 and the value of the investment property by £46,161. In consequence, total Charity Funds to £6,618,826 (2021: £5,889,158).

Financial Reserves Policy

During 2021, the Trustees reviewed and amended the Financial Reserves policy to state that they considered it prudent to hold a reserve of at least £40,000 which would cover two months of essential expenditure. At the year-end, although the bank balance in the various Current Accounts was £38,787, the Trustees consider the position to be satisfactory as there was a further £85,720 held at the Kingdom Bank and £472,478 on deposit.

2019 Legacy

As at 1 January 2022, £157,934 remained unused from the £600,000 legacy received in 2019. During 2022, this balance was used to continue funding the salary of the Ark Team Leader; the auditor's fee for work on the 2021 accounts; and to buy new and more secure laptops for staff.

The legacy balance stood at £123,535 at 31 December 2022 (Note 18 on Designated Funds refers).

**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

2021 Legacy

During 2021, the Trustees were informed that a deceased member had bequeathed £350,000 to the Church, of which £80,000 had been received from the solicitors by 31 December 2021. The remaining £270,000 was received in 2022 (though – correctly – recognised as income in the 2021 financial statements).

The terms of the Will express the member's wish that the legacy should be used for maintenance and building works. A small amount from this legacy was utilised on major repair works in December 2021.

At the beginning of 2022, the unused amount of this legacy was £348,766. During the year, it was drawn upon for a lighting upgrade, repairs to the Church and the investment property, and for professional fees.

The legacy balance stood at £336,593 at 31 December 2022 (note 16 on Restricted Funds refers).

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. Having assessed the risks, the Trustees are satisfied that systems are in place to mitigate exposure to the major ones. Internal control risks are minimised by the implementation of procedures for all transactions and projects. Procedures are also in place to ensure compliance with the health and safety of staff, volunteers and visitors to the Church, Community Centre and the Church Café.

PLANS FOR FUTURE PERIODS

Going Forward

The next two years are likely to be exciting in the life and witness of Ararat.

Having consulted with Church members, the Sanctuary will start to be remodelled during 2023. This will see the downstairs pews being removed and replaced by a much more flexible seating arrangement allowing the space to be used in different and more creative ways. Adaptations to the Sanctuary will make it a worship space for both Ararat and the community more suitable for both current and future generations. They will also allow the Church to extend its heart into the wider community and welcome the community into the heart of the Church. The legacy received in 2021 will provide funds for these works and also for a professional survey of the Church roof which is beginning to show signs of its age, having been an original part of the current building since it opened in 1915.

We will also recruit an Operations Manager who will take responsibility for all matters relating to the financial and general administration of the large and complex entity which Ararat has now become.

In 2024, the 200th Anniversary of Ararat's establishment will be celebrated, and the Trustees are prayerfully considering the ways to commemorate this. We also expect to start a programme of major building repairs, beginning with those needed on the roof.

**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 normally meet on a bi-monthly basis and are responsible for the strategic direction of the Church, although delegated authority is given to the Ministers and Church Secretary to take decisions. When appropriate, the specialist expertise of Church members and friends is also utilised to assist in decision-making, e.g. building matters, safeguarding, finance. Shortly after their meetings, the Trustees report to the Church members' meeting each month (except August and December).

Baptism by immersion upon personal profession of faith is the normal mode of entry into the membership of a Baptist church, although anyone seeking membership who has not been baptised in the manner described in the Baptist Union of Great Britain's Declaration of Principle may, at the discretion of a 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 working by consensus is the preferred option.

The Finance Team consists of volunteers who are 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 the Annual Financial Statements. These are reviewed and approved by the Trustees and presented for acceptance by Church members at the Annual General Meeting. The Trustees review the salaries of staff on an annual basis (without the presence of any member of staff or interested party). When determining ministers' salaries, the Trustees give consideration to the Baptist Union's guidelines: employees are paid above the National Living Wage.

**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number
1132808

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

Trustees as at 31 December 2022

Rev G Russell-Jones (Minister)
Mrs S Conway (Secretary)
Mrs C Higgins (Deacon)
Mr H Carey – Resigned 31/12/2022
Mrs H Evans - Resigned 31/12/2022
Mrs J Lewis - Resigned 31/12/2022
Mrs S Rees - Resigned 31/12/2022
Mr G Witts - Resigned 31/12/2022
Mr V Williams – Appointed 1/12/2023
Ms J Porter – Appointed 1/12/2023
Ms R Scott – Appointed 1/12/2023
Ms J Gibbs – Appointed 1/12/2023

Mr P Burnell (Deacon)

Property Trustees

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

Bankers

The Co-operative Bank plc, PO Box 101, Balloon Street, Manchester, M60 4EP6

Independent Examiners

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

**ARARAT BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees' Responsibilities in Relation to the Financial Statements

The trustees are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees 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.

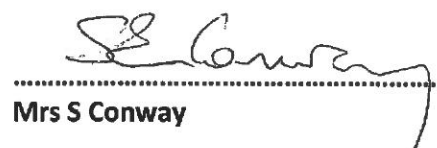
The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Executive Board of the Trustees on14.01.24..... and signed on their behalf by:

Signed:


.....
Rev T G Russell-Jones


.....
Mrs S Conway

**INDEPENDENT EXAMINERS REPORT
TO THE TRUSTEES OF ARARAT BAPTIST CHURCH**

I report to the trustees on my examination of the financial statements of Ararat Baptist Church (the charity) for the year ended 31 December 2022.

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Responsibilities and basis of report

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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

Claire Thompson FCCA DChA
Independent Examiner
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Claire Thompson

Date *16-1-2024*

ARARAT BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	2	124,599	6,542	131,141	495,508
Charitable activities	3	94,848	-	94,848	63,435
Investments	4	14,179	455	14,634	13,239
Other income	5	1,000	-	1,000	12,544
Total income and endowments		234,626	6,997	241,623	584,726
Expenditure on:					
Charitable activities	6	243,892	14,750	258,642	268,684
Total expenditure		243,892	14,750	258,642	268,684
Net income/(expenditure)		(9,266)	(7,753)	(17,019)	316,042
Other recognised gains/(losses):					
Gains/(losses) on revaluation of fixed assets		700,526	-	700,526	315,401
Gains/(losses) on revaluation of investment assets		46,161	-	46,161	26,911
Net movement in funds		737,421	(7,753)	729,668	658,354
Reconciliation of Funds					
Total funds brought forward	16,17	5,527,804	361,354	5,889,158	5,230,804
Total funds carried forward	17,19	6,265,225	353,601	6,618,826	5,889,158

All incoming resources and resources expended derive from continuing activities

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

The notes on pages 13 - 32 form part of the Financial Statements

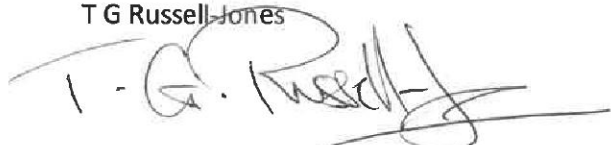
ARARAT BAPTIST CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets:					
Tangible fixed assets	11		5,741,605		5,040,567
Investments	12		<u>285,169</u>		<u>239,395</u>
			6,026,774		5,279,962
Current assets:					
Stocks		978		411	
Debtors & prepayments	13	6,733		272,337	
Cash at bank and in hand		<u>597,101</u>		<u>357,156</u>	
		604,812		629,904	
Liabilities:					
Creditors: Amounts falling due within one year	15	<u>(12,760)</u>		<u>(20,708)</u>	
Net assets			592,052		609,196
Net current assets			<u>6,618,826</u>		<u>5,889,158</u>
The funds of the charity:					
Restricted income funds	16		353,601		361,354
Unrestricted funds:					
General funds	17	6,024,684		5,262,074	
Designated funds	18	<u>240,541</u>		<u>265,730</u>	
			<u>6,265,225</u>		<u>5,527,804</u>
Total charity funds			<u>6,618,826</u>		<u>5,889,158</u>

The financial statements were approved by the Trustees on 14.01.24

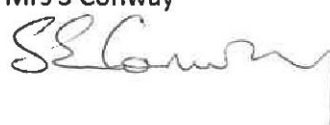
Trustee

T G Russell-Jones



Trustee

Mrs S Conway



The notes on pages 13-20 form part of the Financial Statements

**ARARAT BAPTIST CHURCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2016 £	2015 £
Net cash provided by/(used in) operating activities		<u>993,243</u>	<u>595,754</u>
<i>Cash flows from investing activities:</i>			
Purchase and revaluation of fixed and investment assets		<u>(753,396)</u>	<u>(353,490)</u>
Net cash provided by (used in) investing activities		<u>(753,396)</u>	<u>(353,490)</u>
Change in cash and cash equivalents in the reporting period		239,847	242,264
Cash and cash equivalents at the beginning of the reporting period		357,256	114,892
Cash and cash equivalents at the end of the reporting period		<u>597,103</u>	<u>357,156</u>

**ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

**ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
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(c) Income Tax recoverable on donations under Gift Aid is recognised only when it has been received from HMRC.

(d) Legacies are recognised either 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, or conditions are attached which have not been fulfilled, the legacy is treated as a contingent asset.

(e) Government grants, e.g. Furlough grants, are recognised only when they have been received.

(f) 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.

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.

**ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

The insurance values at the annual renewal are adopted if the changes on the previous year are deemed to be material.

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.

The insurance values at the annual renewal are adopted if the changes on the previous year are deemed to be material.

1.12 Stocks

Stocks of unsold catering supplies in The Ark are valued at cost.

**ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.13 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 of £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.

The insurance values at the annual renewal are adopted if the changes on the previous year are deemed to be material.

1.14 Taxation

The Church is exempt from tax on its charitable activities.

1.15 Fund accounting

Unrestricted "General" 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.

1.16 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.

1.17 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
FOR THE YEAR ENDED 31 DECEMBER 2022

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Offerings	83,456	4,191	87,647	96,535
Tax refunds	27,019	1,411	28,430	19,542
Donations	14,124	940	15,064	14,343
Legacies	-	-	-	365,088
	<u>124,599</u>	<u>6,542</u>	<u>131,141</u>	<u>495,508</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Local Mission Events	1,522	-	1,522	676
Children & Families' Ministry	9,603	-	9,603	6,009
Community Centre – room hire	26,414	-	26,414	12,750
Income from The Ark (incl Renew)	50,099	-	50,099	27,321
Fees for weddings and funerals	3,155	-	3,155	4,165
Group activities (see note 20)	3,290	-	3,290	2,385
Secondment income	675	-	675	9,900
Other charitable income	90	-	90	229
	<u>94,848</u>	<u>-</u>	<u>94,848</u>	<u>63,435</u>

4. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Rent received	13,284	-	13,284	13,186
Bank interest	895	455	1,350	53
	<u>14,179</u>	<u>455</u>	<u>14,634</u>	<u>13,239</u>

ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. INCOME FROM OTHER SOURCES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grants	1,000	-	1,000	12,544
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>12,544</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Ministerial	56,099	-	56,099	96,712
Mission	89,854	58	89,912	84,740
Group activities (note 20)	2,320	-	2,320	1,954
Donations/grants (note 10)	22,500	-	22,500	22,500
Establishment	28,762	9,763	38,525	24,939
Maintaining investment	1,697	2,775	4,472	1,204
Miscellaneous	1,375	-	1,375	214
	<u>202,607</u>	<u>12,596</u>	<u>215,203</u>	<u>232,263</u>
Support and governance (Note 9)	<u>41,285</u>	<u>2,154</u>	<u>43,439</u>	<u>36,421</u>
	<u>243,892</u>	<u>14,750</u>	<u>258,642</u>	<u>268,684</u>

7. SUPPORT COSTS

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Staffing	11,617	-	11,617	11,666
Telephone & IT	9,834	904	10,738	4,604
Postage & stationery	1,457	-	1,457	809
Leases, licences & subscriptions	4,899	-	4,899	5,988
Equipment & sundry costs	5,498	316	5,814	4,877
Depreciation	5,266	934	6,200	2,477
Finance costs	14	-	14	-
	<u>38,585</u>	<u>2,154</u>	<u>40,739</u>	<u>30,421</u>

Governance costs

Audit/Independent Examination	2,700	-	2,700	6,000
	<u>2,700</u>	<u>-</u>	<u>2,700</u>	<u>6,000</u>

**ARARAT BAPTIST CHURCH
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8. DONATIONS/GRANTS

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
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
	<u>22,500</u>	<u>-</u>	<u>22,500</u>	<u>22,500</u>

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022 £	2021 £
Wages & salaries	105,087	125,392
Social security costs	2,760	7,157
Pension costs	7,527	10,262
	<u>115,374</u>	<u>142,811</u>

Rev N Dickerson and Rev G Russell-Jones (Trustees) received remuneration (including gross salary, employer's national insurance and employer's pension contributions) totalling £51,465 (2021 £96,712) for their services as Ministers during the year. During January, to the time of her resignation late that month, Rev Naomi Dickerson was seconded part-time to the South Wales Baptist Association to develop Renew Wellbeing Cymru: £675 was received as income for the secondment (2021 £9,900).

The key management personnel comprise the Trustees and the Ministers.

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

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

During the year, £16,715 was received in donations from 9 Trustees and related parties (2021 £13,589 from 10 Trustees and related parties).

Pension

Pension contributions are paid to Defined Benefit private pension schemes on behalf of the Ministers. The total amount paid into these schemes by the Church was £7,527 (2021 £8,867).

One staff member is in the Baptist Pension Scheme which is a Defined Contribution scheme. The amount paid into this scheme was £1,044 (2021 £1,994).

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10. STAFF NUMBERS

The average number of employees during the year was:

	Full-time	Part-time	Total 2022	Total 2021
Ministerial	1	-	1	2
Mission	1	3	4	2
Establishment	-	1	1	1
Support	-	-	-	1
	<u>2</u>	<u>4</u>	<u>6</u>	<u>6</u>

ARARAT BAPTIST CHURCH
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11. TANGIBLE FIXED ASSETS

	Church property (excluding investment property)	Unrestricted Fixtures, Fittings, Equipment & Plant	Total Unrestricted	Restricted	Total
	£	£	£	£	£
Cost					
At 1 January 2022	4,859,746	184,680	5,044,426	-	5,044,426
Additions	-	1,111	1,111	5,600	6,711
Revaluation gain	684,442	16,085	700,527	-	700,527
At 31 December 2022	<u>5,544,188</u>	<u>201,876</u>	<u>5,746,064</u>	<u>5,600</u>	<u>5,751,664</u>
Depreciation					
At 1 January 2022	-	3,859	3,859	-	3,859
Charge for year	-	5,266	5,266	934	6,200
At 31 December 2022	<u>-</u>	<u>9,125</u>	<u>9,125</u>	<u>934</u>	<u>10,059</u>
Net Book Value					
31 December 2022	<u>5,544,188</u>	<u>192,751</u>	<u>5,736,939</u>	<u>4,666</u>	<u>5,741,605</u>
31 December 2021	<u>4,859,746</u>	<u>180,821</u>	<u>5,040,567</u>	<u>-</u>	<u>5,040,567</u>

Accounting policy 1.11 states that property is shown at insurance valuation.

The insurance valuation for buildings at 31 December 2022 was £5,544,188 which represents a revaluation gain of £684,442 during the year.

The insurance value for contents at 31 December 2022 was £206,496 which created a revaluation gain of £16,085 during the year in relation to the Net Book Values of furniture, fittings, equipment and plant. Reductions were then made to reflect the post-balance sheet disposal of the downstairs pews when the remodelling of the Sanctuary began in May 2023 (see note 27) and for some low-value acquisitions which were deemed to be revenue items.

**ARARAT BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
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12. INVESTMENTS

	Property £	Fixtures, fittings, equipment & plant (included in property) £	Total £
Cost			
At 1 December 2022	237,045	2,350	239,395
Revaluation gain	46,161	-	46,161
At 31 December 2022	<u>283,206</u>	<u>2,350</u>	<u>285,556</u>
Depreciation			
At 1 December 2022	-	-	-
Charge for the year	-	387	387
At 31 December 2022	<u>-</u>	<u>387</u>	<u>387</u>
Net book value			
At 31 December 2022	<u>283,206</u>	<u>1,963</u>	<u>285,169</u>
At 31 December 2021	<u>237,045</u>	<u>2,350</u>	<u>239,395</u>

The investment consists of a property, the former manse at Plas Treoda, let for rental as two flats.

The insurance valuation for the buildings at 31st December 2022 was £283,206 which represented a revaluation gain of £46,161 during the year.

13. DEBTORS

	2022 £	2021 £
Trade debtors	1,454	1,743
Other debtors	-	270,000
Accrued income	4,483	-
Prepayments	796	594
	<u>6,733</u>	<u>272,337</u>

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14. BANK BALANCES

	2022	2021
	£	£
Petty cash	116	139
Current Accounts	38,787	24,698
Deposit Reserve Accounts	558,198	332,319
	<u>597,101</u>	<u>357,156</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other taxation and social security	1,845	2,690
Other creditors	902	1,034
Trade creditors and accruals	10,013	16,984
	<u>12,760</u>	<u>20,708</u>

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16. RESTRICTED FUNDS

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Sycamore fund	1,970	440	(58)	2,352
Renovation & building	359,384	6,557	(14,692)	351,249
	<u>361,354</u>	<u>6,997</u>	<u>(14,750)</u>	<u>353,601</u>

Sycamore

This is a Restricted Fund bequeathed by Doris and Bert 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 & buildings

This is the net value of Church property financed by funds provided for that specific purpose only. Such restricted funds in previous years have been legacies, donations and gifts, grants, loans received (plus contributions towards their repayment). In 2022, Restricted Funds comprised the 2021 legacy (£336,593 remaining at 31 December) as well as offerings for ongoing maintenance (Maintenance Fund).

Previous year

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Sycamore fund	2,434	236	(700)	-	1,970
Renovation & building	5,354	357,281	(3,171)	(80)	359,384
	<u>7,788</u>	<u>357,517</u>	<u>(3,871)</u>	<u>(80)</u>	<u>361,354</u>

ARARAT BAPTIST CHURCH
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17. UNRESTRICTED FUNDS

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
General funds	5,262,074	926,522	(163,912)	6,024,684
Designated funds	265,730	54,791	(79,980)	240,541
	<u>5,527,804</u>	<u>981,313</u>	<u>(243,892)</u>	<u>6,265,225</u>

Description of Funds

Unrestricted Funds

General:

These are funds available to the Church for unrestricted use in furtherance of its charitable aims and objectives. These funds may be revenue (income and expenditure) or tied up in assets eg the Church buildings, extensions and renovations, fixtures and fittings, plant and computer/audio visual equipment.

Designated Fund (note 18 also refers):

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".

Previous year - Balances Highlighted have been restated.

	At 1 January 2021	Income	Expenditure	Transfers	At 31 December 2021
	£	£	£	£	£
General fund	5,115,687	562,084	(262,859)	(152,838)	5,262,074
Designated funds	107,329	7,437	(1,954)	152,918	265,730
	<u>5,223,016</u>	<u>569,521</u>	<u>(264,813)</u>	<u>80</u>	<u>5,527,804</u>

ARARAT BAPTIST CHURCH
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18. DESIGNATED FUNDS

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Group activities	1,080	2,798	(2,889)	989
Legacy incl Kingdom Bank	242,934	894	(34,573)	209,255
Donations for Youth Worker	5,000	-	-	5,000
Ark including Asda grant	16,716	51,099	(42,518)	25,297
	<u>265,730</u>	<u>54,791</u>	<u>(79,980)</u>	<u>240,541</u>

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

Legacy - A substantial legacy (referred to as the 'Williams' 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. £123,535 remained at 31 December 2022.

Kingdom Bank - £85,000 is held as a long-term reserve. The account balance stood at £85,720 at 31 December 2022).

Youth Worker - A donation was received during 2021 to assist with the costs of employing a Youth Worker.

The Ark - The café, open six days a week, which welcomes the general public and is used for community activities.

Previous year

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Group activities	3,938	2,385	(1,954)	(3,289)	1,080
Legacy incl Kingdom Bank	86,675	52	-	156,207	242,934
Donations for Youth Worker	-	5,000	-	-	5,000
Ark	16,716	-	-	-	16,716
	<u>107,329</u>	<u>7,437</u>	<u>(1,954)</u>	<u>152,918</u>	<u>265,730</u>

The activities of groups are considered to be integral to the activities of the Church for local outreach. (The Luncheon Club was merged with the Ark back in June 2021).

**ARARAT BAPTIST CHURCH
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19. ANALYSIS OF BALANCE SHEET

	Unrestricted £	Restricted £	Total £
Tangible Net Assets	5,736,938	4,666	5,741,604
Investments	285,169	-	285,169
Bank	248,166	348,935	597,101
Net current liabilities	(5,048)	-	(5,048)
	<u>6,265,225</u>	<u>353,601</u>	<u>6,618,826</u>

Previous year

	Unrestricted £	Restricted £	Total £
Tangible Net Assets	5,040,567	-	5,040,567
Investments	239,395	-	239,395
Bank	265,802	91,354	357,156
Net current liabilities	(17,960)	270,000	252,040
	<u>5,527,804</u>	<u>361,354</u>	<u>5,889,158</u>

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20. RETIREMENT PENSION SCHEMES

The Church is an employer participating in a Defined Contribution pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Baptist Pension Trust Limited as Pension Trustee.

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.

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.

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 Statement Of Financial Activities in the year are contributions towards benefits and expenses accrued in that year.

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

Defined Benefit Plan

Benefits in respect of service prior to 1st January 2012 were provided through the Defined Benefit Plan within the Scheme: it was closed to future accrual of defined benefits on 31st December 2011.

In 2020 the Trustees agreed to buy out their Pension Scheme liabilities in the Defined Benefit Scheme at a cost of £65,449. The excess of this amount over the calculated Balance Sheet liability at the start of the year (£44,101) was £21,348, and this was recorded in the Statement of Financial Activities as £23,866 (including the deficiency contributions of £2,518 already paid during the year)

Private Pension Schemes

The two Ministers have their own Defined Contribution private pension schemes into which they and the Church make monthly contributions.

**ARARAT BAPTIST CHURCH
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21. 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 made a donation of £9,500 (2021 £9,500) to Baptist Union Home Mission (Note 10.) and paid £838 in annual subscriptions to the Baptist Union (2021 £817).
3. The Church paid £513 in annual subscriptions to the South Wales Baptist Association (2021: £516).
4. The Church made donations to the following affiliated Baptist organisations: (Note 10.) Baptist Missionary Society World Mission £10,500 (2021 £10,500) Baptist Missionary Society World Mission £500 from the Church Harvest Collection South Wales Baptist College £2,500 (2021 £2,500)
5. Rev N Dickerson and Rev G Russell-Jones (Minister) is a Trustee, as was Rev N Dickerson until the time of her resignation in January. Details of remuneration etc are in Note 11.
6. Mrs Alyson Burnell, former Ark Manager until her resignation in January 2023, is the wife of Mr Paul Burnell, a Trustee. During the year she received a total salary of £11,632 (2021: £10,637)
7. In the year, 6 Trustees and related parties (2021 - 5) received a total of £770 (2021 - £1,101) for services at weddings and funerals.

No amounts were outstanding during the current or prior year regarding the transactions above.

**ARARAT BAPTIST CHURCH
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22. POST BALANCE SHEET EVENTS

In February 2023, a structural survey was commissioned. The Surveyor's report was received in July. While the original building is around 100 years old now, it is largely in good structural order. The Surveyor recommended a programme of repairs and Trustees expect these to be completed over the next two years. The main and earliest works will be to replace parts of the roof, upgrade the structures for rainwater dispersal, and replace defective rendering on the parapet work. Later works will address repairs to the Hall and Ark once the source of water ingress has been investigated. There will also be improvements to heating, ventilation and insulation. The Surveyor estimated a total cost in the region of £150,000 and this will be covered by the two major legacies received in recent years.

In May 2023, the first phase of the Sanctuary remodelling was done. All of the downstairs pews were removed and replaced by new stackable chairs. This enables the space to be used more flexibly and allow for a much greater variety of events, many of them income-generating. The cost for this first phase was in the region of £27,000 and met from one of the legacies. An adjustment has been made to reduce the Net Book Value of Church furniture by £4,500 given the Trustees decision to remove the downstairs pews which were found to have no resale value.

In the Autumn of 2023, other immediate repair works were identified: £12,000 of electrical works following an inspection and £15,000 to repair the lift in the Centre.

23. CONTINGENT ASSET

A leasehold property at Blandon Way, Whitchurch was bequeathed in Trust to the Church in June 1999, on condition that the property would pass to the Church only when it became vacant following the named current tenant, who is still in residence. The lease of the property expires in 2078.

24. CONTINGENT LIABILITY

The original church building is around 100 years old. A structural survey was undertaken by a specialist surveyor in the Spring of 2023 and the report advised a programme of renovations with an estimated cost of £150,000, including a contingency. The most significant work entails repairs to the church roof and the Trustees intend to have this carried out during 2024 by utilising legacy funds.

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25. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	729,668	658,354
<i>Adjustments for:</i>		
Depreciation charges	6,587	2,477
(Increase)/decrease in stocks	668	411
(Increase)/decrease in debtors	265,604	75,778
Increase/(decrease) in creditors	7,948	11,112
Net cash provided by/(used in) operating activities	993,243	595,754
Analysis of Cash and Cash Equivalents		
Cash in hand	597,101	357,156
Total Cash and Cash Equivalents	597,101	357,156

26. OPERATING LEASES

	Unrestricted	Restricted	Total	2021
	£	£	£	£
The following operating leases were in existence at the year end				
Due in less than 1 year	2,271	-	2,271	2,271
Due in 2 -5 years	4,085	-	4,085	6,156
	6,156	-	6,156	8,427

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27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2021)

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and endowments from:			
Donations and legacies	137,992	357,516	495,508
Charitable activities	63,435	-	63,435
Investments	13,238	1	13,239
Other income	12,544	-	12,544
Total income and endowments	227,209	357,517	584,726
Expenditure on:			
Charitable activities	264,813	3,871	268,684
Total expenditure	264,813	3,871	268,684
Net income/(expenditure)	(37,604)	353,646	316,042
Transfers between funds	80	(80)	-
Other recognised gains/(losses):			
Gains/(losses) on revaluation of fixed assets	315,401	-	315,401
Gains/(losses) on revaluation of investment assets	26,911	-	26,911
Net movement in funds	304,788	353,566	658,354
Reconciliation of Funds			
Total funds brought forward	5,223,016	7,788	5,230,804
Total funds carried forward	5,527,804	361,354	5,889,158