

FRIMLEY BAPTIST CHURCH

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2020

Charity registration 1132849

Frimley Baptist Church, Balmoral Drive,
Frimley Camberley, Surrey. GU16 5AR

www.fbc.org.uk

FRIMLEY BAPTIST CHURCH

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FRIMLEY BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

For the year ended 31st December 2020

The Trustees are pleased to submit their Annual Report.

Constitution

Frimley Baptist Church (the Church) was constituted as a charity in its own right in 2009. The charity number is 1132849.

A written constitution which follows the Baptist Union format sets out the principles by which the Church is organised and managed. A separate trust deed contains provisions governing the church building.

Minister, Elders and Deacons (Trustees)

The Church is managed by its Minister, Elders and Deacons who act in the capacity of Trustees. The Minister, Elders and Deacons are appointed by the members of the Church in accordance with the constitution.

Minister

Rev Glyn Thomas

Elders

Pete Carlisle (ended 16 September 2020)

Deacons

Derek Witt

John Bragg

Barbara Sharp

Malcolm Wood

Duncan Matheson

Margie Maxfield

Rachel Bevan (started 16 September 2020)

Naomi Waite (started 16 September 2020)

David Day (started 16 September 2020)

Paid Staff

Minister

Rev Glyn Thomas

Bursar

Fiona Mapperley

Youth Worker

Stephen Fenwick

Church Administrator

Jo Hayes (appointed 6 January 2020)

FRIMLEY BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

For the year ended 31st December 2020

Objectives and Activities of the Church

The Church has continued its ministry of proclaiming the truth of the Gospel to the local area.

In a normal year, the Church runs some 40 activities covering a full spectrum of ages. These are open to all and provided either free of charge or for a small, nominal charge.

During 2020 both patterns of worship and the activities of the church were severely impacted by the Covid-19 pandemic. Services changed from three meetings each Sunday to one service, delivered via YouTube.

Two complete sets of lockdown were experienced across the UK in 2020 and during those times there was no opportunity for people to come together in worship at the church. After each lockdown, and in accordance with UK government guidelines and Baptist Union advice, the church was able to open its doors in a Covid-safe manner to permit people to watch the televised service at 10:30 in a socially-distanced way by booking limited, available, seating. These activities were underpinned by extensive and comprehensive Risk Assessments (which were reviewed, and subsequently approved, by the church's Ministry Team) and the physical rearrangement of church facilities to minimise the potential for any Covid-19 transmission.

Similarly, many groups were unable to meet face to face during the year from late March onwards. Some groups, particularly those focused on children and youth, were able to transition to Zoom related meetings relatively early into the lockdown periods and continued to operate in this way. Again this followed the creation of suitable Risk Assessments (which were also reviewed, and subsequently approved, by the church's Ministry Team).

Throughout, caution was the church's watch-word – balancing the needs of those who wanted to meet in person when permitted with the need to manage risk of infection or transmission of any virus.

As part of its witness to the community and within the fellowship, the church coordinated the undertaking of shopping, collection of prescriptions, and the provision of specific transport to appointments etc., to those from within the church community (and others made known to us) who were shielding under government advice.

Groups for men (The Shed) and Ladies (Women @ FBC) met throughout the year, engaging in various activities and contact with Midweek Fellowship was maintained through phone calls and regular newsletters.

The Church commits to give 20% of unrestricted income to activities outside of Frimley Baptist, in addition there are regular collections for the 'Remember the Poor' fund — all of which is used to support the needy locally, nationally, and internationally. There were special collections for a School Project in Uganda (December) and for FBC's supported missionaries.

[A full report of the Church's activities can be found in the Church's Annual Report 2020 presented at the Annual Church Members' Meeting in May 2021.]

Public Benefit

The Trustees have considered the guidance provided by the Charity Commission regarding public benefit and the work of the charity.

FRIMLEY BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

For the year ended 31st December 2020

Training of Trustees

On appointment Trustees are given an induction pack to explain the duties and responsibilities of Trustees. Where a deacon's role carries specific responsibilities, training is provided as necessary. All Trustees undergo safeguarding training and are DBS checked at the enhanced level.

Decision making process within the Charity

Decisions are taken in accordance with the framework set out in the Constitution. The decision of the Church Members' Meeting is final. Proposals for action are brought to the Church Members' Meeting and it delegates responsibility to the Ministry Team comprising the Minister, Elders and Deacons. Sub-groups of the Ministry Team are assigned to the task of evaluating options and these are discussed in full meetings of the Ministry Team. Decisions are made by the Ministry Team, if within their remit, or matters are brought to the Church Members' Meeting for discussion and voting.

Budgets are agreed annually by the Church Members' Meeting.

Expenditure is made only on approval of the budget holder and with two signatures.

Finance

The financial statements:

- have been prepared in accordance with the accounting policies set out in notes to the financial statements;
- 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("Charities SORP").

The Church is financed by members and other individuals closely associated with it. There was a surplus on general funds of £24,153. Cash has been invested with the Baptist Union and Cambridge & Counties bank on a short-term basis to earn higher rates of interest.

The Trustees give thanks to God for the timely provision of money through His people to enable the work of the church to continue.

The Church reviews the major risks to which the Church is exposed on an annual basis.

The Church has general reserves to be able to continue its ministry, these total £112,056 on 31 December 2020. The Church aims to retain about £40,000 as reserves to fulfil its obligations as an employer and to cover any unforeseen costs. Any additional funds above the reserves level are retained for future spending, and will be used when appropriate to enhance the ministry of the Church or develop the Church's premises. Reserves will be increased to ensure we meet all of our obligations.

FRIMLEY BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

For the year ended 31st December 2020

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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.

Organisations

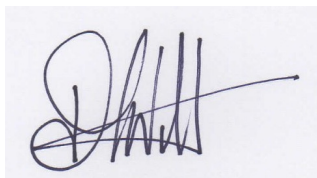
Bankers

National Westminster Bank plc
45 Park Street
Camberley
Surrey
GU15 3PA

Independent Examiner

Andrew Skilton ACA
Brewers Chartered Accountants
Bourne House
Queen Street
Gomshall
Surrey GU5 9LY

Approved by Trustees on 13 April 2021



On behalf of the Trustees
D Witt

FRIMLEY BAPTIST CHURCH

Independent Examiner's Report to the Trustees of Frimley Baptist Church

I report to the trustees on my examination of the financial statements of The Frimley Baptist Church ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

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 Act').

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

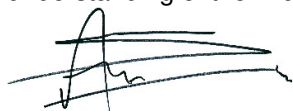
An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

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

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- 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.



Andrew Skilton, ACA
Independent Examiner
Brewers Chartered Accountants
Bourne House, Queen Street, Gomshall, Surrey, GU5 9LY

Date: 13 April 2021

FRIMLEY BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2020

	Notes	General Funds	Designated Funds	Restricted Funds	Total 2020	Total 2019
		£	£	£	£	£
INCOME AND ENDOWMENTS:						
Donations and legacies						
Offerings and donations		171,375	-	18,988	190,363	182,311
Income tax recoverable on donations		38,085	-	3,177	41,262	37,332
		209,460	-	22,165	231,625	219,643
Charitable activities						
Children and youth clubs		194	-	696	890	2,068
Popin Café		209	-	-	209	861
		403	-	696	1,099	2,929
Investments						
Interest		1,169	-	-	1,169	1,051
		1,169	-	-	1,169	1,051
TOTAL INCOME		211,032	-	22,861	233,893	223,623
EXPENDITURE:						
Charitable Activities						
Ministry	2	63,648	-	-	63,648	75,311
Mission	2	47,780	-	21,765	69,545	83,263
Church premises	3	51,093	18,879	-	69,972	42,388
Café expenses		150	-	-	150	603
Support Costs	4	24,208	-	-	24,208	31,777
TOTAL EXPENDITURE		186,879	18,879	21,765	227,523	233,342
NET INCOME / (EXPENDITURE)		24,153	(18,879)	1,096	6,370	(9,719)
TRANSFER BETWEEN FUNDS		-	3,166	(3,166)	-	-
NET MOVEMENT IN FUNDS		24,153	(15,713)	(2,070)	6,370	(9,719)
FUNDS BROUGHT FORWARD AT 1ST JANUARY 2020		87,903	500,395	4,801	593,099	602,818
FUNDS CARRIED FORWARD AT 31ST DECEMBER 2020		112,056	484,682	2,731	599,469	593,099

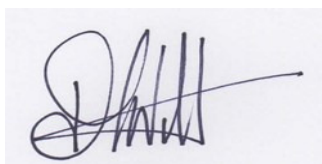
FRIMLEY BAPTIST CHURCH

BALANCE SHEET

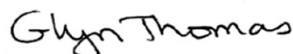
At 31st December 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		486,327		505,062
CURRENT ASSETS					
Debtors	7	10,885		9,944	
Cash at bank and in hand		<u>126,620</u>		<u>113,582</u>	
		137,505		123,526	
CREDITORS : amounts falling due within one year	8	<u>6,532</u>		<u>5,334</u>	
NET CURRENT ASSETS			<u>130,973</u>		<u>118,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			617,300		623,254
CREDITORS : amounts falling due after more than one year	9		(17,831)		(30,155)
NET ASSETS			<u>599,469</u>		<u>593,099</u>
FUNDS					
Unrestricted funds			112,056		87,903
Designated funds	10		<u>484,682</u>		<u>500,395</u>
Total unrestricted funds			596,738		588,298
Restricted funds	11		2,731		4,801
TOTAL CHARITY FUNDS			<u>599,469</u>		<u>593,099</u>

Approved by the Trustees on 13 April 2021 and signed on their behalf by:



..... D Witt



..... G Thomas

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with '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) (Second Edition)' and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following '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) (Second Edition)' rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Frimley Baptist Church meets the definition of a public benefit entity under FRS 102.

The Church holds only basic financial instruments. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate. After making enquiries, especially considering the impact of the Coronavirus pandemic, the trustees have concluded that there is a reasonable expectation that the Charity has adequate resource for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Tangible fixed assets

Fixed assets over £1,000 are capitalised.

Depreciation is provided on cost or revalued amount over the estimated useful lives of the assets. The rates

Land and buildings – freehold property	2% straight line basis
Fixtures, fittings and equipment	20% reducing balance basis

Although the freehold property has been revalued by the Trustees periodically, the Trustees do not intend to revalue the property in the future.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discount due.

VAT

Due to the nature of the Church's activities, it is outside the scope of VAT and therefore its financial activities, as stated, are VAT inclusive.

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

Gift Aid

Gift Aid is credited to the statement of financial activities in respect of all gifts receivable in the year.

Designated and Restricted Funds

The revaluation of the freehold property has been treated as a designated fund and is reduced by the annual depreciation provided.

Restricted funds relate to income subject to restriction on the use of the funds.

Income

All income, including income tax recovered on donations under Gift Aid, is credited to the Statement of Financial Activities in the year in which it arises.

Expenditure

All expenditure is accounted on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Pension Scheme

In previous years the church had paid in to the Baptist Union final salary scheme for ministers. This is a defined benefit scheme and was found to be underfunded. The deficit on this scheme has required the church to continue to pay a fixed amount of £3,695 per annum. This liability for the agreed deficit reduction payments is recognised in the accounts.

For all eligible members of staff the church pays a fixed sum into their personal pension schemes on a defined contribution basis via the NEST scheme which complies with Auto-Enrolment.

Funds

Unrestricted funds are donations and incoming resources receivable without specified purpose and are available as general funds.

Restricted funds are to be used for a specific purpose as laid down by the donor. Expenditure which meets the criteria is charged to the fund.

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2020

2. Direct Charitable Expenditure

Ministry:

	General Fund £	Restricted Funds £	Total 2020 £	Total 2019 £
Ministers' stipend and pension	28,875	-	28,875	37,349
Youth worker salary and pension	33,279	-	33,279	32,503
Expenses	463	-	463	849
Other costs	1,032	-	1,032	4,610
	<u>63,649</u>	<u>-</u>	<u>63,649</u>	<u>75,311</u>

Included in Ministers' stipend and pension is a £9,458 credit; see note 15

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Mission				
Given to other causes (see below)	36,686	21,257	57,943	68,245
Youth and children's church	3,740	508	4,248	4,619
Outreach	311	-	311	1,159
Other groups	7,043	-	7,043	9,240
	<u>47,780</u>	<u>21,765</u>	<u>69,545</u>	<u>83,263</u>

Other Causes

	2020		2019	
	Raised £	Given £	Raised £	Given £
Remember the Poor	13,310	12,361	16,205	15,248
BMS	-	10,804	-	10,404
Appeal: Christmas	8,480	8,480	6,423	6,423
Camberley Youth for Christ	-	3,500	-	3,346
Connect Christian Counselling	-	2,000	-	2,897
M & S Venning	-	7,672	-	7,647
S & A Matheson	-	3,400	-	2,700
B U (Home Mission)	-	9,147	-	9,439
Harvest Offering	-	-	3,172	3,172
Appeal: Spring	-	-	4,628	4,628
Other	1,071	579	2,313	2,341
	<u>22,861</u>	<u>57,943</u>	<u>32,741</u>	<u>68,245</u>

3. Upkeep of Church Premises

	2020 £	2019 £
Lighting and Heating (including Manse £3,120)	6,612	7,294
Cleaning	3,200	3,322
Insurances (including Manse £488)	3,486	3,451
Repairs and maintenance (including Manse £4,733)	35,644	6,423
Water rates	945	786
Depreciation	20,085	20,377
Loss on equipment scrapped	-	735.00
	<u>69,972</u>	<u>42,388</u>

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2020

4. Support Costs	2020	2019
	£	£
Office salaries and pension	14,911	21,375
Printing and stationery	2,700	2,587
Telephone	675	779
Bank charges	417	537
Other administration costs	3,273	4,291
Governance costs - independent examiner's fees	2,232	2,208
	<u>24,208</u>	<u>31,777</u>

Support costs are fully allocated to general funds and are not allocated to any restricted funds.

5. Employees and Key Management Personnel

The key management personnel of the Charity comprise of the deacons, minister and youth worker. The total amount paid for salaries, fees and expenses for these people was £65,471 (2019 - £64,217).

	2020	2019
	£	£
Wages and salaries	74,795	77,196
Social security costs	6,319	7,104
Pension costs - defined contribution	9,144	9,043
	<u>90,258</u>	<u>93,343</u>

Average number of employees	4	4
Ministry	2	2
Management and administration	2	2

No employee received remuneration in excess of £60,000.

6. Tangible Fixed Assets

	Freehold land & Buildings	Computers & other Equipment	Fixtures & Fittings	Total
	£	£	£	£
Cost				
At 1st January 2020	943,958	75,503	11,770	1,031,231
Additions	-	1,350	-	1,350
Disposals	-	-	-	-
At 31st December 2020	<u>943,958</u>	<u>76,853</u>	<u>11,770</u>	<u>1,032,581</u>
Depreciation				
At 1st January 2020	443,563	70,900	11,706	526,169
Charge for the year	18,879	1,193	13	20,085
Disposals	-	-	-	-
At 31st December 2020	<u>462,442</u>	<u>72,093</u>	<u>11,719</u>	<u>546,254</u>
NET BOOK VALUES				
At 31st December 2020	<u>481,516</u>	<u>4,760</u>	<u>51</u>	<u>486,327</u>
At 31st December 2019	<u>500,395</u>	<u>4,603</u>	<u>64</u>	<u>505,062</u>

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2020

7. Debtors	2020	2019
	£	£
Income tax recoverable	10,885	9,944
	<u>10,885</u>	<u>9,944</u>

8. Creditors: amounts falling due within one year	2020	2019
	£	£
Accruals	2,837	1,781
Pension provision	3,695	3,553
Other creditors	-	-
	<u>6,532</u>	<u>5,334</u>

9. Creditors: amounts falling due after more than one year	2020	2019
	£	£
Pension provision 2-5 years	14,780	14,212
Pension provision 5+ years	3,051	15,943
	<u>17,831</u>	<u>30,155</u>

10. Designated funds	Buildings
	£
Balance at 1st January 2020	500,395
Expenditure	18,879
Balances at 31st December 2020	<u>481,516</u>

The designated fund relates to the revaluation of the freehold property less depreciation charged to the Income & Expenditure account.

11. Restricted funds

	Balances at 1st January 2020	Income	Expenditure	Transfer between funds	Balances at 31st December 2020
	£	£	£		£
Remember the Poor	4,378	13,310	12,361	(3,166)	2,161
Appeals: Christmas	-	8,480	8,480	-	-
Holiday at Home	228	-	41	-	187
Youth Club	195	454	449	-	200
FBC Juniors	-	200	59	-	141
Bumble Bees	-	42	-	-	42
Missionary Gift Appeal	-	375	375	-	-
	<u>4,801</u>	<u>22,861</u>	<u>21,765</u>	<u>(3,166)</u>	<u>2,731</u>

A transfer from restricted to unrestricted funds has been made to correct an earlier year accounting allocation which overstated restricted income by this amount.

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2020

12. Funds by Net Assets

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fixed Assets	4,811	481,516	-	486,327
Current Assets	134,774	-	2,731	137,505
Creditors	(24,363)	-	-	(24,363)
Net Assets	<u>115,222</u>	<u>481,516</u>	<u>2,731</u>	<u>599,469</u>

13. Transactions with Deacons, Elders and connected parties.

During the year the trustees made donations to the Frimley Baptist Church of £15,390 (2019 - £17,670).

Glyn Thomas, a trustee, was paid a salary of £34,224 pension of £4,109 and expenses of £1,031 in his position of Minister of the church. Expenses relate to travel and training.
This is allowed in the Charity's constitution.

The son of Duncan Matheson works with the charity Youth With a Mission, and received a donation of £3,400 from Frimley Baptist Church in the year.

14. Commitments

At the reporting end date the church had the following minimum commitments to cover half the stipend for three years of Ministerial training which fall due as follows:

	2020 £	2019 £
Expiring in less than one year	-	3,912
Expiring in two to five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>3,912</u>

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2020

15. Pension

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 FRS102. 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 below).

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 Unum Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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

Actuarial valuation as at 31 December 2019

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

The 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.

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2020

15. Pension (continued)

The key assumptions underlying the valuation were as follows:

<u>Type of financial assumption</u>	<u>% pa</u>
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 1.0%)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70

As there are a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly, due to the nature of the Scheme, the pension costs charged to the SOFA in the year represents employer contributions payable, plus any impact of deficiency contributions (see below).

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

Recovery Plan

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

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, The Trustees and the Council agreed a 50% reduction of all deficiency contributions payable between 1 July 2020 and 31 December 2020.

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 table below.

<u>Accounting date (year ending):</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
	£	£
Balance sheet liability at year start	34,452	36,683
Minus deficiency contributions paid	(2,724)	(3,553)
Unwinding of the discount factor (interest expense)	563	838
Remaining change to balance sheet liability* (recognised in SoFA)	(10,765)	484
Balance sheet liability at year end	<u>21,526</u>	<u>34,452</u>

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

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

<u>Accounting date</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Discount rate	40.0%	1.7%
Future increases to Minimum Pensionable Income	<u>3.0%</u>	<u>3.2%</u>

FRIMLEY BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31st December 2020

16. Comparatives for the Statement of Financial Activities - year ended 31 December 2019

	General Funds	Designated Funds	Restricted Funds	Total 2019
	£	£	£	£
Income				
Donations and legacies				
Offerings and donations	153,361	-	28,950	182,311
Income tax recoverable on donations	34,829	-	2,503	37,332
	188,190	-	31,453	219,643
Charitable Activities				
Mothers, babies and toddlers	780	-	1,288	2,068
Popin Café	861	-	-	861
	1,641	-	1,288	2,929
Investment income				
Interest	1,051	-	-	1,051
	1,051	-	-	1,051
TOTAL INCOME	190,882	-	32,741	223,623
EXPENDITURE				
Charitable Activities				
Ministry	75,311	-	-	75,311
Mission	51,898	-	31,365	83,263
Church premises	23,509	18,879	-	42,388
Café expenses	603	-	-	603
Support Costs	31,777	-	-	31,777
TOTAL EXPENDITURE	183,098	18,879	31,365	233,342
NET INCOME (EXPENDITURE)	7,784	(18,879)	1,376	(9,719)
FUNDS BROUGHT FORWARD AT 1ST JANUARY 2019	80,119	519,274	3,425	602,818
FUNDS CARRIED FORWARD AT 31ST DECEMBER 2019	87,903	500,395	4,801	593,099