

FRIMLEY BAPTIST CHURCH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2021**

Charity registration 1132849

Frimley Baptist Church, Balmoral Drive,
Frimley Camberley, Surrey. GU16 9AR

www.fbc.org.uk

FRIMLEY BAPTIST CHURCH

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FRIMLEY BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

For the year ended 31st December 2021

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, Trustees and Ministry Team

During–,2021 the former Ministry Team brought a proposal for restructuring the nature of the leadership within the church separating the Ministry Team (comprising Elders and Deacons) into two groups: Trustees (focused on Spiritual oversight and legal requirements for the administration of the charity); and a Ministry Team (focused on ministry, youth, and pastoral matters). The proposal was agreed at the Annual Church Meeting and was embodied within a formally approved revision to the church's constitution (also approved at the Annual Church Meeting). The Minister, Trustees and Ministry Team members are appointed by the members of the Church in accordance with the constitution. People are eligible to hold the post of Trustee and member of the Ministry Team and limitations apply related to close family members being within the leadership (as set out in the amended constitution).

Minister, Trustee and Chairman of the Ministry Team

Rev. Glyn Thomas

Trustees

John Bragg (Chairman of the Trustees)

Derek Witt

Margaret Maxfield

Duncan Matheson (also a member of the Ministry Team Trustee representative)

(In May 2021 Derek Witt, Margaret Maxfield and John Bragg formally resigned as members of the FBC Ministry Team)

Ministry Team

Barbara Sharp

Malcolm Wood

Rachel Bevan

Naomi Waite

David Day

Paid Staff

Minister

Rev Glyn Thomas

Bursar

Fiona Mapperley

Youth Worker

Stephen Fenwick

Church Administrator

Joanna Hayes

(left 06 September 2021 and post was subsequently vacant for the rest of the year)

FRIMLEY BAPTIST CHURCH

TRUSTEES' ANNUAL REPORT

For the year ended 31st December 2021

Objectives and Activities of the Church

The Church has continued its ministry of advancing the Christian faith in word and action, both locally, nationally and around the world supporting other organisations and individuals through prayer and financially

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 2021 both patterns of worship and the activities of the church were severely impacted by the Covid-19 pandemic. Services had already changed in 2020 from three meetings each Sunday to one service, delivered via YouTube and in person (and via YouTube) when Covid restrictions and Trustee decision permitted (taking account of Government and Baptist Union advice).

These activities were underpinned by extensive and comprehensive Risk Assessments (which were reviewed, and subsequently approved, by the church's Trustees) 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 parts of the year. Some groups, particularly those focused on children and youth, were able to transition to Zoom related meetings and continued to operate in this way until later in the year when face to face meetings resumed. Again this followed the creation of suitable Risk Assessments (which were also reviewed, and subsequently approved, by the church's Trustees).

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.

Groups for men (The Shed) and Ladies (Women @ FBC) met throughout the year, engaging in various activities. The Pop-In café operated for part of the year and contact with Midweek Fellowship was maintained through phone calls, regular newsletters, and physical meetings when conditions permitted.

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 Tearfund's 'Recover Together' appeal (in June 2021) and Surrey based Christian charity, Emerge, and Open Doors (supporting their work in Afghanistan) in December 2021.

[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 2021

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 by both the Trustee group and the Ministry Team.

The Trustees retain formal legal responsibilities for the effective running of the church (the charity) and the delivery of its objectives. The Church Meeting may give directions to the Trustees, but legal responsibilities cannot be held or delegated by the Church Meeting (for example in relation to the employment of staff).

From time to time, sub-groups of the Ministry Team are convened and assigned to the task of evaluating options (within their delegated responsibilities) 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 £24,115. Cash has been invested with the 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 £140,138 on 31 December 2021. 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 2021

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

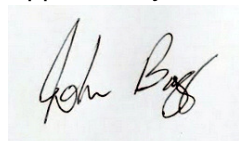
National Westminster Bank plc
45 Park Street
Camberley
Surrey
GU15 3PA

Independent Examiner

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

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Approved by Trustees on 25th April 2022



On behalf of the Trustees
J Bragg

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 2021 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: 25 April 2022

FRIMLEY BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December 2021

	Notes	General Funds	Designated Funds	Restricted Funds	Total 2021	Total 2020
		£	£	£	£	£
Income and endowments from						
Donations and legacies						
Offerings and donations		165,817	-	20,139	185,956	190,363
Income tax recoverable on donations		36,982	-	3,956	40,938	41,262
		202,799	-	24,095	226,894	231,625
Investment income						
Interest		413	-	-	413	1,169
		413	-	-	413	1,169
Charitable Activities						
Children and youth clubs		93	-	2,802	2,895	890
Popin Café		391	-	-	391	209
		484	-	2,802	3,286	1,099
Total Income		203,696	-	26,897	230,593	233,893
Expenditure						
Charitable Activities						
Ministry	2	74,924	-	-	74,924	74,561
Mission	2	49,175	-	26,428	75,603	69,545
Church premises	3	30,698	18,879	-	49,577	69,972
Café expenses		406	-	-	406	150
Support Costs	4	24,378	-	-	24,378	24,208
Total Expenditure		179,581	18,879	26,428	224,888	238,436
Net Income / (Expenditure) for the year		24,115	(18,879)	469	5,705	(4,543)
Transfer between funds		3,166	(3,166)	-	-	-
Other recognised gains / (losses)						
Actuarial gains / (losses) on defined benefit pensions schemes	15	801	-	-	801	10,913
Net Movement in Funds		28,082	(22,045)	469	6,506	6,370
Reconciliation of Funds:						
Total Funds brought forward		112,056	484,682	2,731	599,469	593,099
Total Funds carried forward		140,138	462,637	3,200	605,975	599,469

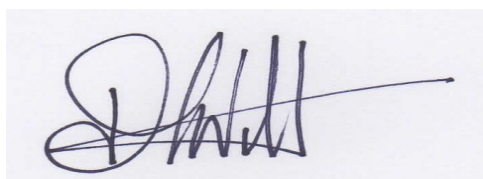
FRIMLEY BAPTIST CHURCH

BALANCE SHEET

At 31st December 2021

	Notes	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	6		472,808		486,327
Current Assets					
Debtors	7	11,375		10,885	
Bank and cash		<u>141,892</u>		<u>126,620</u>	
		153,267		137,505	
Current Liabilities					
Creditors: amounts falling due within one year	8	<u>2,800</u>		<u>2,837</u>	
Net Current Assets			<u>150,467</u>		<u>134,668</u>
Total Assets Less Current Liabilities			623,275		620,995
Net Assets excluding Pension Liability					
Defined benefit pension scheme					
Pension liability	9		(17,300)		(21,526)
Total Net Assets			<u><u>605,975</u></u>		<u><u>599,469</u></u>
Charity Funds					
Unrestricted funds			140,138		112,056
Designated funds	10		<u>462,637</u>		<u>484,682</u>
Total unrestricted funds			602,775		596,738
Restricted funds	11		3,200		2,731
Total Charity Funds			<u><u>605,975</u></u>		<u><u>599,469</u></u>

Approved by the Trustees on 25 April 2022 and signed on their behalf by:



..... D Witt



..... G Thomas

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP 2021)', 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 notes.

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.

Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations, including income tax recovered on donations, are accounted for gross when received.

Legacies are accounted for when probate has been completed, the amount of the legacy can be reliably quantified and the conditions of the legacy are within the control of the church.

Investment income is included in the accounts in the year in which it is receivable.

Expenditure recognition

All expenditure is accounted on an accruals basis. Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Support costs are those that assist the work of the church but do not directly represent charitable activities and include office costs and governance costs. A significant amount of management 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 services.

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. Accounting Policies *continued*

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.

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.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for specific purposes. The revaluation of the freehold property has been treated as a designated fund and is reduced by the annual depreciation provided.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for specific purposes. Expenditure which meets the criteria is charged to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee benefits

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.

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.

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

2. Direct Charitable Expenditure

Ministry:

	General Fund £	Restricted Funds £	Total 2021 £	Total 2020 £
Ministers' stipend and pension	39,417	-	39,417	39,787
Youth worker salary and pension	33,868	-	33,868	33,279
Expenses	1,323	-	1,323	463
Other costs	316	-	316	1,032
	<u>74,924</u>	<u>-</u>	<u>74,924</u>	<u>74,561</u>

	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Mission				
Given to other causes (see below)	41,433	23,315	64,748	57,943
Youth and children's church	3,811	3,113	6,924	4,248
Outreach	135	-	135	311
Other groups	3,796	-	3,796	7,043
	<u>49,175</u>	<u>26,428</u>	<u>75,603</u>	<u>69,545</u>

Other Causes

	2021		2020	
	Raised £	Given £	Raised £	Given £
Remember the Poor	8,190	8,868	13,310	12,361
BMS	-	10,616	-	10,804
Appeal: Christmas	8,499	8,499	8,480	8,480
Appeal: Summer	4,936	4,936	-	-
Camberley Youth for Christ	-	4,500	-	3,500
Connect Christian Counselling	-	1,000	-	2,000
M & S Vening	-	8,797	-	7,672
S & A Matheson	-	4,150	-	3,400
B U (Home Mission)	-	10,202	-	9,147
Other	5,272	3,180	1,071	579
	<u>26,897</u>	<u>64,748</u>	<u>22,861</u>	<u>57,943</u>

3. Upkeep of Church Premises

	2021 £	2020 £
Lighting and Heating	4,082	3,492
Cleaning	3,613	3,200
Insurances (including Manse £514)	3,825	3,486
Repairs and maintenance (including Manse £6,995)	13,015	35,644
Water rates	339	945
Other costs (all Manse)	3,283	3,120
Council tax, water rates and broadband		
Depreciation	<u>21,420</u>	<u>20,085</u>
	<u>49,577</u>	<u>69,972</u>

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

4. Support Costs

	2021	2020
	£	£
Office salaries and pension	11,496	14,911
Printing, stationery and IT running costs	4,484	2,700
Telephone	563	675
Bank charges	327	417
Other administration costs	4,830	3,273
Governance costs - Independent Examination fees	2,679	2,232
	<u>24,379</u>	<u>24,208</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 trustees, minister and youth worker. The aggregate remuneration paid to key management personnel during the year was £66,828 (2020 - £65,471). No trustees were remunerated for their role as trustee.

	2021	2020
	£	£
Wages and salaries	72,936	74,795
Social security costs	6,358	6,319
Pension costs - defined contribution	9,047	9,144
	<u>88,341</u>	<u>90,258</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 2021	943,958	76,853	11,770	1,032,581
Additions	-	7,901	-	7,901
Disposals	-	-	-	-
At 31st December 2021	<u>943,958</u>	<u>84,754</u>	<u>11,770</u>	<u>1,040,482</u>
Depreciation				
At 1st January 2021	462,442	72,093	11,719	546,254
Charge for the year	18,879	2,531	10	21,420
Disposals	-	-	-	-
At 31st December 2021	<u>481,321</u>	<u>74,624</u>	<u>11,729</u>	<u>567,674</u>
NET BOOK VALUES				
At 31st December 2021	<u>462,637</u>	<u>10,130</u>	<u>41</u>	<u>472,808</u>
At 31st December 2020	<u>481,516</u>	<u>4,760</u>	<u>51</u>	<u>486,327</u>

All of the fixed assets are used for direct charitable purposes.

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

7. Debtors

	2021	2020
	£	£
Accrued Income: income tax recoverable	11,375	10,885
	<u>11,375</u>	<u>10,885</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	2,800	2,837
	<u>2,800</u>	<u>2,837</u>

9. Defined benefit pension scheme liability

	2021	2020
	£	£
Pension scheme liability	17,300	21,526
Further details see note 15.		
	<u>17,300</u>	<u>21,526</u>

10. Designated funds

	Buildings
	£
Balance at 1st January 2021	481,516
Expenditure	18,879
Balances at 31st December 2021	<u>462,637</u>

The designated fund relates to the revaluation of the freehold property less depreciation charged to the Statement of Financial Activities.

11. Restricted funds

	Balances at 1st January 2021	Income	Expenditure	Transfer between funds	Balances at 31st December 2021
	£	£	£		£
Remember the Poor	2,161	8,190	8,868	-	1,483
Appeals: Christmas	-	8,499	8,499	-	-
Appeals: Summer	-	4,936	4,936	-	-
Holiday at Home	187	-	-	-	187
Youth Club	200	954	1,154	-	-
Youth	-	1,148	888	-	260
Children's Groups	42	450	310	-	182
FBC Juniors	141	250	141	-	250
Summer Camp	-	620	620	-	-
Mission donations	-	900	900	-	-
Pastoral Care	-	950	112	-	838
	<u>2,731</u>	<u>26,897</u>	<u>26,428</u>	<u>-</u>	<u>3,200</u>

FRIMLEY BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December 2021

12. Funds by Net Assets

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fixed Assets	10,171	462,637	-	472,808
Current Assets	150,067	-	3,200	153,267
Creditors	(20,100)	-	-	(20,100)
Net Assets	<u>140,138</u>	<u>462,637</u>	<u>3,200</u>	<u>605,975</u>

13. Transactions with Trustees, Elders and connected parties.

During the year the trustees made donations to the Frimley Baptist Church of £10,790 (2020 - £15,390).

Glyn Thomas, a trustee, was paid a salary of £34,897 pension of £3,815 and expenses of £737 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 £4,150 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 Camberley Youth for Christ gap year placement until July 2022.

	2021 £	2020 £
Expiring in less than one year	<u>588</u>	<u>-</u>
	<u>588</u>	<u>-</u>

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

15. Pension

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

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

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

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members 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 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.

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 charges 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).

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. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316 million, giving a deficit of £18 million (equivalent to a past service level of 94%). The church and other participating employers in the DB Plan are collectively responsible for funding this deficit.

FRIMLEY BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

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 increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75%pa)	2.95
Post retirement assumed investment returns (including benefits matched by the insurance policy)(gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

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

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

Recovery Plan

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

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

Movement in Balance Sheet liability

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

<u>Accounting date (year ending):</u>	<u>31 Dec 2021</u>	<u>31 Dec 2020</u>
	£	£
Balance sheet liability at year start	21,526	34,452
Minus deficiency contributions paid	(3,695)	(2,724)
Unwinding of the discount factor (interest expense)	270	711
Remaining change to balance sheet liability* (recognised in SoFA)	(801)	(10,913)
Balance sheet liability at year end	<u>17,300</u>	<u>21,526</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 2021</u>	<u>31 Dec 2020</u>
Discount rate	2.0%	1.4%
Future increases to Minimum Pensionable Income	<u>4.1%</u>	<u>3.2%</u>

FRIMLEY BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31st December 2021

16. Comparatives for the Statement of Financial Activities - year ended 31 December 2020

	General Funds	Designated Funds	Restricted Funds	Total 2020
	£	£	£	£
Income				
Donations and legacies				
Offerings and donations	171,375	-	18,988	190,363
Income tax recoverable on donations	38,085	-	3,177	41,262
	209,460	-	22,165	231,625
Charitable Activities				
Mothers, babies and toddlers	194	-	696	890
Popin Café	209	-	-	209
	403	-	696	1,099
Investment income				
Interest	1,169	-	-	1,169
	1,169	-	-	1,169
TOTAL INCOME	211,032	-	22,861	233,893
EXPENDITURE				
Charitable Activities				
Ministry	63,648	-	-	63,648
Mission	47,780	-	21,765	69,545
Church premises	51,093	18,879	-	69,972
Café expenses	150	-	-	150
Support Costs	24,208	-	-	24,208
TOTAL EXPENDITURE	186,879	18,879	21,765	227,523
NET INCOME (EXPENDITURE)	24,153	(18,879)	1,096	6,370
TRANSFER BETWEEN FUNDS		3,166	(3,166)	-
NET MOVEMENT IN FUNDS	24,153	(15,713)	(2,070)	6,370
FUNDS BROUGHT FORWARD AT 1ST JANUARY 2020	87,903	500,395	4,801	593,099
FUNDS CARRIED FORWARD AT 31ST DECEMBER 2020	112,056	484,682	2,731	599,469