



Horley Baptist Church

REPORT & ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

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Horley Baptist Church
Charity no 1133976

FOR THE YEAR ENDED 31st MARCH 2022

LEGAL & ADMINISTRATIVE DETAILS

ADDRESS FOR CORRESPONDENCE

Horley Baptist Church
289 Court Lodge Road
Horley
Surrey RH6 8RG

GOVERNING DOCUMENT Constitution adopted 25th February 2009

TRUSTEES

	Date Appointed (if during Year)	Term of Office Ended
Mrs Janet Banfield	Dec-21	
Mr Bernard Bellingham		
Mr Robert Bell		Dec-21
Mrs Sarah Bell		Dec-21
Mrs Sue Duff (Treasurer)		
Mr Ian Gray		
Mr Darren Jones (Children and Families Pastor)		
Dr David Mekanjuola		
Mrs Gillian Martin		
Mr Stephen Martin		Dec-21
Mrs Christine Ginter		Dec-21
Mr Neil Robinson		
Mrs Angie Robinson		
Rev Martin Shorey (Minister)		
Mrs Sandra Turner		

PRINCIPAL BANKERS

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

INDEPENDENT EXAMINER Lisa Darby ACA
Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Horley Baptist Church
REPORT OF THE TRUSTEES
for the Year Ending 31 March 2022

The Trustees have pleasure in submitting the Report and Accounts for the year.

Structure, Governance and Management

Government

The charity, which is a church, is constituted as an unincorporated charitable association governed by a constitution (Approved Governing Document) adopted on 25th February 2009.

The policy and operating decisions of the charity rest with the Trustees who meet regularly to monitor the activities of the Church.

Trustee Selection

New trustees are appointed by the members of the church. Trustees are elected by secret ballot at a Church members' meeting. The Minister(s) if any and Deacons, Elders and Treasurer are together the Charity Trustees of the Church. Where there is a Minister (or Ministers) that (those) persons are Charity Trustees because of their roles and responsibilities.

Membership of the Baptist Union of Great Britain

The Church is a member of the Baptist Union of Great Britain and of the South East Baptist Association. The Church will normally promote, encourage, support and advance the work of the Baptist Union, the South East Baptist Association and BMS World Mission through prayer, through financial contributions and, where appropriate, by making personnel available from the membership of the Church. When it is able the Church will also support local Baptist and ecumenical gatherings.

Objectives and Activities

Objects of the charity

The Church is not a building, but a gathering of ordinary people of different ages and backgrounds, whose lives have been changed by Jesus Christ, the Son of God. The New Testament reveals the Church as a community of people, properly taught and cared for, who by loving and serving Jesus Christ, were also committed to love and care for each other and to bring a blessing to the area in which they lived. The Horley Baptist Church; its trustees, elders and members are committed to the restoration of those New Testament principles. It is not alone in this, it is one of many Churches in the area, country and all over the world that is re-discovering the excitement of knowing Jesus Christ. The vision is to see the people of Horley area come into this experience of knowing Jesus as their Lord, Saviour and friend.

Review of Activities

In planning the activities the Trustees have had regard to the guidance on public benefit issued by the Charity Commission.

The Church Leadership seeks to lead the fellowship in four main areas of Christian living:

- Worship
- Prayer
- Discipleship
- Reaching out to others (Mission)

The Church engages in a range of Activities either on its own or with others that will vary from time to time. The Activities include but are not restricted to:

- regular public worship, prayer, Bible study, preaching and teaching;

- baptism, as defined in the Union's Declaration of Principle;
- the Communion of the Lord's Supper which shall normally be observed at least once a month;
- evangelism and mission, locally, regionally, nationally and internationally;
- the welcome, encouragement, teaching and inclusion of all regardless of background;
- nurture and growth of Christian disciples;
- education and training for Christian and community service;
- giving and encouraging pastoral care;
- supporting and encouraging charitable social action in the United Kingdom and abroad;
- encouraging relationships with and supporting Baptists and other Christians.

The Church seeks to demonstrate the Christian faith in action by serving the community in which it is placed and offers a variety of activities and facilities to this end, such as:

- Children and young people's groups
- Support for local schools
- Support for people with Special Needs
- Monthly services designed to be inclusive for people with learning difficulties, mental health and physical disabilities
- Facilities used for regular community groups, such as Sure Start, County Care, fostering and healthcare services.
- Home groups to enable study, fellowship and discussion of the Christian faith for people at all levels of faith (from enquiry to maturity).
- Leading groups or supporting individuals in local residential homes
- Working with the other Horley churches to run the Horley Food Bank.
- Craft activities to bring the community together and encourage skills to "make do and mend"
- Monthly meetings for Dads and their toddlers

Lockdown restrictions were still in place at the start of the 2021-22 accounting year but these were gradually eased in the Summer when the Church was delighted to be able to begin to meet in person, whilst carefully respecting social distancing guidelines. The Church has continued to broadcast online services to help meet the needs of people who were not yet ready to attend services in person as well as other who may access services from further afield. The Church now intends to keep its online services and other resources available in the longer term.

The Church seeks to be a friendly and welcoming community and anyone is free to attend its activities which are run by the members and volunteers for the benefit of all. During the Coronavirus pandemic, whilst limited in the ways in which it could support the local community within its buildings, the Church provided takeaway hot meals for local families where a hardship was identified. The Church also supported the local food bank by arranging "drive through" food donation opportunities. As "lockdown" ended the church has continued offering meals and other support to local families in need during the school holidays.

The Church is committed to serving the wider world and has members serving abroad in a number of countries in humanitarian and mission work. The church gives financial support to other charitable organisations which promote the Christian faith and/or offer humanitarian support at home and abroad.

Employees and Volunteers

The Church employs a small staff of Minister(s), Children's and Families' Pastor(s) and administration staff. However, it is dependent upon the work and support of its volunteers to achieve the aims of the charity.

Achievements and Performance

At the end of the year there were 149 members.

During the year there have been 2 new members and 2 deleted members (through death or resignation).

During the year there have been 3 baptisms.

The Church normally holds worship services every Sunday and a large variety of meetings each week for many different groups.

A number of children's and young peoples' activities and groups are run every week, catering for all ages from 0 to 18.

During the coronavirus pandemic the Church has moved to provide online services each week and plans to continue to develop an online ministry to complement physical services in the future.

The leadership team has helped the Church to focus on its core aims of Worship, Prayer, Discipleship and Mission whilst continuing to serve the local and wider community.

The Church is financially self supported, its running costs (including staff costs) being largely donated by the membership and wider fellowship.

The Church has good links with many community groups in the locality and its premises are regularly used by the community.

The Church has good links with other local churches and is often involved in activities which are inter-denominational or jointly run, such as the Horley Food Bank.

The church sold its previous premises in Albert Road in 2014 and built a modern, fit for purpose building, Phase one of which was completed in June 2015. Fundraising continues to raise funds to build Phase two, a large 3-400 seat auditorium/ meeting room.

The building was mainly funded from donations from the fellowship, plus grants received from charitable trusts.

Trustee Responsibilities

Charity law requires us as Trustees to prepare financial statements for each accounting year which record the receipts and payments of the charity for the year.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Charities Act 2011.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

Financial Review

The accounts for the year 2021-22 are detailed later in this report.

The accounts have been prepared on a Receipts and Payments basis.

Income during the year totalled £235,616 with a further £97,191 of income to Endowment Funds for the Church building project. Total income for General, Restricted and Endowment Funds was £332,807.

Expenditure from General and Restricted funds totalled £226,435, with a further £102,664 of expenses from the Endowment Funds. Total expenditure from all funds was £329,099.

The Church drew down a loan from the Baptist Union in April 2015 to pay the remaining costs of the building project (completed in June 2015) and regular loan repayments have, therefore, commenced since that date. Since moving into the building in July 2015 the Church has been able to cease paying rental charges on other premises. There has been some increase in expenditure of unrestricted funds due to the increased running costs of a new and larger (but energy efficient) building. These costs include an additional, part time, staff member, appointed to manage the building plus a part-time caretaker. An increasing income stream from lettings for community use of this modern, well-equipped building is helping to offset the running costs of the building.

Balances at 31.3.22 totalled £216,300 of which £138,673 was held in Endowment funds. The donations into the Endowment Funds were to be used towards repayments on the outstanding loan and /or the second phase of the building works. The remaining balances comprised of £5,452 held in restricted funds, £918 of which was held to be used for support of needy individuals or passed to other charities supported by the church (whose aims are in line with those of the church). £3,516 was held towards the costs of the development of an ongoing online ministry. £1,019 was held on behalf of the Horley Churches fraternal. Unrestricted balances held were £72,175. (The normal policy of the church is to hold at least £15,000 in reserves as working capital reserves to cover one calendar month, plus up to £10,000 reserved separately, for individual groups, equipment and Mission expenditure).

Reserves Policy

The Church has agreed a policy to hold unrestricted balance reserves of at least £15,000 at all times, representing one month's cashflow requirements for normal operational running costs. The unrestricted balance at the end of the financial year was well in excess of this, so adequate for day to day cashflow purposes at that time. Following the closure of the buildings during the Coronavirus Pandemic and subsequent reduction in income from hirers, the church has seen increasing use of its premises by outside hirers as lockdown restrictions have lifted which have meant that the reserves have not been used up. In March 2022 the Members and Trustees agreed that the unrestricted balances in excess of the agreed £15,000 reserves would be allocated towards specific development goals for further development of the church ministry and assets, including its online services offer and repairs and renewals of church property and equipment (to include £10,000 specifically allocated to renewal of the Manse kitchen).

The Trustees recognise their responsibility to ensure that income streams are adequate to ensure the church continues to cover necessary expenditure.

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signed *Neil Robinson*

Full Name NEIL ROBINSON

Signed *Sue Duff*

Full Name SUE DUFF

Date: 28 November 2022

Independent Examiner's Report

I report to the trustees on my examination of the accounts of Horley Baptist Church ('the charity') for the year ended 31 March 2022 on pages 7 to 12 following.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 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 2011 Act.

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:

1. accounting records were not kept in accordance with section 130 of the 2011 Act; or
2. the accounts do not accord with the accounting records.

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

Lisa Darby

Lisa Darby ACA

For and on behalf of:

Stewardship

1 Lamb's Passage

LONDON

EC1Y 8AB

Date: 5 December 2022

Horley Baptist Church

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2022

	Notes	Unrestricted	Restricted Funds	Endowment Funds	2022 £	2021 £
Receipts						
Voluntary receipts						
Donations, Grants and Gift Aid Receipts	2a	174,196	6,408	96,724	277,329	293,033
Other Receipts	2b	55,011	-	467	55,479	15,618
Total Receipts		229,208	6,408	97,191	332,807	308,652
Payments						
<i>Payments in furtherance of the church's objectives</i>						
Direct costs	3	188,336	5,621	102,664	296,621	279,816
Grants paid	4	27,812	4,667	-	32,479	29,110
Total Payments		216,147	10,288	102,664	329,099	308,926
Net Receipts/(Payments) before transfers		13,060	(3,880)	(5,473)	3,708	(274)
Balances B/F		59,115	9,332	144,146	212,592	212,866
Balances C/F		72,175	5,452	138,673	216,300	212,592

The notes on pages 9 onwards form part of these accounts.

Horley Baptist Church
STATEMENT OF ASSETS & LIABILITIES
FOR THE YEAR ENDED 31st MARCH 2022

1. Fixed Assets

	Original Cost £
The value of the assets owned are:	
<u>Buildings</u>	
Church Building & Land (Phase 1 2015 Excluding kitchen eqt- see below)	2,295,266
Manse last revaluation 2021	<u>470,000</u>
Total Buildings	2,765,266
 <i>Although listed here as an asset of the Church, the legal titles for the buildings and land are held by the Baptist Union Corporation Limited (Custodian Trustees) and as such, held in Endowment Funds within the Church accounts.</i>	
<u>Fixtures and Fittings (over £1000)</u>	
Current Furniture and fittings in use, at cost price	114,086
Total Fixed Assets	<u>2,879,352</u>

2. Bank & Cash Balances

	2022 £	2021 £
Held at Bank (includes agreed unrestricted funds retention of £15,000)	80,850	77,926
Long Term Deposits	135,223	134,491
Cash float	<u>227</u>	<u>175</u>
Total Bank and Cash Balances	<u>216,300</u>	<u>212,592</u>

3. Other Assets & Liabilities

<u>Assets</u>		
Gift aid tax recovery not yet received	18,617	17,706
Other monetary assets	-	-
Hire of Premises - Debtors	1,027	821
Inland Revenue - SMP rebate due		
Total Current Assets	<u>19,643</u>	<u>18,527</u>
 <u>Liabilities</u>		
Loan from Baptist Union	174,080	269,489
<i>The above loan is repayable in monthly instalments and is repayable in full by 31 May 2030. All other liabilities fall due for settlement within one year.</i>		
Baptist Union Minister's Defined Benefits Scheme Employer Debt (Scheme now closed)	2,860	71,400
Unbilled fee for Independent Examination	1,300	1,000
Other creditors		
Cleaning	421	527
Utilities - Phones, Gas and Electricity	1,241	1265
Members & Staff expenses	-	-
Building Maintenance/ Contractors/ Suppliers	-	114
Total Current Liabilities	<u>179,903</u>	<u>343,795</u>

The accounts were approved by the trustees and signed on their behalf on

by *Neil Robinson* NEIL ROBINSON
Sue Duff SUE DUFF

Dated: 28 November 2022

The notes on page 9 onwards form part of these accounts

Horley Baptist Church

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

1. Accounting Policies

The accounts have been prepared on a receipts and payments basis and comprise a statement that shows the charity's receipts and payments, a statement that summarises the charity's assets and liabilities and related notes. The accountancy profession have determined that only accounts prepared in accordance with applicable accounting standards present a 'true and fair' view and, as these receipts and payments accounts have not (and cannot) be prepared in accordance with accounting standards, these accounts do not present (and are not intended to present) a 'true and fair' view of the charity's financial activities and state of affairs.

Unrestricted funds are those available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Some of these unrestricted funds may have been set aside by the trustees as Designated Funds for particular purposes, but can still be utilised as General Funds should the Trustees require this. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects. The Church Building and any donations given towards the development of the building are held in Endowment Funds.

2. Receipts

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
2a. Donations & gifts received					
Donations & gifts received	142,441	6,010	88,225	236,675	233,937
Government Furlough Scheme Income	1,162	-	-	1,162	14,604
Tax refunds under Gift Aid	30,594	399	8,499	39,491	44,492
	174,196	6,408	96,724	277,329	293,033
2b. Other receipts					
Interest received	270	0	467	737	621
Solar PV Feed in Tariff Income	1,568	0	0	1,568	1,543
Premises Hire Income	53,173	0	0	53,173	13,454
	55,011	0	467	55,479	15,618
Total Income	229,208	6,408	97,191	332,807	308,652

3. Direct costs

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Employment costs (Note 5)	128,848	0	0	128,848	113,346
Manse Property costs (Note 6)	18,139	0	0	18,139	17,356
Light, heat & water	7,485	0	0	7,485	7,382
Insurance	2,956	0	0	2,956	2,866
Cleaning & Maintenance of buildings & equipment	14,008	0	0	14,008	12,698
Capital Building Repairs and Improvements	0	130	0	130	44,210
Costs of Ministry, Church activities and Support services	12,005	0	0	12,005	14,476
Outreach activities	587	0	0	587	552
Work among the young	2,256	0	0	2,256	839
Work amongst the elderly, vulnerable groups and those with special needs	0	3,722	0	3,722	4,379
Payments made on behalf of Horley Churches Ministers' fraternal	0	207	0	207	-200
Equipment and Fixtures and Fittings	0	1,562	0	1,562	4,258
Building Works and Associated Fees	0	0	0	0	0
Loan Capital Repayments (Building loan from Baptist Union)	0	0	95,409	95,409	47,378
Independent examination and Legal Costs	1,915	0	0	1,915	1,110
Fundraising Costs	0	0	0	0	0
Other costs, including loan finance charges, interest and refunded charges	138	0	7,255	7,393	9,165
	188,336	5,621	102,664	296,621	279,816

Horley Baptist Church

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

4. Grants Paid

Individuals	8,940	710	0	9,650	8,880
Institutions	0	0	0	0	0
Frontiers	6,430	13	0	6,443	6,680
GLIA	1,000	0	0	1,000	0
Romanian Aid Foundation	0	750	0	750	0
Compassion	692	204	0	896	697
Dnipro Hope - Ukraine	0	0	0	0	0
Baptist World Mission	400	30	0	430	150
Baptist "Home Mission" (UK)	9,350	0	0	9,350	7,850
Henry Smith Charity (Horley Branch)	0	0	0	0	4,353
Renewed Hope Trust (Work with the homeless)		750	0	750	0
Medical Aid - Kyrgystan Eye Scanner Project	0	1,869	0	1,869	0
Open Doors	1,000	0	0	1,000	0
Other Institutions (Grants under £1000)	-	342	0	342	500
	27,812	4,667	0	32,479	29,110

5. Employees

The charity has had 7 employees during the year, to whom the employment costs above refer.

The average number of employees during the year was six, two of which were Trustees for some or all of the year, remunerated for their roles as Ministers and staff and not for their role as Trustees, in line with the normal Baptist Union recommended pay bands and as authorised by the governing document (Church Constitution).

No employee received emoluments in excess of £50,000 during the year (2020-21 none)

During 2021-22 two Trustees were also Ministers with the total pay for these staff being £66,560 to include employer pension contributions and payments towards housing heat and light, taxed in accordance with HMRC and Baptist Union guidance for Manse provision. Martin Shorey received childcare vouchers in line with HMRC provision on a salary sacrifice basis. The cost of these vouchers is included in the total salary and benefits amount for Martin Shorey of £36,397. The total cost of pay for Darren Jones was £30,163. The total cost (In 2020-21 the same individuals were employed in the same roles with the total pay for these individuals being £64,595 to include Employer Pensions and heat and light contributions). All such payments were made in line with the charity's constitution and the terms and conditions of the appointments of these individuals as Ministers of the Church.

No sums were reimbursed to the Trustees for their work as Trustees (2020-21 none).

6. Manse Property costs

	2022 £	2021 £
Rent	11,824	10,211
Maintenance	3,023	3,716
Council tax, Utilities & water rates	3,292	3,428
	18,139	17,356

One Trustee, Martin Shorey, lived in housing owned by the church. Darren Jones lived in a property purchased by him and leased back to the church. The benefit provided was a Manse to enable them to fulfil their roles as employed Ministers and was not provided to them in their role as Trustees. The costs above for manse provision for Martin Shorey total £6,315 and those for provision for Darren Jones are £11,824.

Horley Baptist Church

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

7. Buildings Loan Liability

The Church drew down a loan from the Baptist Union Loan Fund between April 2015 and July 2015 to help finance the completion of the Phase 1 building project. A loan of £750,000 had been agreed on a 15 year term. The total loan drawn down was £523,100, significantly less than the loan offered. The Church is now making monthly repayments at a rate above the minimum required amount so that the loan will be repaid well within the agreed term.

Loan outstanding at 31.3.21	269,489
Capital repaid April 21 to Mar 22	95,409
Loan outstanding at 31.3.22	174,080
The rate of interest charged on the loan at 31.3.22 was 3.75%. Interest paid between 1.4.21 and 31.3.22 totalled	7,255

8. The Baptist Pension Scheme

Previously the Baptist Pension Scheme's now closed defined benefit scheme had been reporting a funding deficit and the charity had been making contributions to help make good the shortfall. The Baptist Pension Scheme provided estimates for the charity's share of the funding deficit and the estimate at the year end was included as monetary liability in the Statement of Assets and Liabilities.

In July 2022 the Baptist Pension Scheme reached an agreement with an insurance company called Just to secure the benefits payable under the now closed defined benefit pension scheme ('DB Scheme'). The premium payable to Just was favourable and, after the transaction with Just, the DB Scheme no longer has a funding deficit. It will take some time to complete the process and, until it is complete, some risks remain. Based on current values the Baptist Pension Scheme believes it has sufficient assets to complete the process without requiring additional contributions from participating employers but, because some risks do remain, the charity has been asked to make a nominal monthly contribution of £1 to the DB Scheme from August 2022.

The liability included in these accounts for future contributions towards the funding deficit represents deficit contributions paid between the year-end and 31 July 2022 before they then reduced to £1 in August 2022.

The Defined Contribution Plan

Since 1 January 2012, benefits have been provided through a Defined Contribution (DC) Plan. The Ministers and staff are eligible to join the Scheme.

Payments made in the year

	2022	2021	
Defined Contribution Plan:	£	£	
Employee contributions	8504	7671	
Employer contributions	6378	5753	
	14883	13424	
Deficiency contributions to Defined Benefit Plan (reduced rate July to Dec 2020 during pandemic)	8,487	6269	See notes
	23370	19693	

Horley Baptist Church

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2022

9. Movement of Restricted Funds

	Balance				Balance
	at 1.4.21	Receipts	Transfers	Payments	at 31.3.22
	£	£		£	£
Pastoral Funds	2,346	2,713	0	(3,722)	1,337
Mission Funds	1,138	3,110	0	(4,667)	(419)
Funds Held on Behalf of Horley Ministers' fraternal	770	456	0	(207)	1,019
Funds given for Development of Online Ministry	5,078	0	0	(1,562)	3,516
Manse Repairs/ Renewals Fund (for Property Improvements, Equipment and Fittings)	0	130	0	(130)	0
	9,333	6,408	0	(10,288)	5,452

The Mission Fund is used to collect gifts given for specific mission works or charitable causes.

The Manse Repairs/Renewals Fund contained monies donated towards a planned extension to the Church owned Manse. Building works commenced in Summer 2020, using these funds plus some funds held in designated funds, also committed to the project.

10. Movement of Endowment Funds

	Balance				
	at 1.4.21	Receipts	Transfer in/out	Payments	31.3.22
	£	£		£	£
Building Fund - monies held towards any phase of building works, including donations towards Phase 1 loan repayment	136,446	92,820	0	(102,664)	126,602
Building Fund - Monies held for Phase 2 future building works	7,700	4,371	0	0	12,071
	144,145	97,191	0	(102,664)	138,672

The Endowment Fund was used for donations given towards the development of the Church Premises. After the Phase 1 Building project was completed new receipts dedicated towards the building project to pay off the loan or put towards Phase 2 of the building works have been received directly into the Endowment Fund, creating a cash balance towards these costs.