

Bluntisham Baptist Church



Trustees Annual Report and Accounts **for the year ended 31 December 2021**

TRUSTEES' ANNUAL REPORT

Reference and Administrative Information

Charity Name and Registration Number

Bluntisham Baptist Church - Registration number 1136939

Address

Bluntisham Baptist Church
High Street
Bluntisham
Cambridgeshire
PE28 3LD

Trustees who served during the year

Rev Tim Williamson
Wayne Carlson (until 24 March 2021)
Anita Catterick (until 24 March 2021)
Isabel Daniels (from 24 March 2021)
Claire Everett (until 24 March 2021)
Janet Harris
John Holmes (until 24 March 2021)
Catrin Horrex (until 21 July 2021)
Katy Horrocks
Malcolm Lee
Roger Orr (from 24 March 2021)
Philip Taylor
Lucy Thatcher (from 24 March 2021)
Peter Thatcher

Property trustees

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

Structure, Governance and Management

The Church is governed by the Constitution which was adopted on 19th June 2010. The Constitution can be downloaded from the Church's website www.bluntishambaptist.org

The Charity Trustees are responsible for the governance of the Church. The Charity Trustees are the Minister, Elders and Deacons. The Elders and Deacons, who must themselves be Church members, are nominated and appointed by the Church members and must receive the support of at least two-thirds of the voting members at the relevant general meeting. The Elders and Deacons are appointed for an initial three year term with the opportunity to be nominated for reappointment at the end of each three year term.

Members' meetings normally take place six times each year and have responsibility for the overall policy of the church. All members are encouraged to take part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Objectives and Activities

The Church's mission is 'To share the love of Jesus with everyone'.

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The Church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

In fulfilling its principal purpose, the Church will engage in a range of activities either on its own or with others that will vary from time to time. The activities include:

- 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 teaching, encouragement, welcome and inclusion of young people
- The 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

Notwithstanding the appointment of persons to accept responsibility for any of the activities, all individuals, organisations, groups, and committees operating within the life of the Church, and their leaders, are accountable to the Charity Trustees and also through any specific direction of the Church Members' Meeting.

The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to the Disclosure and Barring Service. The Church also adopts a Safer Recruitment policy for all volunteers working with children and young people.

The Trustees have read the Charity Commission guidance on public benefit, and are satisfied that the activities outlined above clearly demonstrate that the Church is providing a benefit to the public.

Achievements and Performance

The activities of the Church continued to be affected by Covid-19 and by the construction work being carried out to the main church building.

Sunday worship remained a priority and, thanks to the gifts and commitment of our Church family, was held in a variety of different ways depending on the particular Covid-19 restrictions in place at the time:

- Live services held outdoors in the church grounds (livestreamed to those who were unable to attend in person)
- Live services held in the church hall (livestreamed to those who were unable to attend in person)
- Online services, which were later uploaded to the church website for those who were unable to attend at the time.
- Pre-recorded services which were uploaded to the church website in advance so that they were accessible for the Sunday morning.

For those who were unable to access services in this way, DVD's, CD's and written copies of the text of each service were delivered to them. Appropriate resources were also made available for our children and young people where necessary.

We were delighted that our livestreamed and online services were enjoyed by people who lived elsewhere in the UK and overseas.

We were able to restart our children and youth activities on Sunday mornings, albeit in slightly different and creative ways. Our Church continued to be blessed by the enthusiasm, commitment and gifts of all of our leaders and helpers in this important work.

Monthly prayer meetings continued to be held, meeting together in person where possible, otherwise on-line. Homegroups continued to offer support and encouragement to each other in innovative ways.

Regular leadership team meetings were held, again meeting in-person whenever possible, otherwise online. Regular Church meetings continued to be held online.

The Beacon Money Advice Centre continued to provide vital support to people in our community who were faced with debt problems, working alongside the Bridge Church in St Ives.

The 'Open the Book' team worked creatively to enable them to continue to provide videos and resources for use in assemblies in local primary schools.

A number of our members continued to preach and help lead worship at churches in the local area.

One Church member continued to serve the wider Baptist community through the Eastern Baptist Association and the Cambridgeshire Baptist Missionary Fellowship.

Three Church members serve as Street Pastors in Cambridge and other members are actively involved in leadership roles working with other local charities, including Cornerstone Pregnancy Advice Centre and Cambridgeshire Workplace Chaplaincy.

The Church continued to remotely support our Church Partners in Chad and North Africa while maintaining contact with our mission links in Russia, Armenia, Ukraine and Albania. As in 2020 it was not feasible to go on any field mission trips due to the pandemic and travel restrictions however remote communications worked well. The delivery of clothes to Armenian Ministries was ongoing throughout the year plus a small team helped load three large containers prior to shipping. Tools with a Mission (TWAM) deliveries started up again although on a limited scale. Despite being a difficult year, mission continued to develop and our partners as always were very appreciative of our support.

Next Steps Building Project

During the year, construction work finally began on the exciting project to re-order and refurbish the main church building to achieve our vision for:

- *An attractive, God-centred church building that it is primarily a place of worship – an inviting place to meet with God and with each other.*
- *A building that is accessible to everyone and is welcoming, warm, comfortable and safe.*
- *The building to be updated to modern standards and be equipped for the future, while remaining sympathetic to its history.*

Following a successful tender process, the same contractor was appointed for both the Phase One and Phase Two stages of the project. Work began on Phase one, which relates to the rear rooms to the church, on 31st March 2021 and on Phase Two, which relates to the main worship area, on 14th June 2021. The construction work was such that the main church building was closed for use from 31st March.

It had been hoped to complete the work in Autumn 2021, but due to supply chain issues, Covid 19 and unexpected, but essential repair work being added to the scope of the work, completion is now expected in March 2022.

Thanks to the generosity of the Church members, grants from Norwood and Newton Settlement and from the Garfield Weston Foundation, and a loan from the Baptist Union Corporation all of the necessary funding is in place.

Financial Review

Despite the challenges of being unable to meet in person as we normally would have done for Sunday worship and other fellowship activities due to the impact of Covid-19 and the closure of the main church building for construction work, the generosity of the church's congregation in their giving, together with the reduction in certain expenses due to closure, meant that the Church was able to end the year in a sound financial position.

Although the Church recorded a deficit of £11,494 in unrestricted funds for the year, this included costs of over £27,000 in relation to unexpected, but essential repair work that was identified during the Next Steps building project.

Reserves policy

The Church aims to maintain reserves in unrestricted funds equal to approximately three months' total annual expenditure as a matter of general financial prudence. Additional reserves are currently being held to meet known, and anticipated, future commitments in meeting the Church's planned mission activities.

Approval by the Trustees

This report was approved by the Trustees on 8th March 2022.

**Independent Examiner's Report to the Trustees of
Bluntisham Baptist Church on the accounts
for the year ended 31 December 2021**

Respective responsibilities of Trustees and Examiner

The Church's Trustees are responsible for the preparation of the accounts. The Church's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Charities Act, or
- the accounts do not accord with the accounting records.

I 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.

Signed:

Date:

Name: Nita Hutchcraft on behalf of Kinnaird Hill

Address: Kinnaird Hill, Montagu House, 81 High Street, Huntingdon, PE29 3NY

Statement of Financial Activities for the year ended 31 December 2021

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income					
Donations	2&3	78,931	95,471	174,402	179,580
Grants	4	-	100,203	100,203	531
Other income	5	814	4,945	5,759	5,031
Total income		79,745	200,619	280,364	185,142
Expenditure					
Charitable activities:					
• Staff costs	6	(45,570)	(6,865)	(52,435)	(57,301)
• Other costs	7	(44,669)	(10,223)	(54,892)	(24,854)
• Governance costs	9	(540)	-	(540)	-
Next Steps building project	10	-	(25,061)	(25,061)	(220)
Total expenditure		(90,779)	(42,149)	(132,928)	(82,375)
Net (expenditure)/income for the year		(11,034)	158,470	147,436	102,767
Other recognised gains and (losses)					
Interest cost on pension deficiency	17	(261)	-	(261)	(487)
Actuarial gains on remeasurement of pension liability	17	166	-	166	863
Net movement in funds		(11,129)	158,470	147,341	103,143
Total funds 1 January		66,996	3,278,290	3,345,286	3,242,143
Total funds 31 December		55,867	3,436,760	3,492,627	3,345,286

Comparative figures for each fund are shown in the notes to the accounts.

Balance Sheet at 31 December 2021

		2021		2020	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	11		3,469,302		3,068,203
Current assets					
Debtors	12	23,879		19,447	
Bank and cash	13	252,204		279,869	
		<u>276,083</u>		<u>299,316</u>	
Creditors: Amounts due within one year	14	<u>(74,309)</u>		<u>(1,333)</u>	
Net current assets			201,774		297,983
Total assets less current liabilities			<u>3,671,076</u>		<u>3,366,186</u>
Creditors: Amounts due after more than one year	15		(161,149)		-
Net assets excluding pension liability			<u>3,509,927</u>		<u>3,366,186</u>
Defined benefit pension scheme liability	17		(17,300)		(20,900)
Total net assets			<u>3,492,627</u>		<u>3,345,286</u>
Charity funds					
Restricted funds	18		3,436,760		3,278,290
Unrestricted funds			55,867		66,996
Total charity funds			<u>3,492,627</u>		<u>3,345,286</u>

The notes on pages 8 to 20 form an integral part of these accounts.

These accounts were approved by the Trustees on 8th March 2022 and signed on their behalf on 22nd June 2022 by:

Rev Tim Williamson
Minister and Trustee

Peter Thatcher
Treasurer and Trustee

Notes to the Accounts for the year ended 31 December 2021

1. Accounting policies

Basis of preparation

These accounts have been prepared in accordance with:

- The Charities SORP: *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: *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- The Charities Act 2011.

Assets and liabilities are initially recognised at the historical cost of their transaction value unless otherwise stated in the accounting policy notes.

Bluntisham Baptist Church is a registered charity, number 1136939, and meets the definition of a public benefit entity under FRS 102.

Income recognition

All incoming resources are included in the Statement of Financial Activities when the Church 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

Donations are accounted for gross when received. Fixed asset gifts-in-kind are recognised when receivable and are included at fair value.

Tax due under the Gift Aid scheme on offerings received during the year is included as income in the Statement of Financial Activities and, where not received by the balance sheet date, is recognised in debtors.

Grant income

Income from grants is recognised when formal notification of the award of the grant is received from the grant awarding body.

Interest income

Interest income is included in the accounts when it is receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised 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.

Governance costs

This represents direct expenditure on the governance of the Church. Most of the 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 service.

Fixed assets

Properties are held at cost/deemed cost.

As there is no reliable information available for the cost of the church premises or the manse, on first time adoption of FRS102 and the Charities SORP at 1 January 2020, the insurance value was adopted as deemed cost.

The cost of significant building development work since 1 January 2020 is treated as an increase to the cost/deemed cost of the properties.

The costs of furniture, fixtures and fittings are capitalised if the assets can be used for more than one year and cost at least £1,000. They are initially recognised at cost, or for donated assets, at a reasonable estimate of their value on receipt.

All other expenditure is charged as direct charitable expenditure in the year in which is incurred.

Depreciation

Depreciation is not charged on the church, church hall and manse because in the opinion of the Trustees, the residual value of these properties is greater than their cost/deemed cost.

Depreciation is charged on other tangible fixed assets so as to write off the cost less estimated residual value over the assets' estimated useful life as follows:

Furniture, fixtures and fittings	10 years
Audio and visual equipment	5 years

Funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Church for specific purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Employee benefits

The Church operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Church pays fixed contributions into a separate entity. Once the contributions have been paid, the Church has no further payments obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Church in an independently administered fund.

Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. As it is not possible for the Church to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the Church has agreed, with the plan, to participate in a deficit funding arrangement, the Church recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. The unwinding of the discount is recognised as a finance cost and any other change in the measurement of this liability is expensed to the Statement of Financial Activities.

2. Donation income**2021**

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Regular offerings	60,606	37,316	97,922
Tax reclaimed	13,145	12,777	25,922
Donations	5,180	42,878	48,058
Donations-in-kind	-	2,500	2,500
	78,931	95,471	174,402
		See note 3	

2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £
<i>Regular offerings</i>	63,192	28,648	91,840
<i>Tax reclaimed</i>	15,485	14,298	29,783
<i>Donations</i>	8,293	49,664	57,957
	86,970	92,610	179,580
		See note 3	

3. Restricted fund donation income

	2021 £	2020 £
Next Steps Building Project	81,270	86,683
Support for Minister in Training	9,740	-
Youth Worker	2,550	2,632
BMS	1,160	1,112
Home Mission	751	952
Emergency Support	-	1,011
Ladies Fellowship	-	50
Other Charities	-	170
	95,471	92,610

4. Grant income**2021**

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Norwood and Newton Settlement	-	25,000	25,000
Garfield Weston Foundation	-	15,000	15,000
Listed Places of Worship Grant Scheme	-	60,203	60,203
	-	100,203	100,203

2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £
<i>Government Furlough Grants</i>	531	-	531

5. Other income**2021**

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Fundraising activities	-	4,520	4,520
Interest	499	425	924
Other income	315	-	315
	814	4,945	5,759

2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £
<i>Fundraising activities</i>	-	917	917
<i>Letting income</i>	1,325	-	1,325
<i>Interest</i>	913	361	1,274
<i>Other income</i>	1,515	-	1,515
	3,753	1,278	5,031

6. Staff costs**2021**

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Minister and manse costs	38,249	-	38,249
Administrator	7,096	-	7,096
Youth worker	-	6,865	6,865
Cleaner	225	-	225
	45,570	6,865	52,435

2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £
<i>Minister and manse costs</i>	39,104	-	39,104
<i>Administrator</i>	6,941	-	6,941
<i>Youth worker</i>	-	10,048	10,048
<i>Cleaner</i>	1,208	-	1,208
	47,253	10,048	57,301

	2021 £	2020 £
Salaries	43,618	46,759
Social security costs	-	-
Pension costs	3,779	3,780
Manse costs	5,038	6,762
	52,435	57,301

The average number of employees during the year was 3 (2020: 4)

No employee received emoluments in excess of £60,000 during the year.

No sums were reimbursed to the Trustees for their work as Trustees.

The Minister acts as one of the Church trustees in accordance with the Constitution and receives remuneration and other benefits in respect of his services as Minister, including the provision of manse accommodation owned by the church.

7. Other costs

2021

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Church premises	27,117	-	27,117
Ministry resources	3,327	-	3,327
Youth and children's work	1,131	-	1,131
Licences and subscriptions	1,697	-	1,697
Printing, publicity and stationery	1,617	-	1,617
Training and other costs	855	-	855
Donations (See note 8)	8,925	10,223	19,148
	44,669	10,223	54,892

2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £
Church premises	10,317	-	10,317
Ministry resources	3,083	-	3,083
Youth and children's work	996	-	996
Licences and subscriptions	1,518	-	1,518
Printing, publicity and stationery	582	-	582
Training and other costs	1,431	217	1,648
Donations (See note 8)	3,624	3,086	6,710
	21,551	3,303	24,854

8. Donations to third parties

2021

	Unrestricted Funds £	Restricted Funds £	2021 Total £
BMS	-	1,210	1,210
Home Mission	3,597	803	4,400
Other Charities	-	180	180
Support for Minister in Training	-	8,030	8,030
Course fees for Minister in Training	5,328	-	5,328
	8,925	10,223	19,148

2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £
BMS	50	1,100	1,150
Home Mission	3,399	951	4,350
Other Charities	175	1,035	1,210
	3,624	3,086	6,710

9. Governance costs

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Independent examination fees	540	-	540	-

10. Next Steps building project – Restricted fund

	2021 £	2020 £
Expenditure classified as repairs	17,094	-
Professional fees relating to repairs	2,300	-
Furniture and equipment (below capitalisation threshold)	2,592	-
Loan interest	2,446	-
Other costs	629	220
	25,061	220

11. Tangible fixed assets

	Church	Church Hall	Manse	Furniture, fixtures & fittings	Total
	£	£	£	£	£
Cost/deemed cost at 1 January 2020	1,869,912	764,994	393,821	-	3,028,727
Additions during the year	39,476	-	-	-	39,476
Cost/deemed cost at 31 December 2020	1,909,388	764,994	393,821	-	3,068,203
Additions during the year	401,099	-	-	-	401,099
Cost/deemed cost at 31 December 2021	2,310,487	764,994	393,821	-	3,469,302

Tangible fixed assets are stated at their deemed cost at 1 January 2020 (the transition date from which the Church applied FRS 102 and the Charities SORP) adjusted for additions, disposals and depreciation since that date.

Additions to the church building represent construction costs incurred, including related professional fees.

No depreciation is charged on the church building, church hall or manse because in the opinion of the Trustees, the residual value of these properties is greater than their cost/deemed cost.

All of the fixed assets are used for charitable purposes.

The Church is the beneficial owner of the above properties, the legal title to which are held by the Baptist Union Corporation, the Church's holding trustee.

12. Debtors

	2021	2020
	£	£
Debtors and prepayments	23,608	19,054
Accrued income	271	393
	23,879	19,447

13. Bank and cash

	2021	2020
	£	£
Santander Bank	67,832	23,073
CAF Bank	85,309	60,653
Baptist Union Corporation	56,385	76,243
Cambridge and Counties Bank	42,641	62,026
Shawbrook Bank	-	57,656
Cash	37	218
	252,204	279,869

14. Creditors: Amounts due within one year

	Note	2021	2020
		£	£
Loan from Baptist Union Corporation	16	27,996	-
Other creditors and accruals		1,597	1,333
Next Steps building project – Professional fees		3,336	-
Next Steps building project - Construction costs		41,400	-
		74,309	1,333

15. Creditors: Amounts due after more than one year

	Note	2021	2020
		£	£
Loan from Baptist Union Corporation	16	161,149	-

16. Loan from Baptist Union Corporation

	2021	2020
	£	£
Balance at 1 January	-	-
Drawdown	202,935	-
Repayments	(16,236)	-
Interest	2,446	-
Balance at 31 December	189,145	-
Repayable within one year	27,996	-
Repayable after more than one year	161,149	-
	189,145	-

The loan facility of £325,000 was granted on 29 January 2020. The loan is for a term of 12 years, beginning on the date on which the loan is first drawn down, which was 14 June 2021.

The loan is repayable in monthly instalments and is subject to a variable interest rate which was 3.1% from 14 June 2021 until 14 December 2021 and 3.25% from 15 December 2021.

The loan is secured on the Church's property and assets.

17. Pensions

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 Ministers' 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.

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 protection for Scheme members if 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.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out 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 £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
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 projected from 2013 in line with the “CMI 2019” projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than 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 signed in September 2020, deficiency contributions are payable until 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.

	2021	2020
	£	£
Balance at 1 January	20,900	24,000
Deficiency contributions paid	(3,695)	(2,724)
Interest cost (recognised in SoFA)	261	487
Actuarial (gains) (recognised in SoFA)	(166)	(863)
Balance at 31 December	<u>17,300</u>	<u>20,900</u>

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:

	31 Dec	31 Dec	31 Dec
	2021	2020	2019
Discount rate	2.0%	1.4%	2.1%
Future increases to Minimum Pensionable Income	4.1%	3.2%	3.3%

The Church has been advised that the cost for the church to buyout their Pension Scheme liabilities at 31 December 2021 was approximately £49,500.

18. Restricted funds**2021**

	1 January	Incoming resources	Transfer	Resources expended	31 December
	£	£	£	£	£
Next Steps Building Project	237,839	186,418	-	25,061	399,196
Youth Worker	6,191	2,550	-	6,865	1,876
BMS	129	1,160	-	1,210	79
Emergency Support	1,944	-	-	-	1,944
Home Mission	144	751	-	803	92
Ladies Fellowship	600	-	-	180	420
Other Charities	-	-	-	-	-
Little Fishes	216	-	-	-	216
Music Group Training	2,500	-	-	-	2,500
Property Valuation	3,028,727	-	-	-	3,028,727
Support for minister in training	-	9,740	-	8,030	1,710
	3,278,290	200,619	-	42,149	3,436,760

2020

	1 January	Incoming resources	Transfer (see below)	Resources expended	31 December
	£	£	£	£	£
Next Steps Building Project	84,998	87,961	65,100	220	237,839
Youth Worker	13,607	2,632	-	10,048	6,191
BMS	117	1,112	-	1,100	129
Emergency Support	933	1,011	-	-	1,944
Home Mission	143	952	-	951	144
Ladies Fellowship	730	50	-	180	600
Other Charities	685	170	-	855	-
Little Fishes	433	-	-	217	216
Music Group Training	2,500	-	-	-	2,500
Property Valuation	3,028,727	-	-	-	3,028,727
	3,132,873	93,888	65,100	13,571	3,278,290

The **Next Steps Building Project Fund** is to support the project to refurbish and reorder the main church building. During the year ended 31 December 2020, £65,100 was transferred from Unrestricted Funds into the Next Steps Building Project Fund with the approval of the Church Members.

The **Youth Worker Fund** is to support the employment of a paid youth worker.

The **BMS Fund** is to support the work of BMS.

The **Emergency Support Fund** is to offer financial support to members of our church family in need.

The **Home Mission Fund** is to support the work of Baptist Union Home Mission Scheme.

The **Ladies Fellowship Fund** is to support the activities of the Ladies Fellowship.

The **Other Charities Fund** is to support the work of specifically identified local, national and international charities as agreed by the Trustees.

The **Little Fishes Fund** is to support the work of the Little Fishes Parent and Toddlers' Group.

The **Music Group Training Fund** is to enable members of the Music Group to attend training courses in leading worship.

The **Property Valuation Fund** reflects the valuation of the church, church hall and manse to their deemed cost (insurance value) on transition to FRS 102 at 1 January 2020.

19. Related charities

The Custodian Trustee of the church is the Baptist Union Corporation Limited which is charity number 249635, and which is controlled by the Baptist Union Council.

The Church is a member of the Baptist Union of Great Britain and the Eastern Baptist Association.

The Church is in receipt of a loan from the Baptist Union Corporation as set out in note 16.

The Church made donations to the Baptist Union Home Mission Scheme as set out in note 8.

20. Reconciliation of Charity Funds and Net Movement in Unrestricted Funds

20.1 Reconciliation of Charity Funds at 1 January 2020 (date of transition to FRS 102)

	Receipts and payments basis at 1/1/2020 £	Effect of transition to FRS 102 £	Note	FRS 102 basis at 1/1/2020 £
Tangible fixed assets	-	3,028,727	(a)	3,028,727
Debtors and prepayments	-	19,530	(b)	19,530
Bank and cash	221,876	-		221,876
Creditors and accruals	-	(3,990)	(c)	(3,990)
Defined benefit pension scheme liability	-	(24,000)	(d)	(24,000)
Net assets	221,876	3,020,267		3,242,143
Restricted funds:				
Next Steps Building Fund	82,651	2,347		84,998
Youth Worker Fund	13,161	446		13,607
Emergency Support Fund	933	-		933
Ladies Fellowship Fund	730	-		730
Little Fishes Fund	433	-		433
Music Group Training Fund	2,500	-		2,500
Home Mission Fund	-	143		143
BMS Fund	-	117		117
Other Charities Fund	597	88		685
Property Valuation Fund	-	3,028,727		3,028,727
Unrestricted funds	120,871	(11,601)		109,270
Total funds	221,876	3,020,267		3,242,143

Note (a) Tangible fixed assets. Properties, being the main church building, the church hall, the manse and land, are stated at their deemed cost of their insurance value. Fixtures and fittings have been included at a deemed cost of nil as their individual net book values are below the minimum capitalisation threshold.

Note (b) Debtors and prepayments. Debtors and accrued income relate to tax recovered under the Gift Aid scheme, letting income, interest income. Prepayments relate to insurance, utilities and licences.

Note (c) Creditors and accruals relate to professional fees incurred on the Next Steps Building Project, a 'donation' to the EBA in recognition of a loan from the Association and accruals in respect of PAYE, utilities and general expenses.

Note (d) Defined benefit pension scheme liability. The liability relates to the Church's share of the deficit on the BU defined benefit pension plan which has been calculated as the net present value of the agreed contributions payable.

20.2 Reconciliation of Net Movement in Unrestricted Funds for the year ended 31 December 2020

	Receipts and payments basis y/e 31/12/20 £	Effect of transition to FRS 102 £	Effect of change to presentation £	Note	FRS 102 basis y/e 31/12/20 £
Income					
Donations	85,976	994		(e)	86,970
Other income	4,384	(631)		(f)	3,753
Grant income	531				531
Raised for specific causes	2,308		(2,308)	(g)	-
Total income	93,199	363	(2,308)		91,254
Expenditure					
Charitable activities:					
• Staff costs	49,931	46	(2,724)	(h)	47,253
• Other costs	23,174	328	(2,051)	(i)	21,451
• Specific causes	935		(835)	(g)	100
Total expenditure	74,040	374	(5,610)		68,804
Net income for the year	19,159				22,450
Other recognised gains and (losses)					
Interest cost on pension deficiency	-				(487)
Actuarial gains on remeasurement of pension liability	-				863
Net increase in general/unrestricted funds	19,159				22,826
Transfer to Next Steps Fund	(65,100)				(65,100)
Net (decrease) in general/unrestricted funds	(45,941)				(42,274)

Note (e) Donations. The increase is due to the recognition of debtors in relation to reclaimed tax under the Gift Aid scheme.

Note (f) Other income. The decrease is due to the recognition of accrued interest income and lettings debtors.

Note (g) Specific causes. Income and expenditure have been reallocated to restricted funds.

Note (h) Staff costs. The decrease is due to the reallocation of contributions to the defined benefit pension scheme deficit and the recognition of creditors, accruals and prepayments.

Note (i) Other costs. The decrease is due to the reallocation of donations to restricted funds and the recognition of creditors, accruals and prepayments.