

VICTORIA PARK BAPTIST CHURCH

CHARITY NUMBER 1146557

REPORT AND ACCOUNTS

**for the year ended
31 March 2021**

**Shruti Soni Limited
Chartered Certified Accountants
117A St Johns Road
Sevenoaks
TN13 3PE**

VICTORIA PARK BAPTIST CHURCH.

FOR THE YEAR ENDED 31 MARCH 2021

Trustees/Leadership Team

Pauline Facey NVQ Business Studies. (Appointed November 2018)
Elisabeth Morris RGN. RM. DN (Appointed November 2018)
John Morris BA Dip HE (Appointed November 2018)
Hilary A Papworth (Treasurer) BEd NPQH (Appointed January 2021)
Olatokunbo Atanda LLB (Hons) Post grad Diploma in Legal Practice. Solicitor Advocate
(Appointed November 2019)
Mobolaji Yoloye BEng. MSc. (Appointed November 2019)
Becky Gbande BSc. DipEd. MA. PGCE. (Appointed January 2021)

Property Trustees

The London Baptist Property Board Ltd, 235 Shaftesbury Ave,
London
WC2H 8EP

Governing Document

Deed of Trust dated 23rd July 1869
Victoria Park Baptist Church Constitution adopted by the Church Members Meeting on
25th May 2011

Charity status

Registered Charity Number No. 1146557

Registered Office

Victoria Park Baptist Church
186 Grove Road
Bow, London
E3 5TG

Bankers

Barclays

Mile End and Bow Group
240 Whitechapel Road
London
E1 1BS

Independent Examiner

Shruti Soni Limited
117A St. Johns Hill
Sevenoaks, TN1 3PE

The Trustees have pleasure in submitting the Report and Accounts for the year to 31 March 2021

How Victoria Park Baptist Church is Constituted and its charitable Objective

The 1869 Trust document states the Chapel is to be used as a place of public religious worship by the society of Protestant Dissenters called the Particular Baptists. The objective stated in the Trust is regular Sunday worship along with the running of a Sunday or other school or schools. The Church in 1999 adopted the Mission Statement “**Victoria Park Baptist Church aims to tell and be Good News in the community.**” The charities values are linked to the *five core values for a gospel people of the Baptist Union of Great Britain*. These values are: following Jesus as a community which is sacrificial, worshipping, inclusive, prophetic and missionary.

The Victoria Park Baptist Church Constitution of 2011 states “**the principle 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.”

Organisational Structure and Decision-making processes.

The church is a registered charity under the provisions of the Charities Act 2011 and is an unincorporated association. Therefore, its premises and any investments are held by other legal bodies acting as our trustees which in our case are the London Baptist Property Board who hold in trust the church building and the manse. Our reserves are also held with the London Baptist Property Board.

In this church it is the Minister(s) if any and the Leadership Team that form the Board of Trustees. (There is a historic use of the term “Deacon” for those on the Leadership Team who are not Ministers). This comprises the Church Secretary, Church Treasurer and other appointed Leaders who act as the Trustees chosen from among those who have been Church Members for at least six months. The maximum number of Leaders//Trustees is agreed from time to time by the Church Members Meeting. The Trustees receive appropriate documentation and are made aware of the legal responsibilities that they are accepting on appointment.

The Church may have a Minister or more than one Minister or no Minister. Where a Minister is appointed it is expected that they will become a Member of the Church.

A Minister of this Church is expected to accept the Baptist Union’s *Declaration of Principle* and to be in relationship with the Baptist Union and the Association. This is normally expressed by being on the Baptist Union’s Register of *Covenanted Persons Accredited for Ministry*. The Minister, whether or not they are on the Register will be supportive of the Church’s relationships with other Baptist Churches, the Association and the Baptist Union. The Church recognises that the Minister and the Church are in a covenant relationship based on Christian love and trust and mutual accountability. A Minister is appointed or removed by a resolution of the Church Members at a Special Church Members’ Meeting at any time.

The Trustees/ Leaders are responsible for the governance of the Church and the fulfilment of the purpose through its activities acting according to the will of God as discerned by the Church Members Meeting and subject to any specific or general directions of that Meeting. Worship including prayer and the reading of Scripture shall be key features of any meeting of the Charity Trustees whose leadership and administration of the church is to be through mutual accountability, service, and pastoral care, along with strategic thinking and effective management. The Trustees have specific power but are subject to any general or specific directions of the Church Members Meeting to apply for and accept grants and to provide

security in respect of obligations under grant agreements. They act in accordance with the specific directions of the Church Members' Meeting in relation to matters relating to church property including any purchase, sale, lease, mortgage or redevelopment of church property. The Charity Trustees have the power to borrow money, receive grants, give guarantees and or security for loans, and to make grants or loans of money. In the event of a charge over land and/or buildings being required this is under the provisions in the trusts for the land and with statute law. The Trustees also have the power to make grants to other charities working elsewhere in the United Kingdom and/or other parts of the world.

The Trustees determine a quorum for their full meetings that is not less than two persons or half of their number whichever is the greater number. They determine when and how frequently they shall meet provided that they shall convene meetings of the whole group not less than once every two months. In addition to regular meetings of the whole group they may meet in such sub-groups as are necessary and convenient. Reports of such subgroup meetings are made to the next full Trustees Meeting. Each Trustee has one vote. Every issue can be determined by a simple majority of votes cast at a meeting of the Trustees but if there is an equality of votes on any matter the resolution will be considered rejected and the matter shall be referred back to the submitter for review and if appropriate resubmission to a subsequent meeting for consideration.

The Church Members meet together in a Church Members Meeting under the guidance of the Holy Spirit and under the Lordship of Christ to discern the mind of God in the affairs of the Church. The Church Members Meeting has reserved authority in the appointment and removal of a Minister, the appointment and removal of Charity Trustees, the appointment and removal of staff, and other decisions related to church property including any purchase, sale, lease, mortgage, or redevelopment of property, the administration of the membership list, and the closure of the Church.

The Church Members' Meeting appoint Leaders/Trustees to be responsible for the governance of the Church and where there is a Minister(s) that person is a Charity Trustee because of their role and responsibilities.

The Church Members' Meeting arrange for the appointment of a Church Secretary and Church Treasurer (or equivalents). Charity Trustees shall serve so long as they have the support of the Church Members Meeting and (except for those in ministerial office) are actively appointed and reappointed at least once every three years. Voting is by secret ballot at an Ordinary Church Members Meeting

There are two types of formal Church Members Meetings, Ordinary and Special Church Members Meetings.

Ordinary Church Members Meetings are held at regular intervals on not less than four occasions in any calendar year and are an opportunity to consider and review routine matters associated with the life of the Church including issues related to church membership, the appointment and dismissal of the Charity Trustees, the approval of the budget, with opportunities for considering proposals from the Charity Trustees or other Church Members for the development of the Church and the advancement of its purpose through its activities.

One Ordinary Church Members' Meeting each year includes the Annual Church Members' Meeting for the Church Members to receive annual accounts and reports, to appoint Auditors or Independent Examiners, and to consider proposals for the strategy and vision of the church in the coming year, with other appropriate matters.

A Special Church Members Meeting is convened when necessary to consider the appointment or dismissal of a minister, matters relating to the purchase, sale, lease, mortgage or

redevelopment of church property, the closure of the church, or matters considered by the Charity Trustees to be of sufficient importance to require the calling of a Special Members Meeting.

Joining and becoming a church member is normally through Baptism by immersion upon personal profession of faith. The church also operates an open membership so that persons seeking membership who have not been baptised in the manner described in the Union's Declaration of Principle may at the discretion of the Church Members Meeting be accepted for full membership based on their own public profession of repentance towards God and faith in and obedience to Our Lord Jesus Christ.

Church Membership is open to those who:

- accept the Beliefs of the Church;
- meet the Church's qualification on Baptism;
- commit themselves to serving Christ within the Church and beyond;
- abide by the decisions of the Church Members Meeting;
- acknowledge their responsibilities as Church Members;
- have their membership application accepted by the Church Members Meeting.

A person wishing to become a Church Member applies to the Church Members Meeting. The Church Members Meeting will consider and vote on the application for membership and if accepted the new member will normally be welcomed publicly.

In order to keep the membership list up to date, this is reviewed at least once every three years when the Church Members Meeting resolves to make any appropriate deletions. At any time, however, in exceptional circumstances where the conduct of a Member is considered to be contrary to the Purpose and Beliefs of the Church and/or disruptive to the relationships between Members then the Leaders/Charity Trustees may recommend to a Church Members Meeting that the membership of that person be reviewed. The Church Members may, after considering the facts, terminate the membership of that person. The Church Member is allowed to hear what is said at the Church Members Meeting, to correct any errors of fact and offer any explanation of the circumstances or reasons for their actions before withdrawing from the meeting so that the Church Members Meeting may prayerfully and carefully consider whether they should resolve to remove that person's name from the list of Members.

Beliefs and Activities

The Church is a member of the Baptist Union of Great Britain (Baptist Union) and the London Baptist Association (the Association).

As a Member of the Baptist Union the Church subscribes to the Union's Declaration of Principle:

That our Lord and Saviour Jesus Christ, God manifest in the flesh, is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws.

That Christian Baptism is the immersion in water into the name of the Father, the Son and Holy Spirit, of those who have professed repentance towards God and faith in our Lord Jesus Christ who died for our sins according to the Scriptures; was buried, and rose again on the third day.

That it is the duty of every disciple to bear personal witness to the gospel of Jesus Christ, and to take part in the evangelisation of the world.

In fulfilling the purpose of the Church the church engages in a range of activities either on its own or with others that varies from time to time with activities being initiated, expanded, or closed, as appropriate both to its membership and to the community generally. *The aim is to tell and be Good News in the community. We will seek do this by being a living community of faith, love and service.*

The Activities may 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 teaching, encouragement, welcome and inclusion of young people;
- 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 also promotes and supports the work of the Baptist Union, the 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 also supports local Baptist and ecumenical gatherings.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. These services take place each Sunday currently at 10.30 am. There are also occasional services at other times which are advertised on the church's internal notice boards and website at www.vpbc.org.uk. There is a full children's programme during the morning services. The church seeks to be a friendly and welcoming community and anyone is free to attend any of these services.

The Church runs a series of small groups for the growth of faith and discipleship in the homes of some members and in the church building, and further details of these can be obtained from the Trustees on request, or at the Sunday services of worship, the web page or the monthly diary sheet.

The church has read the Charity Commission guidance on public benefit and is satisfied that the activities outlined above and later in this report clearly demonstrate that the charity is providing a benefit to the public. All our activities are open to all members of the public and are not unreasonably restricted by geographical boundaries.

Achievement and Performance Evaluation.

The unexpected COVID-19 pandemic that struck the world affected all aspects of our church activities. The government regulations prohibiting mass gatherings, social distancing and closure of places of worship disrupted every aspect of church life and we had to adapt quickly.

1. As a church our job is to proclaim the good news of Jesus and that was a priority. We moved our Sunday worship services on line from March 2020.

2. As restrictions eased in July 2020, we carried out risks assessment and planned and opened for in person socially distanced gathering for Sunday worship. We still kept the online worship for those in the fellowship who were not ready to return to worshipping in the building.
3. Prayer in many forms both individual and corporate was encouraged, we held a Week of Prayer in the New Year of 2021, and there was encouraging participation by the church.
4. As a church, we are active 52 weeks of every year and growing a responsive faith community. The pandemic and the need to use online method to reach out to our fellowship meant we had to increase our use of social media. The website and other social media have become a 24/7 tool for communication and advertisement of events and programmes. We maintain paper communication for the decreasing number who do not use a smart phone or PC. The challenge of 2021 and beyond is to further improve access to belonging and participation.
5. We have sustained the link between the E123 churches: ourselves, Bethnal Green Mission Church, E1 Community Church and Stepney Salvation Army. During the year the E123 Partnership has successfully brought over and settled a refugee family under the Community Sponsorship of Refugees scheme in East London – extending a welcome to a Syrian Refugee family with Home Office support.
6. In line with our Core Values, we encourage the Centre and other parts of the building to be hired by groups which benefit the health and wellbeing of the local community. They use the premises at reasonable rates, we benefit from the rent and sharing / caring communities are built. This was hit hard during the pandemic as government restrictions banned these activities from running.

Continuity - Future plans April 2021 and beyond:

The 2019 novel corona virus (aka COVID 19) has presented an even bigger challenge to the trustees as to how to continue to ensure we tell and be Good News. Our social media platform has come to the fore during this period. As well as our Facebook and Instagram social media platforms, we launched our Twitter handle in July 2019, and launched our YouTube channel in April 2020.

As well as enriching our Social Media platform, we also launched a WhatsApp group with which church members and friends can remain in touch. This has been of great benefit for many, and the WhatsApp group will continue to remain in situ even beyond when the lockdown is lifted. However, we face a challenge regarding some of those members who do not have direct access to the internet.

a) Partnerships.

With our partners we will progress the *E123 Welcomes Refugees* scheme, by helping the family settle in our community. We will also continue the partnership we have explored to host *Box Up Crime* which will be in partnership with this Dagenham based charity working to prevent gang membership. It is run by the leader of East End Church on a Friday evening with volunteers from other churches (EEC already use our building to pray in on Sunday evenings). We aim to continue to nurture existing stakeholder partnerships including Chisenhale Ladder (Street Party), Crossroads Counselling, Street Pastors, Bow Food bank and E123 churches, as well as Mission Housing Association Ltd. We will be open to explore new potential partnerships which advance the purpose of

the church in community. Our previous Minister served on the Boards of Crossroads Counselling, Mission Housing and as Governor of Chisenhale Primary School. The Manse is within the Chisenhale Ladder area of Bow West

- b) Transitioning. We need to be “always reforming” to be relevant in our purpose as a charity for public benefit. In the light of the increase in rental and residential purchasing prices locally, we recognise that there is a consistent movement out of East London by some and a movement in by others. We therefore of necessity target to recruit and train new volunteers as Trustees for the future and also volunteers in every area of the church’s life and outreach. We are working with the London Baptists around the departure of the current Minister and planning for the future to recruit a new Minister. We have submitted our Church profiles to the London Baptists and hope to soon be welcoming a minister.
- c) Giving. We will achieve our mission by being a living community of faith, love and service. Giving is therefore not just about giving money but a willingness to share time, gifts and skills, friendship and resources. Giving is a choice and costly. We will teach and encourage one another to be a generous people and to each share the resources we have. We will explore new means of giving via things like “donate buttons” on our web site and TAP payments.
- d) Worship. We will work and pray to see this constantly refreshed with new participants and leaders in all our Church activities. Our hope and prayer is that it will continue to be EPIC: experiential, participatory, image rich and connective. We will encourage the regular use of African drums and personal expression in Sunday worship. We will provide opportunities for the sharing of silence to develop reflective and contemplative worship as well as offering loud praises! Images and creative arts are increasingly a part of our experience in worship. A growing number of the congregation participate by leading our weekly Prayers for the World. Worship includes the sharing of time and gifts for the benefit of others in our Church family and our communities. We encourage each other to understand that worship is a way of living life to the full for the glory of God.
- e) Social Media. The past 12 months has seen Social Media become a prominent component in the set of tools available to church with which to achieve our objectives. In the past 12 months, we launched our Twitter channel to maximise publicity around our 150-year anniversary. This is in addition to the web page, Facebook and Instagram channels already in place.
 - a. The lockdown, for better or worse, has enforced increased interaction with our social media platforms and church web page. We will continue to review the social media tools we have in place, and improve upon them where necessary.
- f) RAFT – Roof Access Fundraising Team: RAFT was set up following requests from the Church Members in 2018, asking that we pursue the need to improve access to the church building for those with disabilities, the elderly and young families. A grant application has been made to City Bridge Trust (CBT) seeking a feasibility study of access throughout the building. The damage to the roof in the summer of 2020 became worse and it became unsafe. Following advice from our architect, we closed part of the building and called for further surveys. It became clear that the only

viable option was to replace the roof. With guidance from our Regional Minister, we have appointed a project manager and obtained loans and work is about to start in replacing the roof.

Due to Covid restrictions, the RAFT group ceased to meet and the project to replace the roof was taken up by the Trustees who took their recommendations to the CMM for approval.

Financial Review

The church seeks to ensure all major community projects and events are fully funded without recourse to limited general funds. This is by a mixture of donations, rental fees and grants as appropriate. Our core funding is from regular and dedicated givers in both small and larger amounts. New donors have been added as others have left but economic austerity has left some with little spare to give.

The Income for the year ending 31 March 2021 was: £78,548 of which £40,362 was from rental of VPBC space and the Manse.

Expenditure: £30,450 – this is lower than previous years largely due to the church not having to pay the stipend for a minister.

Net income: £48,098 before pension fund movements.

General Reserves at 31st March 2021: £68,064 increased in the year from £28,620.

Loans from London Baptist Property Board have been fully paid back during the year.

Due to Covid 19, the church followed government guidelines and had its last public service on 15th March 2020. From this date, there have been no services which meant no cash collection was received.

The Annual Thank Offering is a seven-week internal appeal period running from Easter to Pentecost where people are encouraged to mark their own thanks to God in addition to their normal regular giving. In the financial years 2016 - 2018, it raised a significant amount which has already been spent on improvements to the Welcome Area and “public face” of the chapel.

The amount raised in 2019 was £4,304. This is earmarked to complete the work to the front steps as required by LB Tower Hamlets.

The Thank Offering 2020 did not take place due to Covid 19. Many people are concerned about employment and businesses and it did not seem appropriate to request more than the normal donations. It is hoped that when the situation regarding public health, returns to normal, Leaders can consider whether to encourage a Thank Offering at that time. It was intended that the money raised would go towards the cost of replacing the roof.

The Gift Aid scheme continues to be an important part of the voluntary income raising a significant amount of money. This has been further increased by the *Gift Aid Small Donations Scheme*. The scheme is managed by a volunteer.

The Redevelopment Fund is replenished from occasional and regular small donations, particularly through the coin jar scheme. This year we have had some larger donations.

The church has a lettings policy for external groups which seeks to encourage local community use and a sliding scale of charges dependent on whether it is a community-based project, funded voluntary group, statutory service or commercially run organisations. Rental income has been steady through the year and grown only slightly.

Due to Covid 19, User Groups stopped during the middle of March 2020, giving cause to concern regarding the lack of rental income. We are aware that this amounts to approximately 25% of the total income of the church.

Our Minister, who had been in post for over 30 years, retired at the end of July 2019. Although we have been actively working towards seeking a new minister, there will be no stipend to be paid until this person is in post.

VPBC have given a gift of £50 to each visiting speaker who has preached at Sunday services during the time we have been without a minister, although some have declined this gift.

The Leaders have let the Manse during the period with no minister, the additional income has allowed VPBC to cover losses of Church letting income due to Covid-19 and to grow reserve funds. However, this has been offset by the lack of rental income and cash offerings due to church closure.

Additionally, Leaders agreed a 20% decrease in rent for two months to support the tenants during the crisis.

We received grant funding for Outreach including the Community Mosaic.

Various gifts and bursaries were made from our Communion Fund. Small repayable loans were made from our Barnabas Fund. We have taken collections and made outward donations to both of our core charities: BMS World Mission and Crossroads Counselling. We agreed to hold special gift Sundays, with presentations and offerings collected.

The accounts have been prepared in accordance with FRS102 and the relevant SORP, this has required us to provide for the Church's pension liability with the Baptist Pension Scheme. To facilitate this liability, we revalued the manse in the 2016 accounts, giving rise to a large revaluation reserve. The manse is integral to the Church's Ministry and strategy. During the Pastoral Vacancy, the church will apply for a 3-year grace period from the Baptist Pension Scheme, so it reduces its contributions, but we remain a part of the Scheme.

Reserves policy

The Leadership Team recognise the need to establish and record a reserves policy for the charity, to examine the patterns of income and expenditure and to achieve and maintain a reserve level of between £40,000 and £70,000. We note the Charity Commission's guidance on charity reserves and building in resilience. The largest expense is the church building maintenance and improvements including the cost of renting the manse.

The main form of income for this is voluntary giving and more specifically the core of supporters who give on a regular basis. The Trustees consider that the unrestricted funds reserve should include all of a typical year's costs e.g. Ministerial Stipend. The Trustees consider that the current level of general reserves at just over £68,000 to be sufficient to cover 1 year costs.

Risk Statement

We have drafted a formal Financial Risk Assessment Policy, which has been reviewed in the year and the Leaders' pay attention to the risks noted.

Through the monthly Leaders meetings, the Leaders/Trustees review and recognise risks where they might occur and are exposed to in the activities of a small charity operating with few employees. Each activity, particularly where it is new/ outdoors, is given regular risk assessments. The work with children has detailed risk assessments linked to Child Protection and Safeguarding, DBS checks, Ofsted voluntary registration and adherence to the Baptist Union

safeguarding are in place. Other areas of risk include health and safety procedures particularly around food preparation, lone worker policy, buildings, PAT testing and fire safety and procedures are in place to address these. We have adopted the Baptist Union's documents on the General Data Protection Regulations from May 2018 until we create our own. There were no related party transactions in the year.

Statement of Trustees' Responsibilities

The Diaconate who are also the Charity Trustees are responsible for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that 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 estimates that are reasonable and prudent;
- d) state whether applicable 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 in operation

The trustees are responsible for keeping adequate 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.

This report was approved by the Diaconate on 28 January 2022 and signed on its behalf.

Becky Gbande
Trustee: Becky Gbande

Independent Examiner's Report to the Trustees of Victoria Park Baptist Church

I report to the trustees on my examination of the financial statements of Victoria Park Baptist Church ('the charity') for the year ended 31 March 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.

Shruti Soni FCCA FCIE

Date: 28 January 2022

Shruti Soni

Shruti Soni Ltd
Chartered Certified Accountants
117A St Johns Road
Sevenoaks
TN13 3PE

**STATEMENT OF FINANCIAL ACTIVITIES
AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Unrestricted funds	Restricted funds	Endowment funds £	Total funds 2020
Income from:									
Donations and legacies	2	33,057	651	-	33,708	41,016	2,229	-	43,245
Charitable Activities	3								
Church events		4,462	-	-	4,462	2,890	-	-	2,890
Rental income and fees		40,362	-	-	40,362	30,156	-	-	30,156
Other trading activities		-	-	-	-	307	-	-	307
Investment income	4	16	-	-	16	47	-	-	47
Other									
Total income		77,897	651	-	78,548	74,416	2,229	-	76,645
Expenditure on:									
Charitable activities	5	29,356	1,094	-	30,450	59,932	2,750	-	62,682
Total expenditure		29,356	1,094	-	30,450	59,932	2,750	-	62,682
Net income/(expenditure) before transfers		48,541	(443)	-	48,098	14,484	(521)	-	13,963
Transfers between funds	15	(5,783)	253	5,530	-	(2,438)	73	2,365	-
Net income / (expenditure) before other recognised gains and losses		42,758	(190)	5,530	48,098	12,046	(448)	2,365	13,963
Actuarial gains on defined benefit pension schemes	18	11,745	-	-	11,745	4,368	-	-	4,368
Interest cost on DB pension scheme		(893)	-	-	(893)	(963)	-	-	(963)
Net movement in funds		53,610	(190)	5,530	58,950	15,451	(448)	2,365	17,368
Reconciliation of funds:									
Total funds brought forward		768,854	1,553	(5,530)	764,877	753,403	2,001	(7,895)	747,509
Total funds carried forward		822,464	1,363	-	823,827	768,854	1,553	(5,530)	764,877

All of the above are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The notes on the following pages form part of these accounts.

VICTORIA PARK BAPTIST CHURCH

BALANCE SHEET AS AT MARCH 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
Fixed assets			
Tangible assets	8	761,308	762,524
Total fixed assets		<u>761,308</u>	<u>762,524</u>
Current assets			
Debtors	9	3,279	3,020
Cash at bank and in hand	10	84,087	42,231
Total current assets		<u>87,366</u>	<u>45,251</u>
Creditors: amounts falling due within one year	11	<u>(5,247)</u>	<u>(8,916)</u>
Net current assets/(liabilities)		82,119	36,335
Total assets less current liabilities		<u>843,427</u>	<u>798,859</u>
Creditors: amounts falling due after more than one year	12	-	(3,530)
Net assets excluding pension asset/(liability)		843,427	795,329
Defined benefit pension scheme asset/(liability)	18	(19,600)	(30,452)
Total net assets/(liabilities)	15	<u>823,827</u>	<u>764,877</u>
The funds of the charity:			
Endowment fund		-	(5,530)
Restricted funds		1,134	1,324
Unrestricted funds:			
Designated		24,229	20,915
Revaluation reserve		750,000	750,000
Pension reserve	18	(19,600)	(30,452)
General fund		<u>68,064</u>	<u>28,620</u>
Total unrestricted funds		822,693	769,083
Total charity funds	14	<u>823,827</u>	<u>764,877</u>

and signed on its behalf by:

Becky Gbande
Secretary: Becky Gbande

Hilary Papworth
Treasurer: Hilary A Papworth

28 January 2022

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(i) Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Church Accounting regulations 2006 together with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) September 2015, and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts (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'.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The functional currency of the Church is sterling.

The financial statements have been prepared under the historical cost convention, except for the valuation of investment assets, which are shown at market value.

(ii) Public benefit entity

The charity meets the definition of a public entity under FRS 102.

(iii) Going concern

The trustees consider that there are no material circumstances about the charity's ability to continue as a going concern. Large projects are only undertaken when the funding is certain.

The trustees consider the general reserve of £68064 at the year end to be sufficient, along with estimated income in the following year, to continue operating.

The charity is carrying a significant Pension liability. The Baptist Pension Scheme is employing measures to mitigate the deficit across the whole fund as a "family solution" over the next 2 decades. The trustees have taken advice from the Pension Scheme regarding the management of the deficit beyond the retirement of the Minister and are making deficit contribution payments as advised.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material to the carrying amounts of assets and liabilities within the next reporting period.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies - continued

(iv) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

(v) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

Other income and income from trading activities

Rental income from the letting of church premises and the church Manse property is recognised when the rental is due.

(vi) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(vii) Fund accounting

Unrestricted Funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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

The financial statements include all transactions, assets and liabilities for which the Church is responsible in law. They do not include the financial statements of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members.

(viii) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies - continued

- Expenditure on charitable activities includes the costs of delivering services and other activities undertaken to further the purposes of the charity and their associated support costs
 - Grants payable are accounted for when due.
 - Other expenditure represents those items not falling into any other heading.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(ix) Allocation of support and governance costs

Support and governance costs are allocated to unrestricted funds.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

(x) Fixed assets and depreciation:

Fixed assets acquired for use by the charity are capitalised and depreciated over their estimated useful life to their estimated residual value, unless they cost less than £1,000 when they are written off on purchase.

Depreciation periods are as follows:

Freehold land	Not depreciated but valued at NIL since originally purchased in the 19th century.
Freehold buildings	<p>Over 50 years, and hence the church property is fully depreciated since it is over 50 years old. The Manse has previously been depreciated at 2% on estimated cost over its estimated useful life of 50 years and is fully depreciated on that original basis at Mar 2017.</p> <p>Since 2016 the Trustees have had a policy of revaluing the property every 5 years. The Trustees feel that an online search of like local properties is sufficient for revaluation purposes.</p> <p>The current valuation was carried out in 2021. The valuation was not changed in the accounts as the property market is uncertain due to Covid-19. The property valuation cannot be realised by the Church, only by the London Baptist Property Board.</p> <p>No depreciation is provided as the estimated residual value is not materially different from the carrying value and its estimated useful life is so long to result in depreciation being immaterial.</p>
Refurbishment	The ceiling refurbishment is depreciated at 2% on cost over its estimated useful life of 50 years.
Equipment	Between 3 and 7 years for items costing over £1000

(xi) Debtors

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

Prepayments are valued at the amount prepaid net of any trade discounts due.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

(xii) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Accounting policies - continued

(xiii) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(xiv) Creditors and provisions

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

(xv) Pension costs:

The charity is part of the Baptist Union Pension Scheme for certain of its employees. Pension premiums are paid to this defined contribution scheme to fulfil the local church's responsibilities and charged to expenditure as they fall due.

2 Income from donations and legacies

	Unrestricted	Restricted	2021	2020
	£	£	£	£
General donations and grants	25,778	-	25,778	29,313
Action 4 Bow	-	-	0	1,057
Tax recoverable	6,589	-	6,589	7,091
Thank offerings	690	637	1,327	4,554
Other donations and grants	0	14	14	1,230
	33,057	651	33,708	43,245

Income from donations and legacies - prior year comparative

			2020
General donations and grants	28,621	692	29,313
Action 4 Bow	-	1,057	1,057
Tax recoverable	7,091	-	7,091
Thank offerings	4,304	250	4,554
Other donations and grants	1,000	230	1,230
	41,016	2,229	43,245

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

3 Charitable activities	Unrestricted	Restricted	2021	2020
	£	£	£	£
Advancement of religion and education				
Church events	4,462	-	4,462	4,042
Rental income and fees Church	3,631	-	3,631	13,381
Rental income Manse	36,731	-	36,731	7,816
Other trading activities	-	-	-	995
	44,824	-	44,824	26,234

Charitable activities - prior year comparative

	2020
Church events	2,890
Rental income and fees	30,156
Other trading activities	307
	33,353

4 Investment income	Unrestricted	Restricted	2021	2020
	£	£	£	£
Bank interest	16	-	16	47

Investment income - prior year comparative

	2020
Bank interest	47

5(a) Direct Charitable Costs	Unrestricted	Restricted	2021	2020
	£	£	£	£
Employee costs 7	4,761	-	4,761	15,349
Volunteer costs	-	-	-	64
Church activity	2,094	123	2,217	4,573
Church property	12,867	-	12,867	23,142
Manse property	3,871	-	3,871	9,483
Depreciation 8	1,216	-	1,216	1,542
Minor equipment and repairs	-	-	-	-
Grants payable 5 c	-	971	971	1,480
	24,809	1,094	25,903	55,633

(b) Administration and governance

	Unrestricted	Restricted	2021	2020
	£	£	£	£
Administrative costs	3,047	-	3,047	5,549
Independent examination fee	1,500	-	1,500	1,500
	4,547	-	4,547	7,049
Combined charitable activity cost	29,356	1,094	30,450	62,682

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

	Institutions	Individuals	2021	2020
	£	£	£	£
(c) Grants				
Missionary support	394	-	394	600
Relief of poverty		577	577	406
Other grants			-	370
	394	577	971	1,376

The church supports missionaries in the UK and internationally. Where a particular missionary has been supported by the church for a number of years, strict compliance with the Charities' Statement of Recommended Practice (SORP) may regard some arrangements as constituting constructive obligations such that future years' support is accounted for in these accounts as a liability. Whilst the support has no final end date in some cases, the church officers assess missionary funding on an annual basis and are confident that the missionaries would not view their support as open ended obligations by the Church.

The main features of the grants made were to:	2021	2020
Baptist Home Mission	£394	£0
Baptist World Mission	£0	£330
Crossroads CCS	£0	£152

(a) Direct Charitable Costs - prior year comparative		Unrestricted	Restricted	2020
		£	£	£
Employee costs	7	15,349	-	15,349
Volunteer costs		19	45	64
Church activity		3,104	1,469	4,573
Church events and projects				-
Church property		23,142	-	23,142
Manse property		9,483	-	9,483
Depreciation	8	1,542	-	1,542
Minor equipment and repairs		-	-	-
Electrical works				-
Grants payable	5 c	321	1,159	1,480
		52,960	2,673	55,633

(b) Administration and governance		Unrestricted	Restricted	2020
		£	£	£
Administrative costs		5,472	77.00	5,549
Independence examination fee		1,500	-	1,500
		6,972	77.00	7,049
Combined charitable activity cost		59,932	2,750	62,682

	Institutions	Individuals	2020
	£	£	£
(c) Grants			
Missionary support	330	250	580
Relief of poverty	-	427	427
Other grants	473	-	473
	803	677	1,480

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

6 Net income/(expenditure) for the year

This is stated after charging/(crediting)

	2021	2020
Depreciation	1,216	1,542
Interest payable	214	214
Independent examiners' fee	1,500	1,500
	<u>2,930</u>	<u>3,256</u>

7 Staff and trustees

	2021	2020
	£	£
Staff costs were as follows:		
Salaries and wages	2,021	10,759
Other employment costs	-	36
Employer deficiency contributions to defined benefit scheme	2,740	3,572
Employer contributions to defined contribution pension scheme	-	982
Total	<u>4,761</u>	<u>15,349</u>

The charity has no full time equivalent employed staff (2020:0).

No staff received salaries at a rate of more than £60,000 per annum (2020: nil)

The Minister retired during 2020 with no replacement currently in post, no gross stipend was paid (2020: £7,817) and no pension contributions were made (2020: £982).

The Trustees are the Key Management Personnel.

No remuneration or reimbursement of expenses were paid to any other trustee during the year nor to any person connected to them.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

8 Tangible fixed assets	Building refurbishment	Equipment & fittings	Manse	Total 2021
Cost	£	£	£	£
At 1 April 2020	13,647	24,179	754,000	791,826
Additions	-	-	-	-
At 31 March 2021	13,647	24,179	754,000	791,826
Accumulated Depreciation				
At 1 April 2020	2,457	22,845	4,000	29,302
Charge for the year	274	942		1,216
At 31 March 2021	2,731	23,787	4,000	30,518
Net book value				
At 31 March 2021	10,916	392	750,000	761,308
At 31 March 2020	11,190	1,334	750,000	762,524

Freehold land - church Valued at NIL since originally purchased in the 19th century.

Freehold buildings - church The church property is fully depreciated since it is over 50 years old.

Freehold buildings - Manse The Manse was valued at estimated original cost in 1967 of £4,000.
In 2016 the building was revalued using average value from an online valuation tool, valuing the property at c£750,000. The Manse cannot be sold without the purchase of equivalent accommodation.

The properties are believed to be held as endowment property (see note 15). The endowment fund matches to loans raised against the properties to carry out refurbishment works.

9 Debtors and prepayments	2021	2020
	£	£
Sundry debtors	86	-
Tax recoverable	3,133	2,900
Prepayments	60	120
	<u>3,279</u>	<u>3,020</u>
10 Cash at bank and in hand	2021	2020
	£	£
Bank operating accounts	78,110	36,271
Bank deposits	5,977	5,960
	<u>84,087</u>	<u>42,231</u>

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

11 Creditors: liabilities falling due within one year	2021	2020
	£	£
Sundry creditors	2,774	4,126
Baptist Union long term loan	-	2,000
Accruals	2,473	2,791
	<u>5,247</u>	<u>8,917</u>

12 Creditors: liabilities falling due after one year	2021	2020
	£	£
Baptist Union long term loan	-	3,530
Due after one year	-	3,530
Total balance due	<u>-</u>	<u>3,530</u>

13 Pension schemes

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). See below note 19 for the pensions disclosure note in full.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

14 Movements in funds

	At 1 April 2020	Incoming resources	Outgoing resources	Transfers	At 31 March 2021
	£	£	£	£	£
Endowment fund	(5,530)	-	-	5,530	-
Restricted funds					
Good Start Breakfast Club	-	-	-		-
Other restricted funds	738	622	(644)	130	846
Communion Fund	586	29	(327)		288
Outreach	-	-	(123)	123	-
Total restricted funds	1,324	651	(1,094)	253	1,134
Unrestricted funds					
Designated funds					
<u>Long term funds</u>					
Redevelopment fund	8,234	4,462			12,696
Capital values fund	12,524		(1,216)		11,308
	20,758	4,462	(1,216)	-	24,004
<u>Short term funds</u>					
Church events	157	-	40	28	225
Total designated funds	20,915	4,462	(1,176)	28	24,229
Pension reserve	(30,452)	-	10,852	-	(19,600)
Revaluation reserve	750,000	-	-	-	750,000
General reserves	28,620	73,435	(28,180)	(5,811)	68,064
Total unrestricted funds	769,083	77,897	(18,504)	(5,783)	822,693
Total funds	764,877	78,548	(19,598)	-	823,827

Purpose of endowment funds

In previous years the Church borrowed money from London Baptist Property Board to carry out essential repairs and refurbishment to the church. An amount equivalent to the loan was transferred to an endowment fund which is reduced each year by an amount equivalent to the amount of loan repaid.

Under the terms of the original endowment, it is believed that the proceeds of sale of the assets, should this occur, could only be used for equivalent capital purchases such as the repayment of property loans or the purchase of new buildings.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

14 Movements in funds - continued

Purpose of designated funds

The Redevelopment Fund is an unrestricted fund designated by the trustees to allow for future expenditure on improvement or redevelopment of the church property.

Capital Values Fund represents the accounting value of endowment property (the Church building and Manse).

The revaluation reserve reflects the average market value of the Manse property in March 2016.

The Pension reserve is to reflect the DB Pension liability required under FRS102.

Any Gift Aid recoverable on unrestricted income is itself unrestricted and these have been allocated to general funds within the general Gift Aid tax receivable in note 2.

Purpose of restricted funds

The restricted funds represent amounts received for specific purposes.

Transfers represent amounts moved to and from general reserve to fund specific activities per the terms of the funds.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Movements in funds - prior year

	<u>At 1 April 2019</u>	<u>Incoming resources</u>	<u>Outgoing resources</u>	<u>Transfers</u>	<u>At 31 March 2020</u>
	£	£	£	£	£
Endowment fund	(7,895)	-	-	2,365	(5,530)
Restricted funds					
Good Start Breakfast Club	0	-	-		-
Other restricted funds	983	719	(733)	(231)	738
Communion Fund	783	230	(427)		586
Outreach	7	1,279	(1,590)	304	-
Total restricted funds	1,773	2,228	(2,750)	73	1,324
Unrestricted funds					
Designated funds					
<u>Long term funds</u>					
Redevelopment fund	6,014	2,220			8,234
Capital values fund	14,066		(1,542)		12,524
	20,080	2,220	(1,542)	-	20,758
<u>Short term funds</u>					
Church events	175	670	(688)	-	157
Total designated funds	20,255	2,890	(2,230)	-	20,915
Pension reserve	(33,857)	-	3,405	-	(30,452)
Revaluation reserve	750,000	-	-	-	750,000
General reserves	17,233	71,527	(57,702)	(2,438)	28,620
Total unrestricted funds	753,631	74,417	(56,527)	(2,438)	769,083
Total funds	747,509	76,645	(59,277)	-	764,877

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

15 Analysis of net assets between funds at 31 March 2021

The assets and liabilities represented by the various funds are as follows:

	Fixed assets £	Bank and cash £	Other net assets £	Long-term liabilities £	Total £
<u>Restricted funds</u>					
Church funds	-	1,134	-	-	1,134
Good Start Breakfast Club	-	-	-	-	-
	-	1,134	-	-	1,134
<u>Endowment funds</u>	-	-	-	-	-
<u>Unrestricted funds</u>					
Designated funds	11,308	12,921	-	-	24,229
Pension reserve	-	-	-	(19,600)	(19,600)
Revaluation reserve	750,000	-	-	-	750,000
General funds	-	70,032	(1,968)	-	68,064
	761,308	82,953	(1,968)	(19,600)	822,693
Total funds	761,308	84,087	(1,968)	(19,600)	823,827

Analysis of net assets between funds - prior year 31 March 2020

The assets and liabilities represented by the various funds are as follows:

	Fixed assets £	Bank and cash £	Other net assets £	Long-term liabilities £	Total £
<u>Restricted funds</u>					
Church funds	-	1,324	-	-	1,324
Good Start Breakfast Club	-	-	-	-	-
	-	1,324	-	-	1,324
<u>Endowment funds</u>	-	-	-	(5,530)	(5,530)
<u>Unrestricted funds</u>					
Designated funds	12,524	8,391	-	-	20,915
Pension reserve	-	-	-	(30,452)	(30,452)
Revaluation reserve	750,000	-	-	-	750,000
General funds	-	32,516	(5,896)	-	26,620
	762,524	40,907	(5,896)	(35,982)	761,553
Total funds	762,524	42,231	(5,896)	(35,982)	762,877

16 Related party transactions

There are no related party transactions for 2021 (2020: none)

17 Taxation

The charity is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

18 Contingent Asset

Helen Cammish left a legacy to VPBC to be fulfilled when the property she jointly owned is sold. This is noted as a contingent asset in VPBC accounts, but as the legacy will not be received until an undetermined time in the future, it cannot be quantified.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

19 FRS102 pensions disclosure

Background to the disclosure

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

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

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Minister(s) is eligible to join the Scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

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

Actuarial valuation as at 31 December 2019

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

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

VICTORIA PARK BAPTIST CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

VICTORIA PARK BAPTIST CHURCH

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	2.50
- Main Scheme pension Post April 2006	2.70

- Post-retirement mortality in accordance with 80% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females, with a smoothing parameter and with additional initial mortality improvement factor of A=0.5%.

The actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 Decemebr 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 16 December 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustees and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Movement in Balance Sheet liability

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

Accounting date (year ending):	31-03-21	31-03-20
Balance sheet liability at year start	£30,452	£33,857
Minus deficiency contributions paid	-£2,740	-£3,573
Interest cost (recognised in SoFA)	£893	£963
Remaining change to balance sheet liability* (recognised in SoFA)	-£9,005	-£795
Balance sheet liability at year end	£19,600	£30,452

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

VICTORIA PARK BAPTIST CHURCH

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

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:

Accounting date	31-03-21	31-03-20	31-03-19
Discount rate	2.2%	3.0%	3.0%
Future increases to Minimum Pensionable Income	2.8%	2.6%	2.6%