

Blackhorse Road Baptist Church

Report and Accounts
Year ended 31 December 2021

BLACKHORSE ROAD BAPTIST CHURCH
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2021

ADDRESS FOR CORRESPONDENCE	65 Blackhorse Road Walthamstow E17 7AS
GOVERNING DOCUMENT	Declaration of Trust dated October 2013
CHARITY REGISTRATION NUMBER	1154906
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	Malcolm Patten (Senior Pastor) Naaman Murphy (Assistant Pastor) Christine South (Treasurer) Veronica Neblett (Church Administrator) David Arkell (appointed June 2021) Timothy Barker (appointed June 2021) Andrew Brown Philip Clarke (resigned June 2021) Veronica Hanson-Allen Theo Leany (resigned June 2021) Jackie Mouhon (appointed June 2021) Salome Wyatt (appointed June 2021, resigned June 2022)
CUSTODIAN TRUSTEES	London Baptist Property Board Ltd.
BANKERS	Barclays Bank plc
INDEPENDENT EXAMINER	Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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BLACKHORSE ROAD BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees have pleasure in submitting the Report and Accounts for the year ended 31 December 2021.

Aims and purposes

The Trustees of Blackhorse Road Baptist Church, with the support of the Covenant Members' Meeting, have responsibility to ensure that the church fulfils its objectives and also oversee the activities of the church. In particular they seek to ensure that the church's legal responsibilities with regard to Safeguarding, Health and Safety, and Public Liability are fulfilled. They also seek to steer the church to ensure it continues to develop and grow and serve both its members and the local community well.

In planning the activities the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Review of the charity's main activities and achievements

Following the impact of covid-19 on church life in 2020, this year saw some improvement but continuing challenges too. A hybrid approach to services, children's and youth activities, house groups and leadership meetings enabled the majority of people to remain involved and connected during this difficult time. When it was safe to do so, we increased the provision for groups to meet in person whilst retaining precautions such as face coverings, hand sanitiser and social distancing. Using online platforms such as youtube and zoom enabled people to pre-record contributions which added to the number and range of people who felt empowered to participate. We were excited to see four members of our church testify to following Jesus and they were baptised in the autumn.

Some of our groups, particularly those serving the local community were unsuitable to transfer to the zoom platform and either operated in different ways or were suspended during this period:

- * Nightshelter: a limited number of users were accommodated in hotel accommodation outside of the borough during the winter periods and we offered food and volunteer support to help with supervision.
- * Bereavement Support Group: as most members were elderly they were reluctant to meet in person but supported one another by phone. We were able to come together for a Christmas meal at the beginning of December. It restarted in Spring 2022.
- * Tots and Toys: This was unable to meet during 2021 as it was deemed too difficult to run without the risk of contact and inevitable spreading of the virus. Note that it has restarted in Spring 2022.

As our finances remained stable, we were able to continue to support our mission partners. We supported our local community by hosting a covid-19 vaccine pop-up clinic, encouraging eco-friendly habits among our congregation and making our hall available for children's activities and parties when it was appropriate to do so.

Financial review

During the year income increased by £7,900, to £118,800, and expenditure decreased by £6,000, to £89,800. As a result the cash held by the charity increased by £29,100, to £129,100, of which £129,000 is unrestricted and can be used for any charitable purpose.

Our most significant outgoings are the Ministers' stipends and building maintenance and we have plans for improvements which will require significant funding over the next few years. The covid-19 pandemic has significantly impacted on these plans but we expect to be able to regain the momentum in this respect in the coming year.

Reserves policy

The Trustees regularly review our income and spending to ensure that donations and assets are used to meet our objectives. The trustees have determined that the charity should aim to hold unrestricted cash of no less than £25,000 (which equates to about 3 months' of unrestricted expenditure) so that the charity could continue to operate should income and / or expenditure vary adversely. At the year end, the charity held unrestricted cash of £129,000.

Structure, Governance and Management

The charity, which is a church, is governed by a trust deed and is constituted as a trust. Responsibility for setting policy and for making operating decisions rest with the trustees who meet regularly to monitor the activities of the charity. New trustees are appointed by a majority vote at the Annual General Meeting, with recommendations submitted to the elders prior to the AGM.

The Trustees provide the overall governance of the church and met together monthly after the lockdowns began. This enabled us to monitor the changes in restrictions and regulations and guide, support and lead the congregation appropriately. We were able to hold an AGM and leadership elections having postponed them in 2021. Philip Clarke and Theo Leany came to the end of their terms. Dave Arkell, Tim Barker, Jackie Mouhon and Salome Wyatt were elected as Elders. Our treasurer, Christine South was elected for a further one year term.

Responsibilities of trustees

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

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

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

Approval

This report was approved by the trustees and signed on their behalf by:

Revd Malcolm Patten

Date: 13 October 2022

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
BLACKHORSE ROAD BAPTIST CHURCH

I report to the trustees on my examination of the accounts of Blackhorse Road Baptist Church ('the charity') for the year ended 31 December 2021 on pages 5 to 8 following.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

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

Jaimée Young

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: 14 October 2022

BLACKHORSE ROAD BAPTIST CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	<u>Unrestricted Funds</u>		Restricted Funds	Total 2021	Total 2020
		General Funds	Designated Funds			
		£	£	£	£	£
<i>Income receipts</i>						
Donations and grants		77,846	425	-	78,271	82,691
Gift aid receipts		16,857	-	-	16,857	21,963
Legacies		15,899	-	-	15,899	-
Income from charitable activities		228	-	-	228	1,240
Income from letting of facilities		7,260	-	-	7,260	4,732
Income from courses and events		-	-	-	-	160
Other		332	-	-	332	136
<i>Total receipts</i>		<u>118,422</u>	<u>425</u>	<u>-</u>	<u>118,847</u>	<u>110,922</u>
<i>Payments</i>						
Payments in relation to charitable activities undertaken directly	2	79,586	439	-	80,025	84,621
Grants paid in relation to charitable activities undertaken by others	3	-	9,764	-	9,764	11,131
<i>Total payments</i>		<u>79,586</u>	<u>10,202</u>	<u>-</u>	<u>89,789</u>	<u>95,752</u>
Net of receipts / (payments) before transfers		38,836	(9,777)	-	29,058	15,170
Transfers between funds	5	(23,430)	23,430	-	-	-
Net movement in funds		<u>15,406</u>	<u>13,653</u>	<u>-</u>	<u>29,058</u>	<u>15,170</u>
Cash funds as at last year end		32,577	67,381	49	100,007	84,837
Cash funds at this year end	A	<u>47,982</u>	<u>81,034</u>	<u>49</u>	<u>129,065</u>	<u>100,007</u>

The notes on pages 7 - 8 form part of these accounts.

BLACKHORSE ROAD BAPTIST CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Unrestricted Funds</u>		Restricted funds	Total 2021	Total 2020
	General funds	Designated funds			
	£	£	£	£	£
A Cash funds					
Cash at bank with immediate access	15,837	-	-	15,837	9,850
Notice deposits	32,097	81,034	49	113,180	90,109
Petty cash	48	-	-	48	48
	<u>47,982</u>	<u>81,034</u>	<u>49</u>	<u>129,065</u>	<u>100,007</u>
B Other monetary assets					
Gift aid due to charity	16,426	-	-	16,426	16,773
	<u>16,426</u>	<u>-</u>	<u>-</u>	<u>16,426</u>	<u>16,773</u>
C Liabilities					
Falling due within one year:					
Baptist Union pension deficit	7,351	-	-	7,351	7,351
NEST pension	204	-	-	204	200
Fee for Independent Examination	1,020	-	-	1,020	2,100
	<u>8,575</u>	<u>-</u>	<u>-</u>	<u>8,575</u>	<u>9,651</u>
Falling due after one year:					
Baptist Union pension deficit	149	-	-	149	3,249
Note 6	149	-	-	149	3,249
	<u>149</u>	<u>-</u>	<u>-</u>	<u>149</u>	<u>3,249</u>
Total	<u>8,724</u>	<u>-</u>	<u>-</u>	<u>8,724</u>	<u>12,900</u>

D Assets retained for charity's own use	Fund to which asset belongs	Cost £	2021 insurance value £
Church property	Endowment	31,100	
Manse 1 (purchased 1995)	General	150,000	
Manse 2 (purchased 2009)	General	272,460	
Church contents	General		56,884
		<u>453,560</u>	<u>56,884</u>

The properties are shown at original cost.

The church property is held as endowment so that the proceeds of sale can only be used for the purchase of another building.

The trustees have used insurance values for church contents as the trustees are unable to reliably estimate current values; insurance values may differ materially from current values.

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

by date
 Revd Malcolm Patten 13 October 2022

The notes on pages 7 - 8 form part of these accounts.

BLACKHORSE ROAD BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

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

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

		<u>Unrestricted Funds</u>		Restricted Funds	Total 2021	Total 2020
		General funds	Designated funds			
		£	£	£	£	£
2 Payments in relation to charitable activities undertaken directly						
Employment costs	Note 4	58,586	-	-	58,586	57,714
Manse expenses, including insurance	Note 4	5,877	-	-	5,877	8,506
Maintenance of buildings & equipment		3,261	413	-	3,674	6,641
Utilities		3,294	-	-	3,294	3,395
Church insurance and licences		5,006	-	-	5,006	5,409
Church activities including outreach		823	-	-	823	1,129
Youth and Children's work		143	-	-	143	99
Accounts preparation and independent examination		2,004	-	-	2,004	-
Administration and support		592	-	-	592	1,729
Other costs		-	26	-	26	-
		<u>79,586</u>	<u>439</u>	<u>-</u>	<u>80,025</u>	<u>84,621</u>

3 Grants and gifts paid to others

Organisations:					
BU Home Mission	-	1,000	-	1,000	-
Organisations < £1,000	-	8,400	-	8,400	8,550
Individuals	-	364	-	364	2,581
	<u>-</u>	<u>9,764</u>	<u>-</u>	<u>9,764</u>	<u>11,131</u>

4 Transactions with related parties

Trustees M. Patten and N. Murphy served as Pastors [ministers] and were paid £26,500 and £24,500 [2020: £26,000 and £24,000] respectively for serving in that capacity, not for serving as trustees; these payments are permitted by the charity's governing document.

In addition the charity incurred expenditure totalling £5,877 [2020: £8,506] in respect of the provision of accommodation (which is customary for ministers) so that they could better perform their duties.

No payments were made to trustees or persons related to them, except for reimbursement of expenses paid out on behalf of the charity.

BLACKHORSE ROAD BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Movement of funds

	Opening balance £	Receipts £	Payments £	Transfers £	Closing balance £
General funds	32,577	118,422	(79,586)	(23,430)	47,982
Designated funds					
Tithe	3,732	-	(8,426)	10,196	5,503
Fellowship	2,021	425	(1,364)	1,557	2,639
Folkard	5,468	-	-	-	5,468
Young People	1,398	-	-	-	1,398
Building	33,458	-	(413)	11,677	44,721
Other designated	1,145	-	-	-	1,145
Reserve	20,000	-	-	-	20,000
Sizewell Hall	160	-	-	-	160
	<u>99,958</u>	<u>118,847</u>	<u>(89,789)</u>	<u>- 0</u>	<u>129,016</u>
Restricted funds					
Women's Bible Study	49	-	-	-	49
	<u>49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>
Total funds	<u>100,007</u>	<u>118,847</u>	<u>(89,789)</u>	<u>- 0</u>	<u>129,065</u>

The Tithe Fund was established by the church members and is administered by them. Income is derived from a tithe of all general funds offerings plus a tithe of any gifts of legacies to the general funds.

The Fellowship Fund was created by the Church in 1986. It is to be administered for the benefit of the members of the fellowship in confidence by the Deacons / trustees.

The Folkard Fund is anticipated to be used for future building development works.

The Young People Fund is used to provide resources and subsidise activities for young people in our church and community.

The Building Fund was created with the objective of identifying the money we have separated to help with maintenance work in the church building and manses.

Other designated includes funds to be used for Women's and Men's ministries in the church and community.

The reserve is shown as designated and can be transferred using the trustees' discretion.

6 The Baptist Pension Scheme

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

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

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