

Life Community Baptist Church

Report and Accounts

year ended 30 September 2020

stewardship[®]

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LIFE COMMUNITY BAPTIST CHURCH
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

ADDRESS FOR CORRESPONDENCE	16 Little Comptons Horsham West Sussex RH13 5UW
GOVERNING DOCUMENT	CIO registration December 2014
CHARITY REGISTRATION NUMBER	1159548
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	Rev. Peter Dibdin Karen George (Treasurer) Anna Pisani (Secretary) Maureen Coleman John Coleman Renzo Parodi (resigned September 2020) Abigail Diaz Julie Capas
CUSTODIAN TRUSTEES	The Baptist Union Corporation Ltd
BANKERS	CAF Bank Baptist Union Corporation Ltd
INDEPENDENT EXAMINER	Jaimée Young Stewardship 1 Lamb's Passage LONDON EC1Y 8AB

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LIFE COMMUNITY BAPTIST CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees have pleasure in submitting the Report and Accounts for the year ended 30 September 2020.

Objects of the charity

The charity, which is a church, is constituted as a charitable incorporated organisation. The charity's principal objects, as set out in its governing document, are the advancement of the Christian faith and education at home and overseas.

Summary of the charity's main activities and achievements

This has been a year of two very different halves. The first half was "business as usual" and the second half was spent dealing with lockdown from 17/3 and having to learn, along with the rest of the country, even world, how to do Church "differently". It took us a while but, thanks largely to the technical skill of our Minister, Pete, our Zoom services on Sunday morning became more proficient as the months passed.

So, the Church has continued to hold regular Sunday morning services online with worship, intercessory prayer, a sermon and discussions.

During this difficult time the three Life Groups went from strength to strength with people attending on Zoom who weren't able to attend in person, for a variety of reasons. Each Group supported its members in different ways. We have started Life Group Leaders' Meetings to ensure that communication flows between the groups.

In normal times we run fortnightly events for the older people (Lunch Club and Tea and Chat), in a building on the school campus, to which several non-churched people in the community come and have found a place to belong. These have sadly had to be cancelled in the current circumstances, but contact has been maintained by phone or occasional doorstep visits when permitted.

Several men in the Church are involved in M.S.H. (Men's Shed Horsham); a community initiative started by the local council, which seeks to engage and encourage men by involving them in practical projects. Like many other Charities, activities had to stop during lockdown, however members have been able to maintain contact via Zoom meetings, WhatsApp etc.

The number of Church members is 47 (another dozen who are non- members regularly attend). This reduced to 42 in October 2020 due to 4 resignations and, sadly, one death.

The Church continues to employ a part time Administrator for 10 hours per week.

The Church and a number of the congregation continue to set aside money for the church in the village of Malcoci, Moldova. There has not been a visit to take these funds out to Moldova this financial year however; we did transfer a total of £2,300 in two separate transactions.

The relationship with Kenya, involving training rural pastors via email and mobile phone, has moved on with Julie Shimizu, and Life's' mission field now has a more local focus. However, we still hope to support the training of rural pastors (albeit to a lesser financial degree) and some members of the Church continue to support the orphanage independently. The Church was, however, able to contribute funds for Julie Shimizu's trip to Kenya in October 2019.

Rev Dibdin has identified "three areas of fruitfulness" for the Church to concentrate upon within the local community. These involve establishing a relationship with Forest School, being more social together and Whole Life Discipleship. Unfortunately, all of these ventures have been put on hold since lockdown.

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

Financial review

During the year income decreased by £11,700, to £61,800, and expenditure decreased by £12,800, to £63,400. As a result the cash held by the charity decreased by £1,500, to £41,300, of which £41,000 is unrestricted and can be used for any charitable purpose.

The financial impact of Covid-19 has, in fact, been a positive one for the Church because tithing has continued and we have saved the significant cost of 6 months' hall hire and several other smaller expenses, such as catering.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £30,000 (which equates to about 6 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 £41,000 and the charity is complying with its reserves policy.

Governance

The church is governed by a leadership team (all trustees) who meet fortnightly to set policy and review the activities of the Church. Since March 2020 these meetings have had to be on Zoom. New Trustees are appointed in accordance with the requirements of the Constitution.

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:



Anna Pisani

Date: 17/3/2021

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
LIFE COMMUNITY BAPTIST CHURCH

I report to the trustees on my examination of the accounts of Life Community Baptist Church ('the charity') for the year ended 30 September 2020 on pages 6 to 11 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:

LIFE COMMUNITY BAPTIST CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	<u>Unrestricted Funds</u>		Restricted Funds	Total 2020	Total 2019
		General Funds	Designated Funds			
		£	£	£	£	£
Income receipts						
Donations		46,542	-	3,550	50,092	59,917
Gift aid receipts		11,257	-	263	11,520	12,372
Income from courses and events		-	-	-	-	118
Interest		227	-	-	227	358
Other		-	-	-	-	760
Total receipts		58,027	-	3,813	61,839	73,525
Payments						
Payments in relation to charitable activities undertaken directly	2	55,202	-	-	55,202	70,096
Grants paid in relation to charitable activities undertaken by others	3	2,247	-	5,939	8,187	6,099
Total payments		57,449	-	5,939	63,389	76,195
Net of receipts / (payments) before transfers		578	-	(2,127)	(1,549)	(2,670)
Transfers between funds	6	-	-	-	-	-
Net movement in funds		578	-	(2,127)	(1,549)	(2,670)
Cash funds as at last year end		40,435	-	2,420	42,854	45,525
Cash funds at this year end	A	41,012	-	293	41,305	42,854

The notes on pages 8-11 form part of these accounts.

LIFE COMMUNITY BAPTIST CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Unrestricted Funds			Total 2020 £	Total 2019 £
	General funds £	Designated funds £	Restricted funds £		
A Cash funds					
Held at bank	14,869	-	293	15,162	16,939
Notice deposits	26,143	-	-	26,143	25,916
	<u>41,012</u>	<u>-</u>	<u>293</u>	<u>41,305</u>	<u>42,854</u>
B Other monetary assets					
Gift aid due to charity	4,880	-	-	4,880	6,191
Undeposited funds	-	-	-	-	1,054
Tenancy deposit	1,792	-	-	1,792	1,792
Prepayment	-	-	-	-	675
	<u>6,672</u>	<u>-</u>	<u>-</u>	<u>6,672</u>	<u>9,712</u>
C Liabilities					
Falling due within one year:					
Pension scheme payments	2,581	-	-	2,581	2,968
Fee for Independent Examination	960	-	-	960	900
Accrued expenses	-	-	-	-	961
	<u>3,541</u>	<u>-</u>	<u>-</u>	<u>3,541</u>	<u>4,828</u>
Falling due after one year:					
Pension scheme deficit	Note 7 53,819	-	-	53,819	79,432
	<u>53,819</u>	<u>-</u>	<u>-</u>	<u>53,819</u>	<u>79,432</u>
Total	<u>57,360</u>	<u>-</u>	<u>-</u>	<u>57,360</u>	<u>84,261</u>

The church has had constructive discussions with the Baptist Union over the above share of the pension scheme deficit, which is currently being settled by regular payments out of income between now and 2035. The payments in the course of this year are included in Note 7. The current arrangements only last as long as there is a Minister in post.

D Assets retained for charity's own use	2020 value £	2019 value £
Equipment	15,211	14,486
	<u>15,211</u>	<u>14,486</u>

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

E Guarantees and secured debts

The charity has not given any guarantees and has not provided its assets as security for any liabilities.

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

by Anna Pisani date 17/3/2021
Anna Pisani

The notes on pages 8-11 form part of these accounts.

LIFE COMMUNITY BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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	Total	Total
	General	Designated	Funds	2020	2019
	funds	funds			
	£	£	£	£	£
2 Payments in relation to charitable activities undertaken directly					
<i>Ministry:</i>					
Stipends	15,256	-	-	15,256	19,552
Employer Pension	4,794	-	-	4,794	4,907
Accommodation costs	20,197	-	-	20,197	23,854
Reimbursed expenses	670	-	-	670	1,747
Hire of hall	4,977	-	-	4,977	8,668
Church weekend	-	-	-	-	675
Equipment	61	-	-	61	436
Training	575	-	-	575	475
Outreach, evangelism, other ministry activities	7	-	-	7	22
Catering	164	-	-	164	468
<i>Support and Administration:</i>					
Administrative Salaries	5,683	-	-	5,683	5,661
Office expenses	522	-	-	522	559
Insurance, licenses and other fees	1,099	-	-	1,099	875
Accounts preparation and examination	905	-	-	905	907
Other costs	292	-	-	292	1,291
	<u>55,202</u>	<u>-</u>	<u>-</u>	<u>55,202</u>	<u>70,096</u>

3 Grants and gifts paid to others

<i>Organisations:</i>					
African Orphanage Project	-	-	809	809	865
SEBA Home Mission Fund	-	-	2,500	2,500	2,500
Flyers International [Moldova project]	-	-	1,100	1,100	-
Horsham Churches Together	850	-	-	850	-
Mission support	-	-	-	-	200
African Projects	200	-	-	200	1,035
Other organisations (less than £500)	704	-	-	704	1,499
Individuals	494	-	1,530	2,024	-
	<u>2,247</u>	<u>-</u>	<u>5,939</u>	<u>8,187</u>	<u>6,099</u>

LIFE COMMUNITY BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4 Transactions with related parties

Peter Dibdin served as a church leader and was paid £16,779 [2019: £15,725] for serving in that capacity, not for serving as a trustee. These payments are permitted by the charity's governing document.

In addition the charity incurred expenditure totalling £20,197 [2019: £24,237] in respect of the provision of accommodation (which is customary for ministers) for Peter Dibdin, a trustee, so that they could better perform their duties.

The trustee Anna Pisani was paid £5,704 [2019: £5,704] in her capacity of part-time administrator, and not as a trustee, as permitted by the governing document.

No other trustee received any payment of expenses other than reimbursement of expenditure incurred by them on behalf of the church.

5 Acting as agent

On occasion the charity receives money on behalf of other charities or the Fellowship Fund (which is administered by church members), which it banks and then pays out to these charities. This income is received as agent for these other charities and the income, and the related payments, are excluded from the Receipts and Payments account; any money that has not been distributed by the year end is recognised as a creditor.

During the year the charity acted as agent for the Fellowship Fund and, in that capacity received and paid out £500.

6 Movement of funds

	Balance at 30Sep2019	Receipts	Payments	Transfers	Balance at 30Sep2020
	£	£	£	£	£
General funds	40,435	58,027	(57,449)	-	41,012
	<u>40,435</u>	<u>58,027</u>	<u>(57,449)</u>	<u>-</u>	<u>41,012</u>
Restricted funds					
Moldova Fund	1,508	988	(2,330)	-	165
Home Mission Fund	-	2,500	(2,500)	-	-
Africa Fund	912	325	(1,109)	-	128
	<u>2,420</u>	<u>3,813</u>	<u>(5,939)</u>	<u>-</u>	<u>293</u>
Total funds	<u>42,854</u>	<u>61,839</u>	<u>(63,389)</u>	<u>-</u>	<u>41,305</u>

The Moldova Fund relates to donations given for the support of the Church in Malcoci, Moldova. In future, it is proposed to split these donations between supporting Malcoci and the village of Cobani, in conjunction with Flyers International Partnership Trust.

Africa Fund relates to funds donated for the purpose of supporting the work of the Home of Peace Orphanage in Kenya.

LIFE COMMUNITY BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 The Baptist Pension Scheme

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. The Scheme comprises a Defined Contribution Plan and a Defined Benefit Plan.

The pension cost shown in the Receipts and Payments Statement comprises contributions to the Defined Contribution Plan and deficiency contributions to the Defined Benefit Plan (see below).

The Minister and some members of the church staff are eligible to join the Scheme.

The Defined Contribution Plan

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 (or 3% if the employer is in the segregated DC section) to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Defined Benefit Plan

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 next actuarial valuation of the DB Plan is due as at 31 December 2022.

Recovery plan

A recovery plan dated 30 September 2020 has been agreed to make good the above deficit in assets. Therefore, in addition to the contributions to the DC Plan set out above, the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

It has been agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction in all deficiency contributions payable between 1 July 2020 and 31 December 2020. The Recovery Plan envisages deficiency contributions continuing until June 2026.

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020.

LIFE COMMUNITY BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Key assumptions

The key assumptions underlying the actuarial valuation of the DB Plan were as follows:

<i>Type of financial assumption</i>	<i>% pa</i>
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	2.70

Payments made in the year

	2020	2019
	£	£
Defined Contribution Plan:		
Employee contributions	1,770	2,515
Employer contributions	2,213	2,729
	3,983	5,244
Deficiency contributions to Defined Benefit Plan	2,581	2,178
	<u>6,564</u>	<u>7,422</u>

Basis for determining the DB plan pension liability

The pension liability disclosed in the Statement of Assets and Liabilities in respect of the DB Plan is based on an estimate of the amount that the charity would be required to pay should the charity decide to settle the debt immediately; the Baptist Pension Scheme (the 'BPS') have provided this estimate. The BPS is collecting deficit contributions monthly however these deficit contributions have not been calculated by reference to the charity's share of the pension deficit and, based on the current schedule of contributions, it is possible that the sum of all future annual deficit contributions will be significantly less than the liability disclosed in the Statement of Assets and Liabilities. The charity does not foresee any circumstances that could result in immediate payment of the whole debt however the trustees believe that the BPS may ask the church to increase its contributions towards the deficit and therefore, to be prudent, they have chosen to disclose a liability for the employer debt in the Statement of Assets and Liabilities.