

Life Community Baptist Church

Report and Accounts

year ended 30 September 2021

LIFE COMMUNITY BAPTIST CHURCH
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

ADDRESS FOR CORRESPONDENCE	10 Willow Road Horsham West Sussex RH12 4UN
GOVERNING DOCUMENT	CIO registration December 2014
CHARITY REGISTRATION NUMBER	1159548
TRUSTEES RESPONSIBLE FOR MANAGING THE CHARITY	Rev. Peter Dibdin Karen George (resigned as Trustee and Treasurer 30/9/2021) Anna Pisani (resigned as Trustee and Secretary 26/11/2021) Maureen Coleman John Coleman Abigail Diaz (resigned 30/6/2021) Julie Capas (appointed Treasurer 20/10/2021) Sarah Hill (appointed Trustee 20/10/2021 and Secretary 26/11/2021) Patrick Hill (appointed Trustee 20/10/2021) Sarah Williams (appointed Trustee 20/10/2021)
CUSTODIAN TRUSTEES	The Baptist Union Corporation Ltd
BANKERS	CAF Bank Baptists Together Deposit Account
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 2021

The Trustees have pleasure in submitting the Report and Accounts for the year ended 30 September 2021.

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 another difficult year and, sadly, a number of our members and regular attendees have chosen to worship elsewhere for various reasons. We have continued to hold our services on Zoom with worship, intercessory prayer, a sermon and discussions. From August 2021, we were able to meet in person again, following the Government's Covid guidelines, whilst continuing to allow people at home to join in the services via Zoom. We also record the main part of the service which is later posted to our YouTube channel (edited if necessary for privacy reasons). As our numbers are reduced, we decided to hire The Phoenix Club premises for our services and meetings, which is smaller and cheaper than the BEC. This hall is also part of The Forest School.

Our three Life Groups have continued to offer support to their members, meeting either in person where possible or on Zoom, or a combination of both.

Unfortunately, due to Covid restrictions and also a lack of people to run events, we have not been able to continue the fortnightly Lunch Club and Tea and Chat, but contact has been maintained by phone or visits when permitted.

Several men in the Church were 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 at the beginning of the church year was 42 (with a few non members who regularly attend). This reduced over the year down to 32 by the end of September 2021.

The Church employed 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 and we are holding a sum of money pending investigations as to how to enable the funds to be safely received.

LIFE's mission field has concentrated on a more local focus this year. We have not yet been able to further our relationship with Forest School, however a number of socials have taken place when possible.

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 £10,700 to £51,136 and expenditure decreased by £9,680 to £53,720. As a result, the cash held by the charity decreased by £2,580 to £38,720 of which £37,750 is unrestricted and can be used for any charitable purpose. Although we were able to save some money during lockdowns due to not hiring a hall, the impact of members leaving has affected and will continue to affect our overall income considerably. However, two new members joined in October 2021 and we have a few new people attending our services.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £25,000 (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 £37,770 and is complying with its reserves policy.

Governance

The Church is governed by a leadership team (all trustees) who currently meet once a month to set policy and review the activities of the Church. Some of the trustee and church members meetings had to be on Zoom during the pandemic, as permitted by the Corporate Insolvency and Governance Act 2020. These provisions expired on the 30th April 2021, however, to ensure good governance, the trustees decided that the June and July Church Members Meetings had to be on zoom, as the church had yet to resume in person services and meetings due to the risk of COVID-19 infection. During this time, there was also a postal ballot for the re-election of trustees. 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:

Peter Dibdin
Rev. Peter Dibdin

Date: 24th May 2022

**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 2021 on pages 5 to 10 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

Jaimée Young

Stewardship
1 Lamb's Passage
LONDON
EC1Y 8AB

Date: 25 May 2022

LIFE COMMUNITY BAPTIST CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	<u>Unrestricted Funds</u>		Restricted Funds	Total 2021	Total 2020
		General Funds	Designated Funds			
		£	£	£	£	£
<i>Income receipts</i>						
Donations		41,175	0	900	42,075	50,092
Gift aid receipts		8,741	0	203	8,944	11,520
Interest		117	0	0	117	227
<i>Total receipts</i>		<u>50,034</u>	<u>0</u>	<u>1,103</u>	<u>51,136</u>	<u>61,839</u>
<i>Payments</i>						
Payments in relation to charitable activities undertaken directly	2	51,318	0	0	51,318	55,202
Grants paid in relation to charitable activities undertaken by others	3	1,974	0	428	2,402	8,187
<i>Total payments</i>		<u>53,293</u>	<u>0</u>	<u>428</u>	<u>53,721</u>	<u>63,389</u>
Net of receipts / (payments) before transfers		-3,259	0	674	-2,584	-1,549
Transfers between funds	5	0	0	0	0	0
<i>Net movement in funds</i>		<u>-3,259</u>	<u>0</u>	<u>674</u>	<u>-2,584</u>	<u>-1,549</u>
Cash funds as at last year end		41,012	0	293	41,305	42,854
<i>Cash funds at this year end</i>	A	<u>37,753</u>	<u>0</u>	<u>967</u>	<u>38,721</u>	<u>41,305</u>

The notes on pages 7-10 form part of these accounts.

LIFE COMMUNITY BAPTIST CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	<u>Unrestricted Funds</u>		Restricted funds	Total 2021	Total 2020
	General funds	Designated funds			
	£	£	£	£	£
A Cash funds					
Held at bank	11,493	0	967	12,461	15,162
Notice deposits	26,260	0	0	26,260	26,143
	<u>37,754</u>	<u>0</u>	<u>967</u>	<u>38,721</u>	<u>41,305</u>
B Other monetary assets					
Gift aid due to charity	4,300	0	0	4,300	4,880
Tenancy deposit	1,792	0	0	1,792	1,792
	<u>6,092</u>	<u>0</u>	<u>0</u>	<u>6,092</u>	<u>6,672</u>
C Liabilities					
Falling due within one year:					
Pension scheme payments	2,636	0	0	2,636	2,581
Fee for Independent Examination	660	0	0	660	960
	<u>3,296</u>	<u>0</u>	<u>0</u>	<u>3,296</u>	<u>3,541</u>
Falling due after one year:					
Pension scheme deficit	Note 7 46,164	0	0	46,164	53,819
	<u>46,164</u>	<u>0</u>	<u>0</u>	<u>46,164</u>	<u>53,819</u>
Total	<u>49,460</u>	<u>0</u>	<u>0</u>	<u>49,460</u>	<u>57,360</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	2021 value	2020 value
	£	£
Equipment	14,486	15,211
	<u>14,486</u>	<u>15,211</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 Peter Dibdin date 24 May 2022
 Rev. Peter Dibdin

The notes on pages 7-10 form part of these accounts.

LIFE COMMUNITY BAPTIST CHURCH

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 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	Total	Total
	General funds	Designated funds	Funds	2021	2020
	£	£	£	£	£
2 Payments in relation to charitable activities undertaken directly					
<i>Ministry:</i>					
Stipends	16,339	0	0	16,339	15,256
Employer Pension	4,888	0	0	4,888	4,794
Accommodation costs	20,746	0	0	20,746	20,197
Reimbursed expenses	725	0	0	725	670
Hire of hall	364	0	0	364	4,977
Equipment	38	0	0	38	61
Training	0	0	0	0	575
Outreach, evangelism, other ministry activities	0	0	0	0	7
Catering	0	0	0	0	164
<i>Support and Administration:</i>					
Administrative Salaries	5,705	0	0	5,705	5,683
Office expenses	323	0	0	323	522
Insurance, licenses and other fees	1,124	0	0	1,124	1,099
Accounts preparation and examination	960	0	0	960	905
Other costs	107	0	0	107	292
	<u>51,318</u>	<u>0</u>	<u>0</u>	<u>51,318</u>	<u>55,202</u>

3 Grants and gifts paid to others

<i>Organisations:</i>					
African Orphanage Project	0	0	300	300	809
SEBA Home Mission Fund	0	0	0	0	2,500
Flyers International [Moldova project]	0	0	0	0	1,100
Horsham Churches Together	453	0	0	453	850
Ashburnham Place Conference Centre	500	0	0	500	0
African Projects	300	0	0	300	200
Other organisations (less than £500)	722	0	0	722	704
<i>Individuals:</i>	0	0	128	128	2,024
	<u>1,974</u>	<u>0</u>	<u>428</u>	<u>2,402</u>	<u>8,187</u>

LIFE COMMUNITY BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Transactions with related parties

Peter Dibdin served as a church leader and was paid £16,339 [2020: £16,779] 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 £20,745 [2020: £20,197] 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 [2020: £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 Movement of funds

	Balance at 30Sep2020	Receipts	Payments	Transfers	Balance at 30Sep2021
	£	£	£	£	£
General funds	41,012	50,034	-53,293		37,753
	<u>41,012</u>	<u>50,034</u>	<u>-53,293</u>	<u>0</u>	<u>37,753</u>
Restricted funds					
Moldova Fund	165	803	0	0	968
Home Mission Fund	0	0	0	0	0
Africa Fund	128	300	-428	0	-0
	<u>293</u>	<u>1,103</u>	<u>-428</u>	<u>0</u>	<u>967</u>
Total funds	<u>41,305</u>	<u>51,136</u>	<u>-53,721</u>	<u>0</u>	<u>38,721</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 2021

6 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 2021

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
CPI price inflation assumption	3
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3
Assumed investment returns	
- Pre-retirement	3
- Post retirement	2
Deferred pension increases	
- Pre April 2009	3
- Post April 2009	3
Pension increases	2.70

Payments made in the year

	2021	2020
	£	£
Defined Contribution Plan:		
Employee contributions	1,802	1,770
Employer contributions	2,252	2,213
	<u>4,054</u>	<u>3,983</u>
Deficiency contributions to Defined Benefit Plan	<u>2,636</u>	<u>2,581</u>
	<u><u>6,690</u></u>	<u><u>6,564</u></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.