



# **NEW RIVER BAPTIST CHURCH**

**Charity Number: 1161039**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST DECEMBER 2020**

# **New River Baptist Church Legal and Administration**

**Current Trustees:**

D Watson  
R Plummer  
V Mirfin     resigned 20 June 2021  
E Chew     appointed 20 June 2021  
K Beruffi  
S Hulcoop  
E Green

Chair

Treasurer

**Principal Address:**

New River Baptist Church  
80 Arran Walk  
Islington  
London N1 2TL

**Independent Examiner:**

M P Fiscal Solutions  
71-75 Shelton Street  
Covent Garden  
London, WC2H 9JQ  
United Kingdom

**Bankers:**

The Co-operative Bank  
P O Box 250  
Delf House  
Skelmersdale  
WN8 6WT

# **New River Baptist Church**

## **Trustees Report**

### **For the year ended 31st December 2020**

The trustees present their report and financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The board of trustees are satisfied with the performance of the charity during the year and the position at 31st December 2020 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations.

The charity is entered on the Register of Charities with the Registered Charity Number 1161039 and is governed by a constitution. The Charity's Purpose is defined as follows:

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.

Reference and administrative details of the charity, its trustees and advisers

This is set out on page 2.

#### **Structure, governance and management**

The Charity is governed by its trustees, who meet regularly to manage its affairs. The trustees are subject to the directions of, and are appointed by vote by, the Church Members Meeting in relation to decisions concerning church property, the appointment and removal of a Minister, the administration of the membership list, and the closure of the Church. The charity employed the Minister during the year ended 31 December 2020, together with three part-time staff who were engaged in charitable activities, finance and day to day administration. Day to day management is delegated to the church eldership which makes the day to day decisions.

#### **Governing Document**

The organisation is an Unincorporated Association, constituted on 11 May 2011. The charity is governed in accordance with the terms of the Constitution.

#### **Recruitment and Appointment of Trustees**

The trustees are appointed for an initial three-year term with the opportunity to be nominated for reappointment at the end of each three-year term. The Church Members' Meeting appoints Charity Trustees, via vote, in accordance with the articles of the Constitution.

#### **Current Trustees at the time of audit:**

Robin Plummer, Sarah Hulcoop, Daniel Watson (Chair), Vicky Mirfin, Kasia Beruffi, Emma Green.

Charity law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

# **New River Baptist Church**

## **Trustees Report**

### **For the year ended 31st December 2020**

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 Charity SORP. 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.

#### **Investment performance**

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the charity. In the Financial Review section of this report, there is a description of the investment policies and objectives established by the Trustees and the extent to which social, environmental or ethical considerations are taken into account.

#### **Risk Management**

The Trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures are being established to mitigate the risks the charity faces, including insurance arrangements. The trustees do not envisage any significant external risks to funding which will not be met by church member donations. Internal control risks are being minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are being put in place to ensure the compliance with health and safety of staff, church members, volunteers, and visitors.

#### **Objectives and activities:**

The main purpose of the charity is the promotion and advancement of the Christian faith according to the principles of the Baptist denomination. The charity's secondary purposes are the advancement of education and the carrying out of other charitable purposes in the United Kingdom and/or other parts of the world. The charity expresses these purposes through the activity of the church, whose objectives include evangelism; pastoral care and community building; and worship and instruction in the Christian faith. The church is involved in a number of projects, including: the provision of free English Classes; hosting activities for Over 55s; care and opportunities for children and young families and outreach to the local community and particularly the residents of two nearby housing estates. Much of this work is conducted from our base in Canonbury called The Bridge, a multi-use space that provides on the ground floor a worship hall, industrial kitchen, café and dining area and on the first floor further mixed-use rooms, accommodation for church workers and an office. The church also supports international mission work in diverse areas of the world. There are around 55 adults and up to 30 children attending the Sunday morning services.

#### **Reasons to be thankful:**

2020 will go down in history due to the outbreak of the COVID pandemic. We are grateful that none of our church members were either hospitalised or died. We are grateful that through creative uses of technology we continued to make and seize opportunities for worship, community and mission. We are grateful that the church charity's finances held up through this challenging period.

#### **What did we manage to do together in 2020?**

Hebrews 10:24 'And let us consider how we may spur one another on toward love and good deeds'

The following list is compiled under the headings of our discipleship values: worship (love for God); community (love for one another) and mission (love for the world around us), plus a further heading of resources used by us in pursuit of these values:

#### **Worship**

- We hosted a regular weekly Worship Service at 11am on Sundays - providing a space to grow together in worship. At various points during the pandemic these services operated online as recordings rather than in person at The Bridge venue
- We undertook teaching series from both the Old and New Testaments and in the second half of 2020 these helped us to respond well to the challenges of the pandemic: Finding Freedom; Deeper (the beatitudes in Matthew 5-7); Restored (heart connection with the Trinity); Creation (Psalms); Spurring One Another On - Faith, Hope and Love (Heb 10:19-25); Kingdom Stories (Daniel 1-6); Window Stories (Parables in the Gospels); Waiting on God; Lament (Lamentations); Immanuel - God With Us! (Advent series)

# **New River Baptist Church**

## **Trustees Report**

### **For the year ended 31st December 2020**

- We created an online teaching opportunity in association with our preaching series on Daniel called Digging Deeper
- Bubble services were trialled as an opportunity for all age worship with COVID restrictions
- 4 Home Groups met regularly either in person at the start of the year or on Zoom to help one another to follow Jesus
- Joint Islington Churches Prayer & Fasting was undertaken for a week in January with a shared Prayer Meeting at Islington Town Hall on 22 January
- Regular prayer meetings were either hosted at The Bridge or took place on Zoom from 9-10am Tuesday-Friday during term-time and 10-10.30am on Sundays. Wider prayers were led weekly online by Baptists Together as a national prayer response to the pandemic.
- Kids Church and Crèche ran every Sunday during term-time until the pandemic broke. Zoom Kids Church ran for a number of weeks before the 11am Service.
- The team leading sung worship at NRBC continued to involve new team members and adapted to the challenges of the pandemic producing recorded worship with Kate Milner leading the way
- Our church was represented in Islington church leaders meeting for prayer and out of this we contributed to a joint churches Pentecost worship service online
- Our AV team led by Adam Green rose to the challenges of the pandemic in helping to produce online worship resources
- Our Christmas program had to adapt to the pandemic but we managed to sing carols locally and also to offer online and in person opportunities for worship during advent

#### **Community**

- We helped George and Isabella to celebrate their wedding and host their families
- We assisted with the funeral of a Foodcycle lunch club member
- We hosted Lola's brother who assisted us with the delivery of our free English Classes online
- We supported an Iranian refugee with his right to remain in the UK
- Church members in need were offered practical assistance through the Bless U Fund
- A support group was set up to support vulnerable church members through the pandemic providing prayer, emotional and practical support
- We have welcomed and integrated various newcomers to our home groups on Zoom
- Our minister has moderated for Victoria Park Baptist Church in their period without a minister
- Our Family Pastor ran a Parenting Course for local parents
- Church members supported their local neighbourhoods and workplaces as they responded to the pandemic
- The planned weekend away in November had to be postponed due to COVID

#### **Mission**

- Planning and fundraising continued for a team from NRBC to undertake a proposed short term mission trip to Japan to support Cleverson and the churches he works with in Tokyo. This trip could not ultimately take place due to COVID
- Church members supported a REACH London Prayer Journey in February
- Robin has continued to support the work of YWAM Urban Key as a trustee of the charity
- We supported a local charity, Foodcycle, in the delivery of a weekly community lunch at The Bridge. Foodcycle continued to provide a delivery service during COVID providing much needed support for local residents
- We supported various overseas workers and projects including monthly support for Peter, Selma and their family as leaders of YWAM Fortaleza in Brazil
- Dover Soul kids holiday club delivered activity packs to c. 30 local children and provided an online opportunity to learn circus skills and watch a talk each day during the first week of the holiday

# **New River Baptist Church**

## **Trustees Report**

### **For the year ended 31st December 2020**

- We continued the Bridge Football Club at Canonbury Primary School on Sunday afternoons weekly when allowed with COVID restrictions
- We hosted free English Classes for 40-50 students weekly on Saturdays and then provided free week-ly Zoom classes online when the pandemic required social distancing, this new development opened up opportunities for connection with students attending from overseas
- We supported the Gratitude Initiative as it hosted an Islington Dinner on 7 February recognising lo-cal service providers and thanking them for their efforts
- Church members have prayed for the charity's mission work through membership of a weekly prayer text scheme
- NRBC supported the Thy Kingdom Come prayer initiative from Ascension to Pentecost
- Our Thursday Home Group helped us to host an Alpha Course online in collaboration with St Jude and St Paul's Church

# **New River Baptist Church**

## **Trustees Report**

### **For the year ended 31st December 2020**

#### **Resources**

- We have continued to work on the Churchsuite database
- Isabella and Widy completed their internships at NRBC. Work was undertaken to recruit new in-terns. Rick and Jefferson both joined NRBC as interns in 2020
- 4 Partners Meetings took place either in person or online via Zoom. The number of partners re-mained at 37 with two partners moving on and two joining
- We raised financial support for church activities and were able to give generously to support mission activities outside of NRBC
- Our pastor commenced further studies and ministerial support as a BU Newly Accredited Minister
- Our Family Pastor contributed to the London wide Baptist youth forum
- We were again able to reduce the outstanding monies on our Philpott Loan
- Further work was undertaken by Robin and the eldership in the first quarter of 2020 in managing the size transition of a church of 100+ members and in pastoral care delivery, welcoming newcomers and leadership training at NRBC
- The Charity Trustees continued to work to update and expand our charity policies
- Work was undertaken to paint The Bridge and to redecorate the hallway and staircase of The Manse
- We ran support Zooms at intervals for our Home Group leaders as they in turn supported their home group members through COVID restrictions
- The Trustees and Elders worked together in 2020 with the aim of responding to the pandemic in or-der to continue to provide opportunities for worship, community and mission but undertaken re-sponsibly in order to minimise the risk of spreading COVID
- Church partners voted in favour of NRBC moving ahead to convert from an unincorporated associa-tion to a Charitable Incorporated Organisation

#### **Plans for the Future**

It is to be expected that the outbreak of the pandemic in 2020 will continue to reverberate through 2021. This will require NRBC to be creative and flexible in its planning, caring and supportive in its approach and faith-filled, outward looking and understanding in its outlook. A Baptist Together video from a crisis management consultant described the journey through a pandemic in terms of Response, Recovery and Reconstruction - the point being that each phase is important and cannot be rushed. We anticipate that 2021 will require a focus upon Recovery, but also potentially upon Response should fur-ther waves of the pandemic occur. We shall aim to communicate well with our members and seize whatever opportunities we can for worship, community and mission in a changing environment.

Our Family Pastor plans to work for Baptist pastoral recognition, we aim to move towards the crea-tion of a part-time administration position finances allowing and we shall be looking to work in 2021 with the assistance of four interns. We know that a trustee and an elder are both stepping back from those teams and we shall therefore look to appoint new team members for these leadership teams. The church membership's desire for NRBC to move from an unincorporated association to a Charitable Incorporated Organisation will require further work in 2021. We seek to hold on to the picture that we were given at the start of 2020 of the Turner's oak which when uprooted went on to enjoy new growth.

1Pet. 2:4 As you come to him, the living Stone—rejected by humans but chosen by God and precious to him— 5 you also, like living stones, are being built into a spiritual house to be a holy priesthood, offering spiritual sacrifices acceptable to God through Jesus Christ.

May Jesus receive all the glory!

#### **Financial review**

During the year the charity received incoming resources of £101,420 and had outgoing resources of £118,060 leaving total funds carried forward of £1,354,781 with free reserves carried forward of £59,094.

#### **Reserves Policy**

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. They have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be approximately 3 months of expenditure, which at current levels amounts to approximately £63,000. Our reserve at the end of 2020 did not exceed this figure.

# **New River Baptist Church**

## **Trustees Report**

### **For the year ended 31st December 2020**

#### **Public Benefit**

The charity's commitment to promote the Christian faith creates an opportunity for all to hear the gospel, and respond to it. Historically there is much testimony as to the benefit of faith and the lifestyle that goes with it, as it produces those who are willing to love, serve and care for those who may have less opportunities than themselves. This is evidenced in the charity's commitment to work with the elderly, with young children and parents, with those who have English as a second language and those living locally in social housing. Our members are involved in a variety of work that gives rise to public benefit too numerous to mention, and the work of the church is to support them to persevere in it. As it says in Hebrews 10:24 "spur one another on to love and good deeds".

#### **INDEPENDENT EXAMINER**

MP Fiscal were appointed as the charity's independent examiners during the year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and in accordance with the Charities Act 2011.

This report was approved by the Trustees on **Oct 28 2021**

*Robin Plummer*

Robin Plummer  
Minister

# Independent Examiner's Report to the trustees of New River Baptist Church

I report on the accounts of the Trust for the year ended 31 December 2020, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

## Respective responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

## Basis of independent examiner's report

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

## Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:-

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:-
  - to keep accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)

have not been met; or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Manish Panjabi**

71-75 Shelton Street  
Covent Garden  
London, WC2H 9JQ  
United Kingdom

# New River Baptist Church

## Statement of Financial Activities

### (including Income and Expenditure Account)

### For the year ended 31st December 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and legacies						
Donations and collections at service		95,215			95,215	100,697
Other trading income	5	3,927			3,927	13,705
Investment income	6	423			423	598
Income from charitable activities				1,855	1,855	7,158
<b>Total income and endowments</b>		<b>99,565</b>	<b>-</b>	<b>1,855</b>	<b>101,420</b>	<b>122,158</b>
<b>Expenditure on:</b>						
Raising funds		1,715			1,715	2,835
Charitable activities	7	80,442	34,190	1,713	116,345	135,322
<b>Total expenditure</b>		<b>82,157</b>	<b>34,190</b>	<b>1,713</b>	<b>118,060</b>	<b>138,157</b>
Net Income/ (Expenditure) before gains and losses on investments		17,408	(34,190)	142	(16,640)	(15,999)
Net gains/(losses) on investments				-	-	-
Net Income/ (Expenditure) for the year		17,408	(34,190)	142	(16,640)	(15,999)
Statement of recognised gains and losses						
Actuarial loss on defined benefit pension scheme		(10,765)		-	(10,765)	484
Net Income/ (Expenditure) for the year		28,173	(34,190)	142	(5,875)	(16,484)
Transfers between funds		-			-	-
<b>Net movement in funds</b>		<b>28,173</b>	<b>(34,190)</b>	<b>142</b>	<b>(5,875)</b>	<b>(16,484)</b>
<b>Reconciliation of Funds</b>						
Fund balances brought forward at 1st January 2020		30,922	1,327,473	2,261	1,360,656	1,377,139
Fund balances carried forward at 31st December 2020		59,094	1,293,284	2,403	1,354,781	1,360,656

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

# New River Baptist Church

## Statement of Financial Activities

### (including Income and Expenditure Account)

### For the year ended 31st December 2019

Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
<b>Income and endowments from:</b>				
Donations and legacies				
Donations and collections at service	100,697			100,697
Other trading income	13,705			13,705
Investment income	598			598
Income from charitable activities			7,158	7,158
<b>Total income and endowments</b>	<b>115,000</b>	<b>-</b>	<b>7,158</b>	<b>122,158</b>
<b>Expenditure on:</b>				
Raising funds	2,835			2,835
Charitable activities	84,015	34,252	17,055	135,322
<b>Total expenditure</b>	<b>86,850</b>	<b>34,252</b>	<b>17,055</b>	<b>138,157</b>
Net Income/ (Expenditure) before gains and losses on investments	28,149	(34,252)	(9,897)	(15,999)
Net gains/(losses) on investments			-	-
Net Income/ (Expenditure) for the year	28,149	(34,252)	(9,897)	(15,999)
Statement of recognised gains and losses				
Actuarial loss on defined benefit pension scheme	484		-	484
Net Income/ (Expenditure) for the year	27,665	(34,252)	(9,897)	(16,484)
Transfers between funds	-			-
<b>Net movement in funds</b>	<b>27,665</b>	<b>(34,252)</b>	<b>(9,897)</b>	<b>(16,484)</b>
<b>Reconciliation of Funds</b>				
Fund balances brought forward at 1st January 2019	3,257	1,361,725	12,158	1,377,139
Fund balances carried forward at 31st December 2019	30,922	1,327,473	2,261	1,360,656

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

# New River Baptist Church

## Balance Sheet at 31st December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed Assets</b>					
Tangible assets	8		1,383,134		1,417,323
Investments			9,000		9,000
<b>Current Assets</b>					
Debtors and prepayments	9	946		2,240	
Cash at bank and in hand		<u>59,727</u>		<u>48,566</u>	
		60,672		50,806	
<b>Creditors: Amounts falling due within one year</b>	10	<u>(4,716)</u>		<u>(2,238)</u>	
<b>Net Current Assets</b>			<u>55,956</u>		<u>48,568</u>
<b>Creditors: Amounts falling due in more than one year</b>	11		(71,783)		(79,783)
<b>Provisions for liabilities</b>			(21,526)		(34,453)
<b>Net Assets</b>			<u><u>1,354,781</u></u>		<u><u>1,360,656</u></u>
<b>Funds</b>					
<b>Restricted funds</b>			2,403		2,261
<b>Unrestricted Funds</b>					
Designated funds			1,293,284		1,327,473
Free reserves			80,621		65,374
Pension deficit fund	17		(21,526)		(34,453)
			<u><u>1,354,781</u></u>		<u><u>1,360,656</u></u>

Oct 28 2021

Approved by the trustees on \_\_\_\_\_ and signed on their behalf by:-

*Robin Plummer*

Trustee

*Dan*

Trustee

# New River Baptist Church

## Statement of Cash Flow

### for the year ended 31st December 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income per Statement of Financial Activities	(16,640)	(15,999)
Adjustments for:		
Depreciation of property, plant and equipment	34,190	34,252
Dividends, interest and rents from investments	-	-
Other gains/losses	10,765	(484)
Decrease in trade and other receivables	1,294	676
Increase in trade and other payables	(18,448)	(24,435)
<b>Net cash used in operating activities</b>	<b>11,161</b>	<b>(5,991)</b>
Cash flows from investing activities		
Dividends, interest and rents from investments	-	-
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>
Net cash from financing activities		
<b>Net increase in cash and cash equivalents</b>	<b>11,161</b>	<b>(5,991)</b>
Cash and cash equivalents at the beginning of the year	48,566	54,557
<b>Cash and cash equivalents at the end of the year</b>	<b>59,727</b>	<b>48,566</b>
Components of cash and cash equivalents		
Cash and bank balances	59,727	48,566
	<b>59,727</b>	<b>48,566</b>

# **New River Baptist Church**

## **Notes to the Financial Statements**

### **For the year ended 31st December 2020**

#### **1 Accounting Policies**

##### **Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - Charities SORP (FRS 102) (effective 1 January 2015) - the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

##### **Going Concern**

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31 December 2021, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

##### **Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are amounts which the Executive Committee have decided at their discretion to set aside for use for a specific purpose.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purpose. The cost of raising and administering such funds is charged against the specific fund.

##### **Incoming recognition**

Income represents the total income receivable during the year comprising grants, donations and gifts, merchandise and publications, and investment income. Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

# **New River Baptist Church**

## **Notes to the Financial Statements**

### **For the year ended 31st December 2020 (Continued)**

#### **1 Accounting Policies (continued)**

Donated goods that are not fixed assets are accounted for at a fair value, unless it is impractical to reliably measure the value of the donated items.

In the absence of any direct evidence of fair value of donated goods, then a value is derived from the cost of the item to the donor or, in the case of goods that are expected to be sold, the estimated resale value after deducting any anticipated costs of sales.

If it is impracticable to measure the fair value of goods donated for resale, or the costs of valuation outweigh the benefits, the donated goods are recognised as income when sold, with an equivalent amount being recognised as an expense.

The costs of goods donated for distribution to beneficiaries is deemed to be the fair value of those goods upon receipt. When the goods are distributed freely or for a nominal consideration, then the carrying amount is adjusted at the time of sale, to the value at the point of distribution and the adjustment is shown as a cost of donations made.

The carrying amount of any stock held for distribution is assessed for impairment at the reporting date. All donated goods are recognised as donation income, and debited to trading stock. When trading stock is subsequently sold, or appropriated to meet an expense, then the carrying value of the stock is recognised as an expense. In accordance with the SORP, goods donated for distribution to beneficiaries, or for consumption by the charity are included in 'legacies and donations'. Goods donated for resale are included in 'Income from other trading activities'

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt. If the goods held are to be distributed freely or for a nominal consideration, then the carrying amount is subsequently adjusted to reflect the lower of deemed cost adjusted for any loss of service potential and replacement cost. Replacement cost is the economic cost incurred if the charity was to replace the service potential of the donated goods at its own expense in the most economic manner.

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a settlement is required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. Expenditure includes VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the fundraising costs and publicity activities incurred seeking donations and grants for the charity and their associated support costs.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activity. It includes donations made to organisations and costs incurred in the operation of projects and programmes together with their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance, premises, marketing and general office costs. Governance costs are those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# **New River Baptist Church**

## **Notes to the Financial Statements**

### **For the year ended 31st December 2020 (Continued)**

#### **1 Accounting Policies (continued)**

##### **Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Land	Not Depreciated
Freehold and long lease hold building	over 50 years
Office equipment & fittings	20% per annum straight line

##### **Leases**

Rentals under operating leases are charged to the Statement of Financial Activities as they fall due.

##### **Pension Costs**

The charity currently makes payments to personal pension plans of certain employees. The costs are charged to the Statement of Financial Activities for the period to which they relate.

The Church is also 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

Consequent upon the departure of the Minister from the Church in 2011, the Church had a cessation event under Section 75 of the Pensions Act 1995. This makes the Church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Scheme. In 2019 the Church entered into a "Deferred Debt Arrangement". Under this arrangement the Church is no longer liable for this debt, but the Church continues to pay the ongoing deficiency contributions as outlined above. There are limited circumstances under the Deferred Debt Arrangement where the Church would become responsible for a debt equal to its share of the current BPS deficit (assessed by reference to the up to date cost of securing benefits by the purchase of annuities)

##### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

##### **Debtors and creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the represent value of the expected future receipts or payment discounted as a market rate of interest.

##### **Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

# New River Baptist Church

## Notes to the Financial Statements

### For the year ended 31st December 2020 (Continued)

<b>2 Net Movement in Funds</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The net movement in funds is stated after charging:		
Depreciation	34,190	34,252
Independent Examiner's fees	800	700
Other accounting work	100	100
	<u>34,990</u>	<u>35,052</u>

<b>3 Employees and Staff Costs</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
In aggregate the number of full and part time persons employed during the year was:		
Staff members - Operations	2	2
	<u>2</u>	<u>2</u>
Staff costs were as follows:	<b>£</b>	<b>£</b>
Salaries and wages	35,837	35,015
National insurance	-	-
Pension scheme	4,474	5,044
Pension scheme adjustment	-	1,322
	<u>40,311</u>	<u>41,382</u>

No employee received in excess of £60,000 during the year (2019-£nil).

#### 4 Trustees Remuneration and Reimbursed Expenses

One trustee is employed under a contract of employment, and was paid £24,000 during the year. This appointment is authorised by the governing document of the charity with a formal approval by Charity Commission.

Services were provided by one other trustees (K.A. Beruffi) worth £1,878. The procedures and resolutions required by s185 Charities Act 2011 were completed prior to the provision of these services.

<b>5 Other trading income</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rental Income	3,927	11,989
Events	-	1,504
Café	-	212
	<u>3,927</u>	<u>13,705</u>

<b>6 Investment income</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank Interest received	423	598
	<u>423</u>	<u>598</u>

# New River Baptist Church

## Notes to the Financial Statements

### For the year ended 31st December 2020 (Continued)

#### 7 Analysis of charitable activities

	Direct costs £	Governance costs £	Support costs £	2020 Total £	2019 Total £
Mission/Social Action	23,493	1,715	27,021	52,228	62,062
Pastoral	9,979	1,976	21,580	33,536	33,830
Public Worship / Teaching	1,844	1,715	27,021	30,580	39,430
	<u>35,316</u>	<u>5,407</u>	<u>75,622</u>	<u>116,345</u>	<u>135,322</u>

#### 8 Tangible Assets

	Freehold Building £	Office Equipment and Fittings £	Total £
<b>Cost</b>			
At 1st January 2020	1,686,749	14,533	1,701,282
Additions			-
Disposals			-
	<u>1,686,749</u>	<u>14,533</u>	<u>1,701,282</u>
At 31st December 2020	<u>1,686,749</u>	<u>14,533</u>	<u>1,701,282</u>
<b>Depreciation</b>			
At 1st January 2020	269,880	14,079	215,297
Charge for the year	33,735	455	34,190
	<u>303,615</u>	<u>14,533</u>	<u>249,487</u>
At 31st December 2020	<u>303,615</u>	<u>14,533</u>	<u>249,487</u>
<b>Net Book Value</b>			
At 31st December 2020	<u>1,383,134</u>	<u>-</u>	<u>1,383,134</u>
At 31st December 2019	<u>1,416,869</u>	<u>454</u>	<u>1,417,323</u>

#### 9 Debtors

	2020 £	2019 £
Sundry debtors	(40)	1,330
Prepayments	986	910
	<u>946</u>	<u>2,240</u>

# New River Baptist Church

## Notes to the Financial Statements

### For the year ended 31st December 2020 (Continued)

<b>10 Creditors: Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Sundry creditors	3,116	1,791
Accruals and deferred income	1,600	447
	<u>4,716</u>	<u>2,238</u>
<b>11 Creditors: Amounts falling due in more than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
T.W.Philpot Trust - Loan	71,783	79,783
	<u>71,783</u>	<u>79,783</u>

The church entered a loan agreement with the trustees of the T.W. Philpot trust for a free of interest loan of £108,685 on its incubation. Repayments are normally arranged to be in equal installments over 15years. Should the church leave the LBA or close, then the loan would be immediately repayable.

#### 12 Analysis of Restricted Funds

	Balance at 01st Jan. 2020 £	Incoming Resources £	Expenditure £	Transfers £	Balance at 31st Dec. 2020 £
Bless You Fund	1,708	250	(160)		1,798
Gift Fund	-	10			10
Philpot Fund	-	1,000	(1,000)		-
Designated Donations	553	595	(553)		595
	<u>2,261</u>	<u>1,855</u>	<u>(1,713)</u>	<u>-</u>	<u>2,403</u>

#### 13 Designated Funds

	Balance at 01st Jan. 2020 £	(Deficit) / Surplus for the year £	Transfers £	Utilised/ Realised £	Balance at 31st Dec. 2020 £
Fixed assets	1,327,473		-	(34,190)	1,293,284
<b>Designated funds</b>	<u>1,327,473</u>	<u>-</u>	<u>-</u>	<u>(34,190)</u>	<u>1,293,284</u>

The fixed asset fund represents the net book value of the fixed assets - excluding those reflected in the Restricted Funds.

# New River Baptist Church

## Notes to the Financial Statements

### For the year ended 31st December 2020 (Continued)

14 Analysis of Net Assets between Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible assets	1,392,134		1,392,134
Net Current assets	53,553	2,403	55,956
Long term liabilities	(93,309)		(93,309)
	<hr/>	<hr/>	<hr/>
Total net assets	1,352,378	2,403	1,354,781
	<hr/>	<hr/>	<hr/>

15 Investments	2020	2019
	£	£
Green Pastures unsecured loan stock	9000	9000
Additions		
Gains / (Losses) on investments		
	<hr/>	<hr/>
Net book value as at 31 December	9,000	9,000
	<hr/>	<hr/>

Green Pastures (GP) unsecured loan stock is a type of fixed income that is granted in exchange for a loan and does not offer collateral to guarantee that the loan will be repaid back. GP aims to use the proceeds of unsecured loan stock issues to buy properties to house the homeless.

#### 16 Related Party Transactions

During the year 2020, a salary of £11,897 was paid to Mrs C. Plummer who is related to Mr. Plummer. Mr Plummer is a Trustee and Minister for the charity.

#### 17 Pension costs and provisions

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) [and some members of the church staff] is / are 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 Aviva plc. [Members of the Basic Section pay reduced contributions of 5%

# New River Baptist Church

## Notes to the Financial Statements

### For the year ended 31st December 2020 (Continued)

#### 17 Pension costs and provisions (continued)

of Pensionable Income, and their employers also pay a total of 5%.] 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.

**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 (RPI)	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	2.70

- Post-retirement mortality in accordance with 80% of the S3NFA and S3NMA 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 the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

#### Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 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 Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

# New River Baptist Church

## Notes to the Financial Statements

### For the year ended 31st December 2020 (Continued)

#### 17 Pension costs and provisions (continued)

##### 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 December 2020	31 December 2019
Balance sheet liability at year start	£34,452	£36,683
Minus deficiency contributions paid	-£2,724	-£3,553
Interest cost (recognised in SoFA)	£563	£838
Remaining change to balance sheet liability* (recognised in SoFA)	-£10,765	£484
Balance sheet liability at year end	£21,526	£34,452

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

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 December 2020	31 December 2019	31 December 2018
Discount rate	0.4%	1.7%	2.4%
Future increases to Minimum Pensionable Income	3.0%	3.2%	3.3%

##### Cessation Event

Consequent upon the departure of the Minister from the Church in 2011, the Church had a cessation event under Section 75 of the Pensions Act 1995. This makes the Church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Scheme. In 2019 the Church entered into a "Deferred Debt Arrangement". Under this arrangement the Church is no longer liable for this debt, but the Church continues to pay the ongoing deficiency contributions as outlined above. There are limited circumstances under the Deferred Debt Arrangement where the Church would become responsible for a debt equal to its share of the current BPS deficit (assessed by reference to the up to date cost of securing benefits by the purchase of annuities)