

Registered Charity 1176794

BROADWAY BAPTIST CHURCH

DERBY

ANNUAL REPORT & ACCOUNTS

for the year ended

31st March 2021

Broadway Baptist Church, Derby

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Broadway Baptist Church

References and administrative details

Registered Address

166 Broadway, Derby, DE22 1BP

Charity Registration Number

1176794

Trustees

Miss Ann Barclay (elected 18 November 2020)
Mrs Joy Bates (elected 18 November 2020)
Mr William Bates (resigned 18 November 2020)
Rev Rashell Beya
Mr Michael Joyce (elected 18 November 2020)
Mr John Millard (resigned 18 November 2020)
Mr Roger Patten (resigned 18 November 2020)
Mrs Trisha Thomas
Rev Jane Webb (elected 18 November 2020)
Mr Nick Willers
Mr Paul Woolley

Property Trustees

The Baptist Union Corporation Limited
Baptist House, 129 Broadway, Didcot, Oxfordshire OX11 8RT

Bankers

CAF Bank,
25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

Independent Examiners

Mrs Veronica Churchhouse
Mr Andrew Hallam-Whitehill

Broadway Baptist Church

Report of the Trustees for the year ending 31st March 2021

The Trustees present their Annual Report and Financial Statements for the year to 31st March 2021

Structure, Governance and Management

The Church is a Charitable Incorporated Organisation (registration number 1176794) and is governed by the Constitution approved by the membership on 17th January 2018.

Membership of the Church is open to those who have professed faith in Jesus Christ, accept the Beliefs listed in the Constitution, and who have expressed a willingness to participate in the activities of the Church and to take on the duties of membership.

The Members' meeting normally takes place six times per year and has responsibility for the overall policy of the church. In accordance with the Constitution, the members appoint not less than three, and not more than twelve, Trustees who include the Minister, Church Secretary and Treasurer. They are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. All Members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Relevant matters may be submitted to the Church meeting by the Trustees for guidance or may be raised by members in Church meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at Church meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

The trustees who served during the year and to the period up to the date of approval of this report are as follows:

Miss Ann Barclay
Mrs Joy Bates
Rev Rashell Beya (Minister)
Mr Michael Joyce
Mrs Trisha Thomas (Secretary)
Rev Jane Webb
Mr Nick Willers
Mr Paul Woolley (Treasurer)

Objectives and Activities

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination, and includes the advancement of education, and other general charitable purposes, in such parts of the United Kingdom and the world as the Church shall determine.

In order to achieve the principal objective, which is set out above, the Church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with Him as living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. These services usually take place each Sunday at 10.30 am. There are also occasional services at other times which are advertised on the Church Notice Board and the website at broadwaybaptist.co.uk. The church seeks to be a friendly and welcoming community, and anybody is free to attend any of the services.

The Church runs a series of house groups for the growth of faith and discipleship in the homes of some members, and further details of these can be obtained from the Trustees on request, or at the Sunday services of worship. The exercise of pastoral care often comes through these groups, but the responsibility rests with all involved at Broadway to look after those in need.

The Church usually runs various events for younger and older people. For younger people, this includes toddler group, junior church, creche, messy church, an annual holiday club, and uniformed organisations. For older people, this has included a regular lunch club and an annual "Holiday at Home".

Many in the church are engaged in social action outside Broadway through involvement with the Derby food banks, Upbeat Communities, the Soup Run, and Derby City Mission.

The Church ensures that proper safeguarding procedures are followed by ensuring all people working with children and adults at risk are properly trained and have periodic DBS checks.

The Church has read the Charity Commission guidance on public benefit and is satisfied that the activities outlined above clearly demonstrate that the Church is providing a benefit to the public.

Achievements and Performance

While growth in numbers and finance is encouraging this is not how the Church measures success. Instead, less tangible areas such as fruitfulness in terms of spiritual growth, transformation of character, development of community life within and locally, and engagement with the issues facing society today reflect our values more closely. The Trustees recognise that these are difficult to measure but believe that, despite the Coronavirus pandemic and the necessary restrictions on meeting, 2020/21 was a positive year in the life of the church. The Trustees believe that Broadway will be able to pursue its mission purposes in 2021/22 with renewed enthusiasm despite the nervousness of people emerging from the national lockdown.

The significant events/things going on during the year included:

- Quickly developing an on-line presence – necessary during the lockdown period when we were not able to meet in person.
- New people of all ages joining with us on-line for services and other meetings – each one a precious gift and bringing a new dynamic to our life together.
- New opportunities, including an online Christian Mindfulness group each Sunday evening, formation of a team for a Renew Wellbeing Café, development of the grounds for visual displays of a 'Hedge of Hope' and space for reflection and contemplation.
- Support for the community through being part of the Council Response Team supporting those who were shielding with shopping, gardening and befriending, drop off point for foodbank items, and supporting older people with activities such as delivery of Cream Teas, Christmas Goodie box and DVD.
- Developments in on-line children and youth work including new groups for older and younger youth, activity bags for crèche and primary age children.

Financial Review

The financial results for the year, together with a summary of the accounting policies adopted, are set out in the accompanying Financial Statements.

The key financial issues – things to be thankful for, and things to be concerned about – are reported in the Annual Financial Report in the Financial Statements.

Reserves Policy

The Trustees have established a Reserves Policy to enable the Church to function effectively and meet its obligations in the event of a decline in income or increase in expenditure.

Having considered the relevant risks, the Trustees have determined that the appropriate level of General Reserves should be 25% of annual expenditure. As at 31st March 2021 the Church held total Reserves of £105,900, of which £25,476 were Restricted. Of the £80,424 General Reserves, the Trustees consider that the minimum level should be £29,625, based on budgeted expenditure for 2021-22. The balance of £50,799 is budgeted for use over the next three financial years.

This report was approved by the Trustees on 13 July 2021 and signed on their behalf by

Rev Rashell Beya

Chair

Broadway Baptist Church

Annual Financial Report for Year to 31st March 2021

This has been quite a challenging year for all of us and of course the Covid-19 Pandemic has impacted the church financially as well. Dare I say - it was 'unprecedented'. In the budget for 2020/21 we had predicted a deficit of £20k for the year. But of course this was set before anything was really known of the effect of the pandemic and so the actual results are quite different with a final surplus of £17k.

At the last AGM, we were saying that we would probably have to dip into reserves. As things evolved, we received generous donations as well as being able to apply for government funding and grants. As a result our reserves have increased to £106k of which £25k are restricted.

Some of the items affecting the figures are:

Donations	income up by £24k against budget (includes £10k Covid Grant)
Legacies	income up by £3k against budget
Other Income	income up by £6k against budget (includes £5839 from Job Retention Scheme)
Maintenance	expenditure down by £6k against budget
Utility bills	expenditure down by £5k against budget

However, there are general reductions in expenditure across nearly all categories compared to budget.

Against this we also have reductions in income from use of premises of nearly £11k and perhaps of more concern, but understandable, is a reduction in offerings against budget of nearly £9k.

From the start of the financial year offerings have been gradually reducing. In the last quarter of the year offerings were £500 per month lower on average than in the first quarter of the year. Thank you to those who have switched over their cash/cheque giving to direct payment to our bank account. This has helped us greatly. Most people have done this and if anyone else wishes to give in this way, please do contact me for details.

The figures in the accounts are a record of what has happened financially in the past year. Behind the figures are lots of stories and issues that people have had to deal with in this difficult year, and we should remember this. There are several people whose circumstances have changed as a direct result of the pandemic.

We are now reaching the point where the government restrictions are being eased and we need to look to the future. As I said when we did the provisional budget, there are still many unknowns about how soon things might 'return to normal' in terms of income but I fear that expenditure will probably get there first.

Having £106k in reserves is great, but these funds are going to be utilised over the next few years as we look to carry out God's purpose through us: part of this will be employment of staff.

So I would ask that you join with me, firstly, in thanksgiving to God for His financial provision during the past year but also please pray about our finances for the coming year and your response to the changing circumstances in the church. Particularly, please pray about our ongoing income from offerings and bookings as we start to come out of restrictions.

Paul Woolley

BROADWAY BAPTIST CHURCH

Financial Statements

For the year ended 31st March 2021

Treasurer's Statement

The Accounts and Statement of Assets and Liabilities set out on the following pages relating to the year ending 31st March 2021 are as approved by the deacons.

Signed: Paul Woolley - Treasurer

Dated: 1 July 2021

Report of the Independent Examiners to the Deacons and Members of Broadway Baptist Church.

The Broadway trustees (the deacons) are responsible for the preparation of the accounts. They consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. It is our responsibility to:

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

Our examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records 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 the 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.

In connection with our examination, no material matters have come to our attention which gives us cause to believe that, in any material respect:

- accounting records were not kept in accordance with section 130 of the Charities Act;
- the accounts do not accord with the accounting records
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

We 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.

Signed:

Veronica Churchhouse

Andy Hallam-Whitehill

Dated: 1 July 2021

BROADWAY BAPTIST CHURCH

Financial Statements

for the year ended 31st March 2021

RECEIPTS AND PAYMENTS

	Note	General 2020/21	Restricted 2020/21	Total 2020/21	General 2019/20	Restricted 2019/20	Total 2019/20
		£	£	£	£	£	£
Income:							
Regular offerings		59,761	-	59,761	65,843	-	65,843
Donations, legacies, and other income	2	30,596	16,000	46,596	15,821	17,247	33,068
Gift aid		15,405	-	15,405	15,690	-	15,690
Interest		-	-	-	-	-	-
Contributions for use of premises		1,197	-	1,197	12,429	-	12,429
Raised for other causes	3	145	-	145	3,270	-	3,270
		107,104	16,000	123,104	113,053	17,247	130,300
Expenditure:							
Ministry	4	68,771	4,000	72,771	68,533	4,000	72,533
Mission	5	12,263	-	12,263	21,103	-	21,103
Upkeep	6	16,895	-	16,895	25,659	-	25,659
Administration	7	3,957	-	3,957	6,135	2,300	8,435
		101,886	4,000	105,886	121,430	6,300	127,730
Surplus/(Deficit)		5,218	12,000	17,218	(8,377)	10,947	2,569
Cash / Reserve brought forward		75,206	13,476	88,682	83,583	2,529	86,113
Surplus/(Deficit)		5,218	12,000	17,218	(8,377)	10,947	2,569
Cash / Reserve carried forward		80,424	25,476	105,900	75,206	13,476	88,682

BROADWAY BAPTIST CHURCH

Financial Statements

for the year ended 31st March 2021

NOTES TO THE ACCOUNTS

1. Accounting Policies

1a. Receipts and Payments Basis

In years before 2017/18 these accounts were prepared on a "receipts and payments" basis but adjusted for significant accruals and prepayments. From 2018/19 there is a requirement, as a registered CIO, to prepare the accounts on a strict "receipts and payments" basis. This requirement has been complied with in the years from 2017-18.

The main implications of the receipts and payments basis are as follows:

- * The surplus for the year is the increase in cash. No account is taken of creditors and debtors at the end of the year.
- * Reserves equate to the cash figure. Debtors and liabilities have no impact.
- * Deferred income is included in reserves.
- * Reserves fall into two categories: general reserves - available for the general purposes of the church; and restricted reserves - intended to be used for particular purposes. There is a separate income and expenditure account for each type of reserve.
- * There is no balance sheet. Instead, there is a list of assets and liabilities. This includes land and building assets and the pension fund liability.

1b. Free Reserves Policy

The trustees consider it appropriate to have a minimum level of general reserves equivalent to 25% of annual expenditure

	General 2020/21 £	Restricted 2020/21 £	Total 2020/21 £	General 2019/20 £	Restricted 2019/20 £	Total 2019/20 £
2. Donations and other income						
Donations	23,765	16,000	39,765	9,548	16,394	25,942
Other income	6,831	-	6,831	6,274	852	7,126
	30,596	16,000	46,596	15,821	17,247	33,068

Most of the donations and legacies came from church members, friends and organisations. Contributions for non-specific expenditure are included as "general"; restricted contributions are those ring-fenced for specific expenditure in current or future years. This year included a Covid grant of £10,000 from Derby City Council which will fund community projects.

Within other income, £5,839 came from Job Retention Scheme grants to finance salaries of staff on furlough.

3. Other causes

Raised:						
BMS	95	-	95	290	-	290
HMF	-	-	-	-	-	-
Special Appeals	50	-	50	2,980	-	2,980
	145	-	145	3,270	-	3,270
Given:						
BMS	4,115	-	4,115	4,310	-	4,310
HMF	4,020	-	4,020	4,020	-	4,020
Special Appeals	50	-	50	2,980	-	2,980
Other causes	1,950	-	1,950	1,845	-	1,845
	10,135	-	10,135	13,155	-	13,155
	-	-	-	-	-	-
Net:						
Given from general funds	9,990	-	9,990	9,885	-	9,885

Of the total given of £10,135, £9,990 is the amount allocated in the budget to be given out of general funds. Other giving of £145 is financed by specific gifts.

BROADWAY BAPTIST CHURCH

Financial Statements

for the year ended 31st March 2021

NOTES TO THE ACCOUNTS (cont'd)

	General 2020/21	Restricted 2020/21	Total 2020/21	General 2019/20	Restricted 2019/20	Total 2019/20
	£	£	£	£	£	£
4. Ministry						
Pastorate	68,691	4,000	72,691	67,926	4,000	71,926
Pulpit supply	80	-	80	607	-	607
	<u>68,771</u>	<u>4,000</u>	<u>72,771</u>	<u>68,533</u>	<u>4,000</u>	<u>72,533</u>

The Minister acts as one of the Church's trustees and receives remuneration and other benefits in respect of her services as Minister. This includes the provision of manse accommodation owned by the church.

Pastorate costs comprise the Minister's stipend, the salaries of the children and youth worker (financed by both general and designated funds) and the church administrator, oncosts, and manse running costs. Note that the costs include contributions to the BU Pension Fund deficit (see Note 8).

5. Mission

Given to other causes (note 2)	10,135	-	10,135	13,155	-	13,155
Outreach and Training	1,961	-	1,961	5,740	-	5,740
Worship and Music	840	-	840	811	-	811
Pastoral	167	-	167	1,398	-	1,398
	<u>13,103</u>	<u>-</u>	<u>13,103</u>	<u>21,103</u>	<u>-</u>	<u>21,103</u>

Within Outreach is £1,039 for youth work. Other expenditure mainly related to activities undertaken in response to the Covid virus

6. Upkeep of church premises and grounds

Heat, light, rates and water	4,537	-	4,537	8,565	-	8,565
Cleaning	4,136	-	4,136	3,800	-	3,800
Repairs and maintenance	4,837	-	4,837	9,925	-	9,925
Insurance	3,384	-	3,384	3,370	-	3,370
	<u>16,895</u>	<u>-</u>	<u>16,895</u>	<u>25,659</u>	<u>-</u>	<u>25,659</u>

Repairs and Maintenance included £2,057 for servicing plant and equipment; £2,279 was for repairs.

7. Administration

Printing and stationery	1,024	-	1,024	1,738	-	1,738
Publicity	347	-	347	354	-	354
Subscriptions	91	-	91	370	-	370
Sundries	1,654	-	1,654	3,673	2,300	5,973
	<u>3,117</u>	<u>-</u>	<u>3,117</u>	<u>6,135</u>	<u>2,300</u>	<u>8,435</u>

Sundries includes the cost of Church Suite (£584) and payroll-related services (£732)

BROADWAY BAPTIST CHURCH

Financial Statements

for the year ended 31st March 2021

NOTES TO THE ACCOUNTS (cont'd)

8. Pension Scheme Liabilities

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 other participating employers.

The minister and members of staff are eligible to join the Scheme.

Since January 2012, pensions provision has been made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% into individual pension accounts. In addition, the employer pays a further 4% (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 BPS 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 of BPS pay reduced contributions of 5% Pensionable Income and employers also pay 5%

Benefits in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme.

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.

A formal valuation of the DB Plan was performed at 31st December 2019 using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. This revealed a deficit of assets compared to liabilities of £18m, which indicated a funding level of 94%.

As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was 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. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020. In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisaged deficiency contributions continuing until 30 June 2026.

The Church's monthly payment in respect of the DB scheme deficit is currently £313.51. As it is expected that contributions will continue until June 2026, the scheme liability shown in the Statement of Assets and Liabilities is calculated as the current rate per month multiplied by the number of months remaining before June 2026. This amounted to £19,751 as at 31st March 2021.

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the Scheme. Accordingly the cost in these accounts represents the employer contributions paid. These amounted to £7,291.

The next actuarial valuation of the DB Plan within the Scheme is due as at 31st December 2022.

9. Charitable Status

On 23rd January 2018 the Church was entered on the Register of Charities as a Charitable Incorporated Organisation (CIO).

On 1st April 2018 the assets, liabilities, and activities of the Church were transferred to the CIO.

BROADWAY BAPTIST CHURCH**Financial Statements**

for the year ended 31st March 2021

STATEMENT OF ASSETS AND LIABILITIES**Assets and Liabilities**

	Note	2021	2020
		£	£
Assets			
Bank Balances		105,900	88,682
Gift Aid receivable		17,460	15,440
Outstanding receipts		-	560
Property assets:			
The Church (166 Broadway)		3,962,835	3,919,750
The Manse (24 Highfields Park Drive)		248,225	240,296
Total Assets		<u>4,334,420</u>	<u>4,264,728</u>
Liabilities			
Current liabilities			
Deferred income		-	-
Outstanding payments		-	-
Pension Scheme Liability	8	19,751	32,349
Total Liabilities		<u>19,751</u>	<u>32,349</u>
Net Assets		<u>4,314,669</u>	<u>4,232,379</u>

Bank balances represent the following reserves

General	80,424	75,206
Designated and Restricted	25,476	13,476
	<u>105,900</u>	<u>88,682</u>

Balance Sheet Notes:

- * The bank balances are spread across 3 different financial institutions
- * The property assets are shown at their current insurance value. This therefore excludes the land value
- * The church asset includes insured fixtures and fittings
- * The Church is the beneficial owner of the church (building and premises) and the manse. The legal title is held by the Church's custodian trustee, the Baptist Union Corporation Ltd.
- * The Pension Scheme Liability is explained in Note 8
- * The main Restricted Reserves are an unspent legacy of £10,394 and the Covid community grant of £10,000