

**WORCESTER BAPTIST CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# WORCESTER BAPTIST CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                             |   |                                 |
|-----------------------------|---|---------------------------------|
| <b>Trustees</b>             | Darren Smith<br>Chris Porter<br>Graham Baker<br>Timothy Prince                                | (Appointed 1 September<br>2020) |
|                             | Alun Williams<br>Fiona Forth  |                                 |
| <b>Charity number</b>       | 1180106   |                                 |
| <b>Principal address</b>    | Sansome Walk<br>Worcester<br>WR1 1LN  |                                 |
| <b>Independent examiner</b> | Kendall Wadley LLP<br>Granta Lodge<br>71 Graham Road<br>Malvern<br>Worcestershire<br>WR14 2JS |                                 |
| <b>Investment advisors</b>  | Charles Stanley & Co Limited<br>55 Calthorpe Road,<br>Edgbaston,<br>Birmingham<br>B15 1TH     |                                 |

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# WORCESTER BAPTIST CHURCH

## CONTENTS

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|   | Page    |
|---|---------|
| Trustees' report                        | 1 - 3   |
| Statement of trustees' responsibilities | 4       |
| Independent examiner's report           | 5       |
| Statement of financial activities       | 6 - 7   |
| Statement of financial position         | 8       |
| Statement of cash flows                 | 9       |
| Notes to the financial statements       | 10 - 21 |

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## **WORCESTER BAPTIST CHURCH**

### **TRUSTEES' REPORT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Church's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2019)

#### **Objectives and activities**

The principal purposes of the Church are:

- 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.
- Nothing in this constitution shall authorise an application of the property of the Church for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 or section 2 of the Charities Act (Northern Ireland) 2008.

#### **Beliefs**

As a member of the Baptist Union the Church subscribes to the Baptist Union's Declaration of Principle:

"That our Lord and Saviour Jesus Christ, God manifest in the flesh, is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws.

That Christian Baptism is the immersion in water into the name of the Father, the Son and Holy Spirit, of those who have professed repentance towards God and faith in our Lord Jesus Christ who 'died for our sins according to the Scriptures; was buried, and rose again on the third day.'

That it is the duty of every discipline to bear personal witness to the gospel of Jesus Christ, and to take part in the evangelisation of the world."

#### **Public benefit**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Church should undertake and are satisfied that those described below provide public benefit.

#### **Activities**

In fulfilling the purpose the Church will engage in a range of activities either on its own or with others that will vary from time to time with activities being initiated, expanded or closed, as appropriate.

The activities may include but are not restricted to:

- regular public worship, prayer, Bible study, preaching and teaching;
- baptism, as defined in the Baptist Union's Declaration of Principle;
- the Communion of the Lord's Supper which shall normally be observed at least once a month;
- evangelism and mission, locally, regionally, nationally and internationally;
- the teaching, encouragement, welcome and inclusion of young people;
- nurture and growth of Christian disciples;
- education and training for Christian disciples;
- giving and encouraging pastoral care;
- supporting and encouraging charitable social action in the United Kingdom and abroad;
- encouraging relationships with and supporting Baptists and other Christians

## WORCESTER BAPTIST CHURCH

### TRUSTEES' REPORT (CONTINUED)

#### *FOR THE YEAR ENDED 31 DECEMBER 2020*

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#### **Achievements and performance**

The key highlights during the year are:

We welcomed **Dave and Frin** as they visited to update us of their work with Freeset in the red light district of Kolkata and a visit from Kevin Crook of **MAF** as we continue to develop our link their work.

We embarked on a project to '**blessing others**' by using some of the reserves that we currently have, prior to a wider conversation. This allowed us to seek from those organisations we currently support details of any projects that they were wanting to progress and how they might be helped by a financial gift. We gave in excess of £40,000 to a number of projects locally and overseas.

A big highlight for the year was to visit **Uganda** to witness first hand many of the projects that the church support through the work of Malcolm and Tina Rankin. It was great to meet those on the ground that help us in this work. The lively and passionate worship we experienced in many of the places and churches with went to was wonderful to behold.

The visit and the country has left a very positive impression and pleased that many in the church have got behind this work in prayer and through financial giving.

Last September '**Lunch Club Plus**' was launched, based on Lunch Club but now meeting earlier in the day for tea and coffee, watching DVDs and chatting, on a fortnightly basis.

We had a wonderful **weekend away at Shallowford House** last September led by Sian Murray-Williams.

We had another (our second) wonderful and successful '**Love the Arboretum**' event which took place in February run in association with the Arboretum Residents Association (ARA). Despite awful weather leading up to the event we had slightly more attend than the previous year, including the mayor of Worcester. The church and spire was again lit up and we hosted a treasure hunt and craft room in the main church building.

Plans for 2021 are already taking shape and we look forward to an even bigger event with more houses taking place.

#### **Financial review**

The net outgoing resources for the year is £45,519 (2019 incoming £126,058) of which outgoings of £40,126 is in connection with unrestricted activities and £5,393 outgoing in relation to restricted activities.

Total reserves at the reporting date are £1,239,798 (2019 £1,285,317) of which £240,404 is restricted. Full details of the restricted funds can be found in the notes accompanying the financial statements. After extracting fixed assets this leaves £929,329 available for unrestricted activities, this includes fixed investments however these are readily convertible.

It is the policy of the Church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees have assessed the major risks to which the Church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

## WORCESTER BAPTIST CHURCH

### TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### Plans for future

Due to the Covid 19 pandemic it is difficult to predict when church life will return to normal and now is a good time to ask what is 'normal'. It is my sense that God is challenging us all to ask questions about how we currently 'be' church, so the next year could look a little different.

I spoke on the first Sunday in January about God wanting to do 'a new thing' and maybe post lockdown church will mean us needing to do exactly that, as we discover more about 'being' church and not just 'attending' church.

So, it is a little hard to look forward with any real certainty at present, although we definitely hope that later this year (restrictions permitting) we will run the **Christianity Explored** evangelistic course, inviting those we are in contact with to come and find out more about who Jesus is and why we believe what we do. There may be many in the local community beginning to ask questions of a spiritual nature and this course may help to answer some of those.

What is certain for this next year is that we need to continue to **walk closely with Jesus**, to discern his will for us, and to serve him with all our heart. And we need to be **people of prayer** as that should underpin everything we do as a church, as well as individuals. As ever, I encourage you to engage with the various opportunities to come together and pray.

#### Structure, governance and management

The Church is a charitable incorporated organisation.

The trustees who served during the year and up to the date of signature of the financial statements were:

Darren Smith

Chris Porter

Graham Baker

Neil Carey

(Resigned 1 September 2020)

Timothy Prince

(Appointed 1 September 2020)

Alun Williams

Fiona Forth

The trustees are responsible for the management and administration of the Church's property and funds in accordance with its constitution. Day to day management of activities is delegated to Darren Smith the minister of the church. The remuneration of key management personnel is set by the board.

Upon appointment appropriate training and guidance is given as to the role and responsibilities of a trustee within the organisation.

Meetings are required to be held at every two months, at which the CIO and financial aspects of the organisation are considered and actions to be taken determined as necessary. This includes the setting of remuneration for those employed having due regard to legislative requirements and rates of remuneration paid by similar organisations.

Interests in transactions by virtue of related parties are declared at meetings and reported in the notes to the financial statements.

The trustees' report was approved by the Board of Trustees.

.....  
**Darren Smith**

Trustee

Dated: .....

## **WORCESTER BAPTIST CHURCH**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Church and of the incoming resources and application of resources of the Church for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **WORCESTER BAPTIST CHURCH**

### **INDEPENDENT EXAMINER'S REPORT**

#### **TO THE TRUSTEES OF WORCESTER BAPTIST CHURCH**

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I report to the trustees on my examination of the financial statements of Worcester Baptist Church (the Church) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

As the trustees of the Church you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Church's financial statements carried out under section 145 of the 2011 Act. 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 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 respect of the Church as required by section 130 of the 2011 Act;  
or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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.

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

Sarah Morley ACA

Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Dated: .....



**WORCESTER BAPTIST CHURCH****STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2020****Current financial year**

|   |              | <b>Unrestricted<br/>funds<br/>2020<br/>£</b> | <b>Restricted<br/>funds<br/>2020<br/>£</b> | <b>Total<br/>2020<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|---|--------------|--|--|-----------------------------|-----------------------------|
|   | <b>Notes</b> |  |  |                             |                             |
| <b><u>Income from:</u></b>                        |              |  |  |                             |                             |
| Donations and legacies                            | <b>3</b>     | 19,858                                       | -  | 19,858                      | 27,582                      |
| Charitable activities                             | <b>4</b>     | 76,016                                       | -  | 76,016                      | 81,377                      |
| Other trading activities                          | <b>5</b>     | 925  | -  | 925                         | 9,038                       |
| Investments                                       | <b>6</b>     | 20,590                                       | -  | 20,590                      | 26,090                      |
| Material other income                             | <b>7</b>     | -  | -  | -                           | 39,893                      |
| <b>Total income</b>                               |              | <b>117,389</b>                               | <b>-</b>                                   | <b>117,389</b>              | <b>183,980</b>              |
| <b><u>Expenditure on:</u></b>                     |              |  |  |                             |                             |
| Charitable activities                             | <b>8</b>     | 199,410                                      | 5,393                                      | 204,803                     | 179,993                     |
| Net gains/(losses) on investments                 | <b>13</b>    | 39,195                                       | -  | 39,195                      | 103,871                     |
| <b>Net (outgoing)/incoming resources</b>          |              | <b>(42,826)</b>                              | <b>(5,393)</b>                             | <b>(48,219)</b>             | <b>107,858</b>              |
| <b><u>Other recognised gains and losses</u></b>   |              |  |  |                             |                             |
| Actuarial gain on defined benefit pension schemes |              | 2,700  | -  | 2,700                       | 18,200                      |
| <b>Net movement in funds</b>                      |              | <b>(40,126)</b>                              | <b>(5,393)</b>                             | <b>(45,519)</b>             | <b>126,058</b>              |
| Fund balances at 1 January 2020                   |              | 1,039,520                                    | 245,797                                    | 1,285,317                   | 1,159,259                   |
| <b>Fund balances at 31 December 2020</b>          |              | <b>999,394</b>                               | <b>240,404</b>                             | <b>1,239,798</b>            | <b>1,285,317</b>            |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**WORCESTER BAPTIST CHURCH****STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2020****Prior financial year**

|   |              | <b>Unrestricted<br/>funds<br/>2019<br/>£</b> | <b>Restricted<br/>funds<br/>2019<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|---|--------------|--|--|-----------------------------|
|   | <b>Notes</b> |  |  |                             |
| <b><u>Income from:</u></b>                        |              |  |  |                             |
| Donations and legacies                            | <b>3</b>     | 27,582                                       | -  | 27,582                      |
| Charitable activities                             | <b>4</b>     | 81,377                                       | -  | 81,377                      |
| Other trading activities                          | <b>5</b>     | 9,038  | -  | 9,038                       |
| Investments                                       | <b>6</b>     | 26,090                                       | -  | 26,090                      |
| Material other income                             | <b>7</b>     | 39,893                                       | -  | 39,893                      |
| <b>Total income</b>                               |              | <b>183,980</b>                               | <b>-</b>                                   | <b>183,980</b>              |
| <b><u>Expenditure on:</u></b>                     |              |  |  |                             |
| Charitable activities                             | <b>8</b>     | 175,377                                      | 4,616                                      | 179,993                     |
| Net gains/(losses) on investments                 | <b>13</b>    | 103,871                                      | -  | 103,871                     |
| <b>Net (outgoing)/incoming resources</b>          |              | <b>112,474</b>                               | <b>(4,616)</b>                             | <b>107,858</b>              |
| <b>Other recognised gains and losses</b>          |              |  |  |                             |
| Actuarial gain on defined benefit pension schemes |              | 18,200                                       | -  | 18,200                      |
| <b>Net movement in funds</b>                      |              | <b>130,674</b>                               | <b>(4,616)</b>                             | <b>126,058</b>              |
| Fund balances at 1 January 2019                   |              | 908,846                                      | 250,413                                    | 1,159,259                   |
| <b>Fund balances at 31 December 2019</b>          |              | <b>1,039,520</b>                             | <b>245,797</b>                             | <b>1,285,317</b>            |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**WORCESTER BAPTIST CHURCH****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

|  | Notes     | 2020<br>£        | £                | 2019<br>£        | £                |
|--|-----------|------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>                          |           |                  |                  |                  |                  |
| Property, plant and equipment                | <b>15</b> | 277,800          |                  | 289,816          |                  |
| Investments                                  | <b>16</b> | 917,288          |                  | 922,211          |                  |
|  |           | <u>1,195,088</u> |                  | <u>1,212,027</u> |                  |
| <b>Current assets</b>                        |           |                  |                  |                  |                  |
| Trade and other receivables                  | <b>17</b> | 3,019            |                  | 4,255            |                  |
| Investments                                  | <b>18</b> | -                |                  | 8,296            |                  |
| Cash at bank and in hand                     |           | 46,242           |                  | 104,685          |                  |
|  |           | <u>49,261</u>    |                  | <u>117,236</u>   |                  |
| <b>Current liabilities</b>                   | <b>19</b> | (4,551)          |                  | (43,946)         |                  |
| Net current assets                           |           |                  | 44,710           |                  | 73,290           |
| <b>Total assets less current liabilities</b> |           |                  | <u>1,239,798</u> |                  | <u>1,285,317</u> |
| <b>Income funds</b>                          |           |                  |                  |                  |                  |
| Restricted funds                             | <b>20</b> | 240,404          |                  | 245,797          |                  |
| Unrestricted funds                           |           | 999,394          |                  | 1,039,520        |                  |
|  |           | <u>1,239,798</u> |                  | <u>1,285,317</u> |                  |

The accounts were approved by the Trustees on .....

.....  
 Darren Smith  
 Trustee

**WORCESTER BAPTIST CHURCH****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2020**

|   | Notes | 2020<br>£ | £        | 2019<br>£ | £       |
|---|-------|-----------|----------|-----------|---------|
| <b>Cash flows from operating activities</b>                 |       |           |          |           |         |
| Cash absorbed by operations                                 | 25    | (128,412) |          | (10,101)  |         |
| <b>Investing activities</b>                                 |       |           |          |           |         |
| Purchase of property, plant and equipment                   |       | (3,035)   |          | (34,880)  |         |
| Purchase of listed investments                              |       | (51,876)  |          | (159,341) |         |
| Proceeds on disposal of listed investments                  |       | 104,290   |          | 234,607   |         |
| Interest received   |       | 20,590    |          | 26,090    |         |
| <b>Net cash generated from investing activities</b>         |       |           | 69,969   |           | 66,476  |
| <b>Net cash used in financing activities</b>                |       |           | -        |           | -       |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       |           | (58,443) |           | 56,375  |
| Cash and cash equivalents at beginning of year              |       |           | 104,685  |           | 48,310  |
| <b>Cash and cash equivalents at end of year</b>             |       |           | 46,242   |           | 104,685 |

## **WORCESTER BAPTIST CHURCH**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

##### **Charity information**

Worcester Baptist Church is a private unincorporated charity and its office is Sansome Walk, Worcester, WR1 1LN.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Church's constitution, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2019). The Church is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### **1.4 Incoming resources**

Income is recognised when the Church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

## WORCESTER BAPTIST CHURCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services of its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Creditors represent the amount the charity anticipates it will pay to settle a debt or a provision for goods and services it has received not yet invoiced, measured at settlement amount.

##### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |             |
|-----------------------------|-------------|
| Freehold land and buildings | 2% of cost  |
| Fixtures and fittings       | 20% of cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.8 Impairment of non-current assets

At each reporting end date, the Church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.10 Financial instruments

The Church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Church's balance sheet when the Church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## WORCESTER BAPTIST CHURCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Church's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 2 Critical accounting estimates and judgements

In the application of the Church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****3 Donations and legacies**

|                     | <b>Unrestricted funds</b> | <b>Unrestricted funds</b> |
|---------------------|---------------------------|---------------------------|
|                     | <b>2020</b>               | <b>2019</b>               |
|                     | <b>£</b>                  | <b>£</b>                  |
| Donations and gifts | 19,858                    | 27,582                    |
|                     | <u>          </u>         | <u>          </u>         |

**4 Charitable activities**

|               | <b>2020</b>       | <b>2019</b>       |
|---------------|-------------------|-------------------|
|               | <b>£</b>          | <b>£</b>          |
| Offerings     | 61,489            | 54,962            |
| Other income  | 172               | 5,637             |
| Rental income | 14,355            | 20,778            |
|               | <u>          </u> | <u>          </u> |
|               | 76,016            | 81,377            |
|               | <u>          </u> | <u>          </u> |

**5 Other trading activities**

|                    | <b>Unrestricted funds</b> | <b>Unrestricted funds</b> |
|--------------------|---------------------------|---------------------------|
|                    | <b>2020</b>               | <b>2019</b>               |
|                    | <b>£</b>                  | <b>£</b>                  |
| Fundraising events | 925                       | 9,038                     |
|                    | <u>          </u>         | <u>          </u>         |

**6 Investments**

|                                | <b>Unrestricted funds</b> | <b>Unrestricted funds</b> |
|--------------------------------|---------------------------|---------------------------|
|                                | <b>2020</b>               | <b>2019</b>               |
|                                | <b>£</b>                  | <b>£</b>                  |
| Income from listed investments | 20,584                    | 26,079                    |
| Interest receivable            | 6                         | 11                        |
|                                | <u>          </u>         | <u>          </u>         |
|                                | 20,590                    | 26,090                    |
|                                | <u>          </u>         | <u>          </u>         |



**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****7 Material other income**

During the year the charity received donated assets amounting to £Nil (2019 - £39,893) in the form of a listed investment portfolio from the Avery Overall Baptist Trust on the cessation of its activities. The donation did not carry any restrictions.

**8 Charitable activities**

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Staff costs                                | 53,404         | 47,302         |
| Depreciation and impairment                | 15,051         | 7,467          |
| Church premises upkeep                     | 21,195         | 37,088         |
| Missions                                   | 27,800         | 20,994         |
| Ministry                                   | 3,264          | 6,953          |
| Other expenses                             | 5,297          | 14,008         |
| Donations                                  | 11,941         | 14,180         |
| Investment management fees                 | 10,679         | 10,745         |
|  | <u>148,631</u> | <u>158,737</u> |
| Grant funding of activities (see note 9)   | 34,596         | -              |
| Share of support costs (see note 10)       | 18,276         | 18,556         |
| Share of governance costs (see note 10)    | 3,300          | 2,700          |
|  | <u>204,803</u> | <u>179,993</u> |
| <b>Analysis by fund</b>                    |                |                |
| Unrestricted funds                         | 199,410        |                |
| Restricted funds                           | 5,393          |                |
|  | <u>204,803</u> |                |
| <b>For the year ended 31 December 2019</b> |                |                |
| Unrestricted funds                         |                | 175,377        |
| Restricted funds                           |                | 4,616          |
|  |                | <u>179,993</u> |

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****9 Grants payable**

|                                  | 2020<br>£     | 2019<br>£ |
|----------------------------------|---------------|-----------|
| Grants to institutions:          |               |           |
| Two Pennies                      | 7,000         | -         |
| MAF UK                           | 3,100         | -         |
| PNG Project                      | 1,200         | -         |
| M Rankin - Uganda project        | 18,500        | -         |
| D & C Masters - Coronavirus help | 4,796         | -         |
|                                  | <u>34,596</u> | <u>-</u>  |

**10 Support costs**

|   | Support<br>costs<br>£ | Governance<br>costs<br>£ | 2020<br>£     | Support<br>costs<br>£ | Governance<br>costs<br>£ | 2019<br>£     |
|---|-----------------------|--------------------------|---------------|-----------------------|--------------------------|---------------|
| Staff costs                               | 7,877                 | -                        | 7,877         | 7,098                 | -                        | 7,098         |
| Computer                                  | 1,646                 | -                        | 1,646         | 1,702                 | -                        | 1,702         |
| Advertising                               | 404                   | -                        | 404           | 352                   | -                        | 352           |
| Print and stationery                      | 2,436                 | -                        | 2,436         | 1,927                 | -                        | 1,927         |
| Subscriptions                             | 1,532                 | -                        | 1,532         | 1,539                 | -                        | 1,539         |
| Telephone                                 | 1,358                 | -                        | 1,358         | 1,204                 | -                        | 1,204         |
| Sundry                                    | 404                   | -                        | 404           | 360                   | -                        | 360           |
| Legal and professional                    | 2,619                 | -                        | 2,619         | 4,374                 | -                        | 4,374         |
| Independent exam and<br>accountancy       | -                     | 3,300                    | 3,300         | -                     | 2,700                    | 2,700         |
|   | <u>18,276</u>         | <u>3,300</u>             | <u>21,576</u> | <u>18,556</u>         | <u>2,700</u>             | <u>21,256</u> |
| Analysed between<br>Charitable activities | <u>18,276</u>         | <u>3,300</u>             | <u>21,576</u> | <u>18,556</u>         | <u>2,700</u>             | <u>21,256</u> |

Governance costs includes payments to the independent examiners of £3,300 (2019 - £2,700) for accountancy fees.

**11 Trustees**

During the year Darren Smith and Timothy Prince, trustees and also employees of the church were remunerated a total amount of £32,223 for their roles as Minister and Minister in training respectively.

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****12 Employees****Number of employees**

The average monthly number of employees during the year was:

|                | <b>2020</b>   | <b>2019</b>   |
|----------------|---------------|---------------|
|                | <b>Number</b> | <b>Number</b> |
| Minister       | 2             | 1             |
| Administration | 1             | 2             |
| Premises       | 1             | 1             |
|                | <u>4</u>      | <u>4</u>      |

**Employment costs**

|                     | <b>2020</b>   | <b>2019</b>   |
|---------------------|---------------|---------------|
|                     | <b>£</b>      | <b>£</b>      |
| Wages and salaries  | 55,214        | 47,622        |
| Other pension costs | 6,067         | 6,778         |
|                     | <u>61,281</u> | <u>54,400</u> |

There were no employees whose annual remuneration was £60,000 or more.

**13 Net gains/(losses) on investments**

|                                    | <b>Unrestricted funds</b> | <b>Unrestricted funds</b> |
|------------------------------------|---------------------------|---------------------------|
|                                    | <b>2020</b>               | <b>2019</b>               |
|                                    | <b>£</b>                  | <b>£</b>                  |
| Revaluation of investments         | 48,914                    | 97,954                    |
| Gain/(loss) on sale of investments | (9,719)                   | 5,917                     |
|                                    | <u>39,195</u>             | <u>103,871</u>            |

**14 Financial instruments**

|   | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| <b>Carrying amount of financial assets</b>                |                |                |
| Instruments measured at fair value through profit or loss | <u>917,288</u> | <u>926,582</u> |

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****15 Property, plant and equipment**

|                                    | <b>Buildings</b> | <b>Fixtures and fittings</b> | <b>Total</b>   |
|------------------------------------|------------------|------------------------------|----------------|
|                                    | <b>£</b>         | <b>£</b>                     | <b>£</b>       |
| <b>Cost</b>                        |                  |                              |                |
| At 1 January 2020                  | 269,680          | 45,251                       | 314,931        |
| Additions                          | -                | 3,035                        | 3,035          |
|                                    | <u>269,680</u>   | <u>48,286</u>                | <u>317,966</u> |
| At 31 December 2020                | 269,680          | 48,286                       | 317,966        |
| <b>Depreciation and impairment</b> |                  |                              |                |
| At 1 January 2020                  | 20,020           | 5,095                        | 25,115         |
| Depreciation charged in the year   | 5,393            | 9,658                        | 15,051         |
|                                    | <u>25,413</u>    | <u>14,753</u>                | <u>40,166</u>  |
| At 31 December 2020                | 25,413           | 14,753                       | 40,166         |
| <b>Carrying amount</b>             |                  |                              |                |
| At 31 December 2020                | <u>244,267</u>   | <u>33,533</u>                | <u>277,800</u> |
| At 31 December 2019                | <u>249,660</u>   | <u>40,156</u>                | <u>289,816</u> |

**16 Fixed asset investments**

|                          | <b>Listed investments</b> | <b>Other investments</b> | <b>Total</b>   |
|--------------------------|---------------------------|--------------------------|----------------|
|                          | <b>£</b>                  |                          | <b>£</b>       |
| <b>Cost or valuation</b> |                           |                          |                |
| At 1 January 2020        | 918,286                   | 3,925                    | 922,211        |
| Additions                | 51,876                    | -                        | 51,876         |
| Valuation changes        | 36,686                    | -                        | 36,686         |
| Disposals                | (89,560)                  | (3,925)                  | (93,485)       |
|                          | <u>917,288</u>            | <u>-</u>                 | <u>917,288</u> |
| At 31 December 2020      | 917,288                   | -                        | 917,288        |
| <b>Carrying amount</b>   |                           |                          |                |
| At 31 December 2020      | <u>917,288</u>            | <u>-</u>                 | <u>917,288</u> |
| At 31 December 2019      | <u>918,286</u>            | <u>3,925</u>             | <u>922,211</u> |

|                             | <b>2020</b> | <b>2019</b>  |
|-----------------------------|-------------|--------------|
|                             | <b>£</b>    | <b>£</b>     |
| Other investments comprise: |             |              |
| Investments                 | <u>-</u>    | <u>3,925</u> |

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****17 Trade and other receivables**

|   | <b>2020</b>  | <b>2019</b>  |
|---|--------------|--------------|
|   | <b>£</b>     | <b>£</b>     |
| <b>Amounts falling due within one year:</b> |              |              |
| Trade receivables                           | 1,950        | 3,664        |
| Prepayments and accrued income              | 1,069        | 591          |
|   | <u>3,019</u> | <u>4,255</u> |

**18 Current asset investments**

|                      | <b>2020</b> | <b>2019</b>  |
|----------------------|-------------|--------------|
|                      | <b>£</b>    | <b>£</b>     |
| Unlisted investments | -           | 8,296        |
|                      | <u>-</u>    | <u>8,296</u> |

**19 Current liabilities**

|                              | <b>2020</b>  | <b>2019</b>   |
|------------------------------|--------------|---------------|
|                              | <b>£</b>     | <b>£</b>      |
| Trade payables               | 936          | 8,244         |
| Accruals and deferred income | 3,615        | 35,702        |
|                              | <u>4,551</u> | <u>43,946</u> |

**20 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

|                                  | <b>Balance at<br/>1 January 2019</b> | <b>Resources<br/>expended</b> | <b>Balance at<br/>1 January 2020</b> | <b>Resources<br/>expended</b> | <b>Balance at<br/>31 December<br/>2020</b> |
|----------------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|--|
|                                  | <b>£</b>                             | <b>£</b>                      | <b>£</b>                             | <b>£</b>                      | <b>£</b>                                   |
| Avery-Overall Baptist Trust Fund | 221,237                              | (4,616)                       | 216,621                              | (4,616)                       | 212,005                                    |
| New boiler donation              | 29,176                               | -                             | 29,176                               | (777)                         | 28,399                                     |
|                                  | <u>250,413</u>                       | <u>(4,616)</u>                | <u>245,797</u>                       | <u>(5,393)</u>                | <u>240,404</u>                             |

Avery-Overall Baptist Trust fund - funds received in connection to the Hall refurbishment.

New boiler - funds were received from the Avery-Overall Baptist Trust fund for the purposes of a new boiler for the church.

## WORCESTER BAPTIST CHURCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 21 Retirement benefit schemes

##### Defined contribution schemes

The Church operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Church in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,067 (2019 - £6,778).

##### Defined benefit schemes

The Church was an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited).

The Minister (s) 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 (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%.

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.

##### Valuation

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). 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. Some employers that were involved in the DB Plan for a short period pay lower contributions.

In addition, the Baptist Union of Great Britain is expected to make a number of one-off contributions totalling £33.5m by 31 December 2023, including a lump sum of £33m in 2018. The Recovery Plan envisages deficiency contributions continuing until 31 December 2028.

The Church had a cessation event under Section 75 of the Pensions Act 1995. This made 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, and this was settled during this financial year.

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020****21 Retirement benefit schemes****(Continued)***Funding policy*

The key financial assumptions underlying the valuation were as follows:

|  | %pa  |
|--|------|
| RPI price inflation assumption                         | 3.50 |
| CPI price inflation assumption                         | 2.75 |
| Minimum Pensionable Income increases (CPI plus 1.0%pa) | 3.50 |
| Assumed investment returns                             |      |
| - Pre-retirement                                       | 3.50 |
| - Post retirement                                      | 2.25 |
| Deferred pension increases                             |      |
| - Pre April 2009                                       | 3.50 |
| - Post April 2009                                      | 2.50 |
| Pension increases                                      |      |
| - Main Scheme pension Pre April 2006                   | 2.70 |
| - Main Scheme pension Post April 2006                  | 2.00 |

Amounts taken to other comprehensive income:

|                                       | <b>2020</b>       | <b>2019</b>       |
|---------------------------------------|-------------------|-------------------|
|                                       | <b>£</b>          | <b>£</b>          |
| Past service costs not yet recognised | -                 | 30,900            |
|                                       | <u>          </u> | <u>          </u> |

The amounts included in the statement of financial position arising from the Church's obligations in respect of defined benefit plans are as follows:

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| Present value of defined benefit obligations | -                 | 30,900            |
|  | <u>          </u> | <u>          </u> |
| Total liability recognised                   | -                 | 30,900            |
|  | <u>          </u> | <u>          </u> |

**WORCESTER BAPTIST CHURCH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****22 Analysis of net assets between funds**

|   | Unrestricted   | Restricted     | Total            | Unrestricted     | Restricted     | Total            |
|---|----------------|----------------|------------------|------------------|----------------|------------------|
|   | 2020           | 2020           | 2020             | 2019             | 2019           | 2019             |
|   | £              | £              | £                | £                | £              | £                |
| Fund balances at 31 December 2020 are represented by: |                |                |                  |                  |                |                  |
| Property, plant and equipment                         | 70,065         | 207,735        | 277,800          | 40,156           | 249,660        | 289,816          |
| Investments   | 917,288        | -              | 917,288          | 922,211          | -              | 922,211          |
| Current assets/(liabilities)                          | 12,041         | 32,669         | 44,710           | 77,153           | (3,863)        | 73,290           |
|   | <u>999,394</u> | <u>240,404</u> | <u>1,239,798</u> | <u>1,039,520</u> | <u>245,797</u> | <u>1,285,317</u> |

**23 Related party transactions**

There were no disclosable related party transactions during the year (2019 - none).

**24 Non-monetary assets held for Church's own use**

The church is the beneficial owner of the following assets which are not included within the balance sheet, the legal title to which is held by the Church's custodian trustee (The Baptist Union Corporation Ltd). These assets are shown at their insured value:

|  |            |
|--|------------|
| Church premises at Sansome walk to include Hall and Bungalow | 10,202,516 |
| Manse at 2 Amery Close                                       | 185,000    |
| The Church also owns equipment, fixtures and fittings        | 75,100     |

**25 Cash generated from operations**

|   | 2020             | 2019            |
|---|------------------|-----------------|
|   | £                | £               |
| (Deficit)/surplus for the year                                    | (45,519)         | 58,758          |
| Adjustments for:  |                  |                 |
| Investment income recognised in statement of financial activities | (20,590)         | (26,090)        |
| Loss/(gain) on disposal of investments                            | 9,719            | (5,917)         |
| Fair value gains and losses on investments                        | (48,914)         | (97,954)        |
| Actuarial gain on defined benefit pension scheme                  | (2,700)          | 49,100          |
| Depreciation and impairment of property, plant and equipment      | 15,051           | 7,467           |
| Defined benefit pension scheme contribution                       | (28,200)         | -               |
| Movements in working capital:                                     |                  |                 |
| Decrease/(increase) in trade and other receivables                | 1,236            | (3,681)         |
| (Decrease)/increase in trade and other payables                   | (8,495)          | 8,216           |
| <b>Cash absorbed by operations</b>                                | <u>(128,412)</u> | <u>(10,101)</u> |