

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
DUNCHURCH BAPTIST CHURCH**

DUNCHURCH BAPTIST CHURCH

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FOR THE YEAR ENDED 31 MARCH 2023**

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DUNCHURCH BAPTIST CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES	Revd. D Woods (resigned 21/4/22) Mrs K Wederell Mrs R Hobgen (resigned 21/4/22) Miss C Tabor Mrs S Coulon Mr J Robson (appointed 21/4/22)
PRINCIPAL ADDRESS	Coventry Road Dunchurch Rugby Warwickshire CV22 6RF
REGISTERED CHARITY NUMBER	1181840
INDEPENDENT EXAMINER	DNG Dove Naish LLP Eagle House 28 Billing Road Northampton Northamptonshire NN1 5AJ

DUNCHURCH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. 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) (effective 1 January 2019).

The web address for the Church is: www.dunchurchbaptistchurch.org.uk

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal 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.

Our vision is for people to experience the love of God, and hear his message for them.

Its objectives are pursued by:-

- Regular meetings for public worship at 10.30am and 7.00pm on Sundays.
- Weekly classes for children and teenagers on Sundays at 10.30am.
- Small groups, made up primarily of those attending the church.
- Regular Men's and Women's breakfasts and church lunches
- Occasional courses such as Alpha and the Marriage Course.
- Messy Church approximately every other month.
- Noah's Ark toddler group, attended by 65 children per week.
- Taking part in the annual village fete.
- Supporting Baptist Home Mission and BMS World Mission.
- Close relationship with local primary school (one school governor; leading assemblies).
- Various social groups (Walking club, steak and ale etc).
- Support for local and overseas missions.

The church tithed its non-rental, non-building fund income supporting local, national and international charities. The decision on which groups to support is made by the church meeting.

The minister, who left the Church during the year, was the only paid office holder. The church has no other employees. All of its work, including that carried out by the other trustees, is done by volunteers. Many of these are members of the church but some are those who attend the church but are not members.

Public benefit

Our Church is open to all regardless of their faith position. Everyone is welcomed and offered the benefits of our fellowship.

We believe that offering the teaching of Christianity is a benefit to the local area and to society at large.

Noah's Ark Toddler Group is open to any parent/carers and their child.

Church rooms are available for hire by community groups, other churches, and commercial organisations.

The Trustees have had regard to the Charity Commission's guidance on public benefit, and believe the activities stated above comply with this guidance.

DUNCHURCH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Sunday morning services have continued to be streamed via YouTube, with a few exceptions, allowing for those unable to attend the building to share in our services.

Services are followed by Zoom calls to allow people to chat and share. Evening services have remained on Zoom with good attendance. Many other meetings have continued via Zoom or hybrid.

During the year:-

- 4 people came into membership.

The Building Committee is responsible to the trustees and church meeting and is made up of volunteers drawn from the church.

Work on the building project has continued. Fundraising for the building project has continued throughout the year and is on-going.

Covid-19 Impact

Online church continues to be beneficial, particularly for those with health issues, and we continue to live stream our morning services. Some meetings and most evening services continue to meet on Zoom. Our church meetings have been hybrid, with members both onsite and online.

FINANCIAL REVIEW

Financial position and Reserves Policy

The church's reserves policy is to have in hand in the General Fund at any time sufficient to cover two month's unavoidable running expenses.

The main funds of the church are:

- General Fund (Unrestricted),
- Building Fund (Restricted),
- Noah's Ark Fund (Restricted),
- Manse Fund (Designated),
- Crisis Fund (Restricted),
- Support Other Churches Fund (Restricted).

Funds raised during the year came either directly from those attending the church or from fundraising instigated by them.

The church encourages the use of the Gift Aid scheme and makes regular claims for Gift Aid monies. Changes in giving since Covid-19 mean we have not realised the full potential benefit of the Gift Aid Small Donations scheme this year.

The church owns (subject to mortgage) a house. The principal reason for ownership is to be able to offer a manse to any future minister who needs the accommodation. Whilst not needed for this purpose the house is let to tenants. The church uses letting agents, Belvoir Rugby.

During the year we have been able to use our Support Other Churches Fund to further support Living Hope Church's building project in Potosoi (Bolivia).

All expenditure supported the objectives of the church.

Total funds as at 31 March 2023 amounted to £1,342,214 (2022: £236,716) of which £1,102,384 (2022: £162,413) were unrestricted.

DUNCHURCH BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The governing document is the church's constitution.

The church is constituted as an association.

Trustees are elected by the church meeting.

Dunchurch Baptist Church is a member of the Baptist Union of Great Britain.

It is part of the Heart of England Baptist Association (HEBA)

It is part of the local Baptist cluster along with the churches at Daventry, Rugby and Wolston.

The church works in cooperation with Dunchurch Methodist Church and St. Peter's Church in Dunchurch.

The trustees ensure that all work of the church is subject to regularly reviewed risk assessment. It operates a safeguarding policy to help ensure the safety of children and adults at risk.

In addition to trustees the church uses 'ministry coordinators' to oversee specific areas of church life. These coordinators do not have any leadership functions and are subject to the trustees in all of their actions.

Custodian Trustee

The Baptist Union Corporation acts as custodian for the charity as far as its real property is concerned.

Managing Trustees (referred to as Trustees)

All trustees are elected to office by the church meeting. Other than the minister, trustees are elected for periods of three years. The minister's appointment is indefinite.

Approved by order of the board of trustees on31/1/2024..... and signed on its behalf by:



.....
Mr J Robson - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF DUNCHURCH BAPTIST CHURCH

Independent examiner's report to the trustees of Dunchurch Baptist Church

I report to the charity trustees on my examination of the accounts of Dunchurch Baptist Church (the Trust) for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

Independent examiner's statement

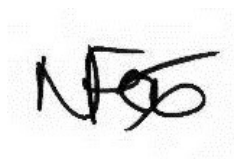
I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by Section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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.

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 accounts to be reached.

Use of our report:

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our independent examination work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our independent examination work, for this report, or for the opinions we have formed.



Nicola Fox FCA

DNG Dove Naish LLP
Eagle House
28 Billing Road
Northampton
Northamptonshire
NN1 5AJ

Date: 31 January 2024

DUNCHURCH BAPTIST CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	79,248	31,916	111,164	207,600
Investment income	3	11,777	-	11,777	10,863
Other income	4	<u>4,289</u>	<u>2,920</u>	<u>7,209</u>	<u>7,143</u>
Total		<u>95,314</u>	<u>34,836</u>	<u>130,150</u>	<u>225,606</u>
EXPENDITURE ON					
Raising funds	5	3,077	-	3,077	2,107
Charitable activities	6				
Charitable activities		14,820	43,449	58,269	80,240
Other		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>17,897</u>	<u>43,449</u>	<u>61,346</u>	<u>82,347</u>
NET INCOME/(EXPENDITURE)		77,417	(8,613)	68,804	143,259
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>162,413</u>	<u>1,110,997</u>	<u>1,273,410</u>	<u>1,130,151</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>239,830</u></u>	<u><u>1,102,384</u></u>	<u><u>1,342,214</u></u>	<u><u>1,273,410</u></u>

The notes form part of these financial statements

DUNCHURCH BAPTIST CHURCH

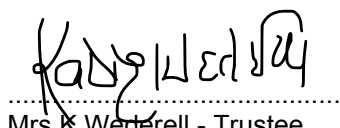
STATEMENT OF FINANCIAL POSITION 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	12	174,471	1,485,244	1,659,715	1,685,888
CURRENT ASSETS					
Debtors	13	16,037	440	16,477	11,555
Cash at bank		<u>56,038</u>	<u>81,290</u>	<u>137,328</u>	<u>113,003</u>
		72,075	81,730	153,805	124,558
CREDITORS					
Amounts falling due within one year	14	(6,716)	(39,590)	(46,306)	(70,236)
NET CURRENT ASSETS		<u>65,359</u>	<u>42,140</u>	<u>107,499</u>	<u>54,322</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		239,830	1,527,384	1,767,214	1,740,210
CREDITORS					
Amounts falling due after more than one year	15	-	(425,000)	(425,000)	(450,000)
PROVISIONS FOR LIABILITIES	18	-	-	-	(16,800)
NET ASSETS		<u>239,830</u>	<u>1,102,384</u>	<u>1,342,214</u>	<u>1,273,410</u>
FUNDS	19				
Unrestricted funds				239,830	162,413
Restricted funds				<u>1,102,384</u>	<u>1,110,997</u>
TOTAL FUNDS				<u>1,342,214</u>	<u>1,273,410</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 31 January 2024 and were signed on its behalf by:



Mr J Robson - Trustee



Mrs K Wedderell - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Dunchurch Baptist Church is a registered charity. The charity's registered number and principal office address can be found on the Company Information page.

No material uncertainties exist in relation to going concern.

The presentation currency of the financial statements is the Pound Sterling (£).

Significant judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies below.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

For inalienable property acquired prior to 2004, there is insufficient cost information available and therefore such assets are not valued in the accounts.

Any items acquired during the year that do not exceed £1,000 are written off.

The Manse is not depreciated as the residual value is greater than or equal to its cost.

The Coventry Road property is depreciated by 2% on a straight line basis.

Fixtures and fittings are depreciated by 20% on a straight line basis.

Other fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The trustees are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The trustees consider that the individual carrying values of assets are supportable by their value in use.

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
General giving	82,020	87,531
Gift aid	14,202	18,956
Grants	1,000	54,615
Giving for special causes	1,521	460
Children & YP work	86	-
Fundraising giving	5,550	10,268
Gift day	6,785	35,770
	<u>111,164</u>	<u>207,600</u>

DUNCHURCH BAPTIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023****2. DONATIONS AND LEGACIES - continued**

Grants received, included in the above, are as follows:

	2023 £	2022 £
Dunchurch Festival Group	-	1,000
Joseph Rant Trust	-	30,000
Dunchurch and Thurlaston Community Trust	-	17,500
Rugby Group Benevolent Fund	-	5,000
Warwickshire CC	-	1,115
Balcony Speakers	1,000	-
	<u>1,000</u>	<u>54,615</u>

3. INVESTMENT INCOME

	2023 £	2022 £
Manse rent	10,700	10,500
Deposit account interest	1,077	363
	<u>11,777</u>	<u>10,863</u>

4. OTHER INCOME

	2023 £	2022 £
Church building hire	3,455	398
Noah's Ark income	2,920	1,164
Miscellaneous	834	-
Children & Young People (Lazer) Income	-	5,581
	<u>7,209</u>	<u>7,143</u>

5. RAISING FUNDS**Raising donations and legacies**

	2023 £	2022 £
Manse maintenance	1,266	317
Manse building insurance	270	278
Manse letting expenses	1,541	1,512
	<u>3,077</u>	<u>2,107</u>

DUNCHURCH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs £	Totals £
Charitable activities	<u>56,471</u>	<u>1,798</u>	<u>58,269</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	(16,800)	(526)
Church electricity	4,474	2,298
Church water rates	121	79
Church telephone	303	635
Church building maintenance	889	1,625
Church insurance	1,179	1,933
Church cleaning	2,164	1,419
Furnishings and Equipment	1,272	8,994
New church building expenditure	3,711	-
Post & Stationery	-	409
Fellowship and discipleship	-	101
Venue hire	-	7
Subscriptions	414	475
Normal giving	12,465	5,700
Giving to special causes	1,146	3,981
Minister's stipend	1,970	23,939
Minister's pension - dbc share	1,562	3,448
Minister's house rental	565	6,329
Minister's house utilities and insurance	275	2,098
Minister's expenses	260	197
Minister's telephone costs	48	440
Minister's council tax	255	2,485
Minister's house repairs	235	300
Minister's payroll management	-	135
Church catering	494	155
CCLI Music copyright licence	54	607
Training	360	145
Accountancy software	75	150
Speaker's expenses	2,812	597
Children & young people's work	1,621	652
Noah's Ark expenditure	2,335	1,874
Miscellaneous	50	-
Depreciation	31,949	2,826
Loss on sale of assets	-	4,958
Interest payable and similar charges	<u>213</u>	<u>215</u>
	<u>56,471</u>	<u>78,680</u>

8. INDEPENDENT EXAMINERS' REMUNERATION

	2023	2022
	£	£
Fees payable to the charity's independent examiners' for the independent examination	605	575
Fees payable to the charity's independent examiners' for the accounts preparation	1,193	985
	<u>1,798</u>	<u>1,560</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year Revd D Woods, a Trustee of the charity was paid a Stipend of £1,970 (2022: £23,939) for his role in the charity as the Church Minister. Pension contribution payments of £1,562 (2022: £3,448) were also made by the charity for the Trustee Revd D Woods. This is paid under the legal authority of the charity as set out by a provision made in the governing document of the charity.

No other Trustees received any further remuneration or other benefits during the year, nor for the year ended 31 March 2023

Trustees' expenses

Expenses of £2,180 (2022: £1,182) were reimbursed to 3 (2022: 3) Trustees for expenses paid on behalf of the charity during the year.

Expenses of £1,108 (2022: £9,110) were also reimbursed to the Minister D Woods and paid in relation to the property occupied by the Minister during the year.

10. STAFF COSTS

	2023	2022
	£	£
Ministers Stipend	1,970	23,939
Pension costs	1,562	3,448
Unwinding of pension provision	<u>(16,800)</u>	<u>(526)</u>
	<u>(13,268)</u>	<u>26,861</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Church minister	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

Trustee and key management remuneration totalled £3,532 (2022: £27,387) during the year.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	56,923	150,677	207,600
Investment income	10,501	362	10,863
Other income	398	6,745	7,143
Total	<u>67,822</u>	<u>157,784</u>	<u>225,606</u>
EXPENDITURE ON			
Raising funds	2,107	-	2,107
Charitable activities			
Charitable activities	57,699	22,541	80,240
Other	-	-	-
Total	<u>59,806</u>	<u>22,541</u>	<u>82,347</u>
NET INCOME	8,016	135,243	143,259
RECONCILIATION OF FUNDS			
Total funds brought forward	154,397	975,754	1,130,151
TOTAL FUNDS CARRIED FORWARD	<u>162,413</u>	<u>1,110,997</u>	<u>1,273,410</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2022	1,680,114	8,600	1,688,714
Additions	5,774	-	5,774
At 31 March 2023	<u>1,685,888</u>	<u>8,600</u>	<u>1,694,488</u>
DEPRECIATION			
At 1 April 2022	2,509	317	2,826
Charge for year	30,228	1,719	31,947
At 31 March 2023	<u>32,737</u>	<u>2,036</u>	<u>34,773</u>
NET BOOK VALUE			
At 31 March 2023	<u>1,653,151</u>	<u>6,564</u>	<u>1,659,715</u>
At 31 March 2022	<u>1,677,605</u>	<u>8,283</u>	<u>1,685,888</u>

DUNCHURCH BAPTIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023****12. TANGIBLE FIXED ASSETS - continued**

The properties are held in Trust with the Baptist Union Corporation Limited as the Holding Trustee, but the Charity have the economic and beneficial rights to the properties.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Prepayments and accrued income	<u>16,477</u>	<u>11,555</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	-	11,068
Other loans (see note 16)	25,000	25,000
Social security and other taxes	-	428
Accruals and deferred income	<u>21,306</u>	<u>33,740</u>
	<u>46,306</u>	<u>70,236</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 16)	<u>425,000</u>	<u>450,000</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	-	11,068
Other loans	<u>25,000</u>	<u>25,000</u>
	<u>25,000</u>	<u>36,068</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>25,000</u>	<u>25,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>75,000</u>	<u>75,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	325,000	350,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

17. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	-	11,068
Other loans	<u>450,000</u>	<u>475,000</u>
	<u>450,000</u>	<u>486,068</u>

An outstanding bank loan totalling £200,000 to fund the build of the new Church is secured against the assets of the Charity.

An additional private loan totalling £250,000 to fund the build of the new Church is secured against the assets of the Charity.

18. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Provisions	<u>-</u>	<u>16,800</u>

	2023 £	2022 £
Provision at 1 April 22	16,800	21,125
Deficit contribution paid in the year	(323)	(3,799)
Unwinding of the discount factor (interest expense)	323	173
Impact of changes in assumptions	<u>(16,800)</u>	<u>(699)</u>
Provision at 31 March 23	<u>-</u>	<u>16,800</u>

At the end of June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. As a result, the Scheme no longer has a shortfall. A revised statement of contributions was announced in July 2022 with deficit contributions from each participating employer in the DB Plan reducing to just £1 per month from August 2022. See www.baptist.org.uk/pensions for more details. For accounts with a year-end date of July 2022 or later, this change should be reflected in your calculations by setting the contributions to £1 in the inputs and the future increases in Pensionable income to zero (because this figure is used in the spreadsheet to increase the future contributions). It is likely that the liability will then show as zero as the spreadsheet rounds the liability to the nearest £100. This is entirely appropriate as the liability will no longer meet the materiality threshold for disclosure in accounts.

DUNCHURCH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

19. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	14,691	53,510	(2,841)	65,360
Manse Fund	164,522	7,107	2,841	174,470
Pension Fund	<u>(16,800)</u>	<u>16,800</u>	<u>-</u>	<u>-</u>
	162,413	77,417	-	239,830
Restricted funds				
Building Fund	1,092,672	(4,801)	-	1,087,871
Crisis Fund	150	-	-	150
Children & Young People (Lazer) Fund	6,231	(259)	-	5,972
Noah's Ark Fund	2,122	995	-	3,117
Support Other Churches Fund	<u>9,822</u>	<u>(4,548)</u>	<u>-</u>	<u>5,274</u>
	<u>1,110,997</u>	<u>(8,613)</u>	<u>-</u>	<u>1,102,384</u>
TOTAL FUNDS	<u>1,273,410</u>	<u>68,804</u>	<u>-</u>	<u>1,342,214</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	84,614	(31,104)	53,510
Manse Fund	10,700	(3,593)	7,107
Pension Fund	<u>-</u>	<u>16,800</u>	<u>16,800</u>
	95,314	(17,897)	77,417
Restricted funds			
Building Fund	31,054	(35,855)	(4,801)
Children & Young People (Lazer) Fund	-	(259)	(259)
Noah's Ark Fund	3,330	(2,335)	995
Support Other Churches Fund	<u>452</u>	<u>(5,000)</u>	<u>(4,548)</u>
	<u>34,836</u>	<u>(43,449)</u>	<u>(8,613)</u>
TOTAL FUNDS	<u>130,150</u>	<u>(61,346)</u>	<u>68,804</u>

DUNCHURCH BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	19,178	(4,487)	14,691
Manse Fund	156,344	8,178	164,522
Pension Fund	(21,125)	4,325	(16,800)
	154,397	8,016	162,413
Restricted funds			
Building Fund	961,817	130,855	1,092,672
Crisis Fund	150	-	150
Children & Young People (Lazer) Fund	680	5,551	6,231
Noah's Ark Fund	1,717	405	2,122
Support Other Churches Fund	11,390	(1,568)	9,822
	975,754	135,243	1,110,997
TOTAL FUNDS	<u>1,130,151</u>	<u>143,259</u>	<u>1,273,410</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	57,322	(61,809)	(4,487)
Manse Fund	10,500	(2,322)	8,178
Pension Fund	-	4,325	4,325
	67,822	(59,806)	8,016
Restricted funds			
Building Fund	148,492	(17,637)	130,855
Children & Young People (Lazer) Fund	5,581	(30)	5,551
Noah's Ark Fund	2,279	(1,874)	405
Support Other Churches Fund	1,432	(3,000)	(1,568)
	157,784	(22,541)	135,243
TOTAL FUNDS	<u>225,606</u>	<u>(82,347)</u>	<u>143,259</u>

The Manse Fund is for income, expenses and maintenance of the Manse. The balance carried forward is the net book value of the property.

The Pension Fund is the net present value of the provision for the additional contributions payable to the Baptist Pension Scheme, which arose from the deficit recovery agreement. The contributions are payable annually until 30 June 2026 to bring the fund to £nil. Due to the change in the scheme £1 contributions are now required, therefore the fund has been wound to nil.

The transfer from the General Fund to the Manse Fund was due to an overspend in the year.

19. MOVEMENT IN FUNDS - continued

The Building Fund is for the Building project, used for paying out associated costs relating to the preparatory work and for the costs of the build.

The Crisis Fund is to enable financial assistance to be given to individuals in crisis, as deemed appropriate by the Minister.

The Children & Young People (Lazer) Fund is for youth related expenditure.

Noah's Ark Fund is to support the toddler group.

The Support Other Churches Fund is to enable the church to support other churches in need.

20. EMPLOYEE BENEFIT OBLIGATIONS

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 is 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 Unum Limited. [Members of the Basic Section pay reduced contributions of 5% 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.

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

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 S2NFA and S2NMA 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.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

Cessation Event

Consequent upon the departure of the Minister from the Church in 2006, 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 2020 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).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023. [2022: Nil]

DUNCHURCH BAPTIST CHURCH**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
General giving	82,020	87,531
Gift aid	14,202	18,956
Grants	1,000	54,615
Giving for special causes	1,521	460
Children & YP work	86	-
Fundraising giving	5,550	10,268
Gift day	6,785	35,770
	<u>111,164</u>	<u>207,600</u>
Investment income		
Manse rent	10,700	10,500
Deposit account interest	1,077	363
	<u>11,777</u>	<u>10,863</u>
Other income		
Church building hire	3,455	398
Noah's Ark income	2,920	1,164
Miscellaneous	834	-
Children & Young People (Lazer) Income	-	5,581
	<u>7,209</u>	<u>7,143</u>
Total incoming resources	130,150	225,606
EXPENDITURE		
Raising donations and legacies		
Manse maintenance	1,266	317
Manse building insurance	270	278
Manse letting expenses	1,541	1,512
	<u>3,077</u>	<u>2,107</u>
Charitable activities		
Unwinding of pension provision	(16,800)	(526)
Church electricity	4,474	2,298
Church water rates	121	79
Church telephone	303	635
Church building maintenance	889	1,625
Church insurance	1,179	1,933
Church cleaning	2,164	1,419
Furnishings and Equipment	1,272	8,994
New church building expenditure	3,711	-
Carried forward	(2,687)	16,457

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DUNCHURCH BAPTIST CHURCH**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Charitable activities		
Brought forward	(2,687)	16,457
Post & Stationery	-	409
Fellowship and discipleship	-	101
Venue hire	-	7
Subscriptions	414	475
Normal giving	12,465	5,700
Giving to special causes	1,146	3,981
Minister's stipend	1,970	23,939
Minister's pension - dbc share	1,562	3,448
Minister's house rental	565	6,329
Minister's house utilities and insurance	275	2,098
Minister's expenses	260	197
Minister's telephone costs	48	440
Minister's council tax	255	2,485
Minister's house repairs	235	300
Minister's payroll management	-	135
Church catering	494	155
CCLI Music copyright licence	54	607
Training	360	145
Accountancy software	75	150
Speaker's expenses	2,812	597
Children & young people's work	1,621	652
Noah's Ark expenditure	2,335	1,874
Miscellaneous	50	-
Depreciation of tangible fixed assets	31,949	2,826
Loss on sale of tangible fixed assets	-	4,958
Bank interest	13	42
Bank loan interest	200	173
	<u>56,471</u>	<u>78,680</u>
Support costs		
Governance costs		
Independent examiners fees	<u>1,798</u>	<u>1,560</u>
Total resources expended	<u>61,346</u>	<u>82,347</u>
Net income	<u><u>68,804</u></u>	<u><u>143,259</u></u>

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