

STOUR VALLEY BAPTIST CHURCH
UNAUDITED REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021



TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and the accounts for the year ended 31 December 2021

CONTACT

The Church can be contacted via 2 Elm Road, Shipston on Stour, Warks, CV36 4FA

OBJECT

The vision of Stour Valley Baptist Church (the Church) is:

to proclaim Jesus Christ to people today

to make disciples

to build God's church and see revival

to plant new churches

to reach the nations

In pursuit of these objects the trustees expend the charity's resources on:

- (a) employing a Minister and a Children's Worker - and paying their expenses. (Ministry)
- (b) paying for the organisation and hosting of events and projects that provide an opportunity for people to find out about Jesus. (Mission)
- (c) hiring premises and providing equipment that provides a meeting place for members and visitors (Upkeep of church premises)
- (d) necessary administration incurred in the running of the church. (Administration)

The Church operates an unrestricted general fund and a restricted fund known as the "Tithe Fund". Approximately 10% of the income to the general fund is transferred to this fund throughout the year. The monies in the fund are donated to other organisations and people with similar objects to the Church. Donees are selected by the Trustees from people and organisations known to the members of the Church.

CONSTITUTION

Stour Valley Baptist Church (SVBC) was planted in February 1999 from Chipping Campden Baptist Church. It adopted a constitution in 2004 and became a separate entity in charge of its own finances from 1 January 2005.

The Church is a registered charity in England - number 1185692

The Church is run on a day to day basis by a Leadership Team that normally includes a majority of Deacons who act as Trustees to the Church.

During the year ended 31 December 2021 the following people formed the leadership team and were trustees of the Charity:

Revd D Pulham	Minister
J French	Secretary, Deacon and Trustee
R Madams (retired 16.5.2021)	Deacon and Trustee
D Jones (retired as Trustee and Deacon 16.5.2021) remains Treasurer	Treasurer, Deacon and Trustee
A Plank	Deacon and Trustee
P Crouch (retired 31.12.2021)	Deacon and Trustee
S Chapman (appointed 16.5.2021)	Deacon and Trustee

Deacons are normally elected, by the church members, at the Annual General Meeting (AGM) for a term of three years. Although in the case of vacancies within the year nominations are sought at church meetings.

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

During the pandemic we have been blessed to have a steady number individuals, couples and families worshipping with new members continuing to join.

In person small group activities restarted, and our outreach programs are the key means of developing our mission statement to make disciples.

All groups seek to relate faith to everyday life, through study and discussion.
We returned to a gathered service, moving amongst various venues, according to what was available.

The Church continued to be in supportive relationships with local Baptist churches.

The Church has continued to see an increase of children and young people attending.

The Church maintained it's Toddler Group, called "Little Fishes". This has restarted in person, with numbers at first small but steadily increasing.

We work closely with the other churches in the town on a variety of other projects.

The Church continues to employ a part-time Children's Ministry Leader and we expanded the team with the inclusion of a part time digital marketing manager. This enables the development of children's work both within SVBC and in the community and expand in to new digital channels like social media and messaging.

All the above activities reflect our commitment "to proclaim Jesus Christ to people today and to make disciples" of those who have chosen to put their faith in Him.
They also demonstrate the public benefit generated by the charity.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

The link established in 2005 with Pastors and Missionaries working in Myanmar has been maintained during the past year.

Such activities demonstrate the Church's commitment to "reach the nations" in real and tangible ways.

FINANCIAL REVIEW

The Deacons are pleased with the financial results as detailed on pages 5 to 13 showing a surplus during the year on the general fund. During Covid we were able to reduce expenditure. Our giving was only marginally impacted, which was counteracted by a number of one off donations.

The Deacons have considered carefully the future expenditure of the Church for the next twelve months. They believe that the regular giving of friends and members of the Church will continue to be at least to their current levels. However, there are several projects that may commence during the next twelve months and deplete the current general fund balance.

RISK REVIEW

The Leadership Team has conducted its own review of its major risks to which the charity is exposed and mechanisms have been established to mitigate those risks.

RESPONSIBILITIES OF THE TRUSTEES

Charity law requires the Deacons to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Church as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements the deacons should follow best practice and

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Church will continue on that basis.

The Deacons are responsible for maintaining proper accounting records which disclose at any time the financial position of the Church and to enable them to ensure that the financial statements comply with charity legislation. The Deacons 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.

PUBLIC BENEFIT

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. Examples of this public benefit can be found in other parts of this report.

Approved by the Trustees on2022 and signed on their behalf

J French
 Secretary and Trustee

**INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES AND THE MEMBERS OF
STOUR VALLEY BAPTIST CHURCH IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2021**

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I report on the accounts of the Trust for the year ended 31 December 2021, which are set out on pages 5 to 13.

Respective responsibilities of deacons and independent examiners

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

It is my responsibility to:

examine the accounts under section 145 of the 2011 Act

to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145 (5)(b) of the 2011 Act; and

to state whether particular matters have come to my attention.

Basis of Independent examiners report

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

Independent examiners report

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep proper accounting records in accordance with section 130 of the 2011 Act and;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act.

have not been met; or

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

Daniel James Colwell FCCA CTA ATT
Daniel Colwell & Co
Chartered Certified Accountant and Chartered Tax Advisor

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STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Restricted Tithe Fund £	Restricted Little Fishes £	Restricted Holiday at Home £	Restricted Vision Fund £	Restricted Welfare Fund £	Youth Project Fund £	Unrestricted General Fund £	Total 2021 £	Total 2020 £
INCOMING RESOURCES										
Gifts and donations		-	-	-	858	1,250	19,332	77,447	98,887	87,175
Income tax recovered on gifts		-	-	-	-	-	-	17,466	17,466	19,275
Little fishes		-	370	-	-	-	-	-	370	284
Special collections for other causes		-	-	-	-	-	-	2,717	2,717	-
Holiday at home		-	-	60	-	-	-	-	60	213
Interest received		-	-	-	-	-	-	171	171	271
Employment allowance claimed		-	-	-	-	-	-	3,537	3,537	3,050
Covid-19 JRS grants		-	-	-	-	-	-	3,334	3,334	522
Total incoming resources		-	370	60	858	1,250	19,332	104,672	126,541	110,790
RESOURCES EXPENDED										
Direct charitable expenditure:										
Ministry	2.							71,712	71,712	64,572
Mission	3.	-	364	-	-	1,745	-	1,536	3,645	5,471
Rooms and building hire	4.	-	-	-	-	-	-	3,582	3,582	3,025
Administration	5.	-	-	-	921	-	-	6,242	7,163	12,857
Donations from tithe fund	6.	9,112	-	-	-	-	-	-	9,112	10,904
Special collections	7.	-	-	-	-	-	-	2,717	2,717	-
Recognition of pension liability	9	-	-	-	-	-	-	17,540	17,540	-
		9,112	364	-	921	1,745	-	103,328	115,470	96,828
Total resources expended		9,112	364	-	921	1,745	-	103,328	115,470	96,828
NET INCOMING RESOURCES		(9,112)	6	60	(63)	-	495	19,332	1,343	11,071
Transfer between funds		9,508	-	-	63	-	-	(9,571)	-	-
Fund balance at 31 December 2020		-	1,353	1,303	-	1,551	-	110,554	114,761	100,798
Fund balance at 31 December 2021		396	1,359	1,363	-	1,056	19,332	102,326	125,832	114,761

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BALANCE SHEET AS AT 31 DECEMBER 2021

Note	Restricted Tithe Fund £	Restricted Little Fishes £	Restricted Holiday at Home £	Restricted Vision Fund £	Restricted Welfare Fund £	Youth Project Fund £	Unrestricted General Fund £	Total 2021 £	Total 2020 £
FIXED ASSETS	8.						1,401	1,401	933
CURRENT ASSETS									
Prepayments and accrued income	-	-	-	-	-	-	99	99	-
Income tax recoverable on gifts	-	-	-	-	-	-	1,188	1,188	1,366
Lloyds current account	-	-	-	-	-	-	59,788	59,788	31,921
Baptist Union deposit	396	1,359	1,363	-	1,056	19,332	59,299	82,804	82,634
	396	1,359	1,363	-	1,056	19,332	120,374	143,879	115,921
CREDITORS due within one year									
Taxation social security and pensions	-	-	-	-	-	-	214	214	208
Collections due to others	-	-	-	-	-	-	-	-	19
Creditors and accruals	-	-	-	-	-	-	1,694	1,694	1,867
	-	-	-	-	-	-	1,908	1,908	2,094
NET CURRENT ASSETS									
	396	1,359	1,363	-	1,056	19,332	119,867	143,372	114,760
PROVISIONS FOR LIABILITIES	9	-	-	-	-	-	17,540	17,540	-
NET ASSETS AFTER PROVISIONS									
	396	1,359	1,363	-	1,056	19,332	102,327	125,832	114,760
FUNDS									
Unrestricted general fund	-	-	-	-	-	-	102,326	102,326	110,554
Restricted Welfare Fund	-	-	-	-	1,056	-	-	1,056	1,551
Restricted Vision Fund	-	-	-	-	-	-	-	-	-
Restricted Holiday at Home	-	-	1,363	-	-	-	-	1,363	1,303
Restricted Little Fishes fund	-	1,359	-	-	-	-	-	1,359	1,353
Restricted tithe fund	396	-	-	-	-	-	-	396	-
Restricted youth project fund	-	-	-	-	-	19,332	-	19,332	-
Rounding									(1)
	396	1,359	1,363	-	1,056	19,332	102,326	125,832	114,760

Approved by the trustees on2022 and signed on their behalf

Mrs J French
Trustee

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with: the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014. and with the Charities Act 2011.

The Charity meets the definition of a public benefit entity under FRS102.

The principal accounting policies adopted in the preparation of the financial statements have been reviewed in light of adopting FRS102 as opposed to the previously adopted FRSSE.

No change in accounting policies was seen to be needed and no restatement of comparative figures was required.

Incoming resources

Income received from donations and grants is included in incoming resources when these are receivable.

Income tax recovered is included in the period in which the donation that gave rise to it occurred.

Interest is included when receivable by the Church.

In order to perform its charitable activities the Church is dependant upon voluntary help provided by members and friends of the Church. The value of such help is impossible to quantify and is not included in the accounts.

Fund accounting

Funds held by the Church are either:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects of the Church

Restricted funds - these are funds that can only be used for particular purposes within the objects of the Church. The Church currently operates restricted funds as follows;

The tithe fund for donations in support of causes that have similar objects to the Church

Little fishes fund to be used for the Little Fishes children's activity club

Holiday at Home to be used on a holiday at home event for elderly.

Vision Fund monies are held to further the vision statement as specific needs arise. This fund is now closed.

Welfare fund for the relief of hardship locally

The Youth Project Fund represents monies transferred to the care of the Baptist Church from the Shipston joint churches during the year under review.

Donations specifically for those funds may be only used for the defined object of that fund.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

ACCOUNTING POLICIES (continued)*Grants made*

The Charity makes grants to organisations and individuals working in the UK and overseas having similar objects to the charity. Grants are made at the discretion of the Trustees and are usually to organisations or individuals with whom the church body has an historic or active working relationship.

Pensions

The Charity 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 Minister employed during the accounting period were eligible for and decided to continue in membership of the Scheme, which is not contracted out of the State Second Pension.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. 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 £18million (equivalent to a past service funding level (equivalent to a past service funding level of 94%). The Charity and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

ACCOUNTING POLICIES (continued)

The key financial assumptions underlying the valuation were as follows:

TYPE OF ASSUMPTION	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increases (CPI plus 1.0% pa)	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

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the

Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

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

Should a cessation event occur whereby all Ministers of the Charity end their employment with the Charity and those Minister are not replaced by another employee that is eligible for and wishes to continue in membership of the Scheme then the Pension Trustee will ask the Charity to make a large one off contribution to cover any shortfall on previous employees who were members of the DB plan.

The charity is a going concern and intends to continue to employ people who are eligible for the DB plan.

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 FRS102. 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 pension costs charged in the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. MINISTRY

	2021 £	2020 £
Salaries	46,941	41,850
Employer's pension contributions (incl. deficiency contributions)	7,969	7,000
Employer's national insurance	3,537	3,362
Pastoral care expenses	993	1,008
Manse expenses	10,710	10,065
Children's Ministry Leader expenses	108	134
Ministry gifts	610	590
Training costs including conferences	30	66
Pastoral mileage expenses	485	362
Worship group/online worship	330	136
	<hr/> 71,712	<hr/> 64,571

Average number of employees	2	2
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No employee received emoluments in excess of £60,000

Trustee remuneration and expenses

	2021 £	2021 £	2021 £	2021 £
	Gross salary	Employer NI	Employer Pension contributions	Reimbursed expenses
D Pullham	29,400	2,839	7,453	2,650
D Jones	-	-	-	222
A Plank	-	-	-	85

Housing expenses of £10,710 (2020: £10,065) are paid on behalf of D Pulham.

3. MISSION

	2021	2020
	£	£
Junior church	126	240
Alpha course expenses	-	300
Catering costs	481	67
Little fishes (restricted)	364	390
Rock solid	202	103
Holiday at home (restricted)	-	489
Welfare fund payments (restricted)	1,745	3,678
Other outreach	728	203
	3,645	5,471

4. ROOMS AND BUILDING HIRE

	2021	2020
	£	£
Hall rental	3,243	3,025
Storage	339	-
	3,582	3,025

5. ADMINISTRATION COSTS

	2021	2020
	£	£
Printing, stationery and postage	273	245
Telephone and internet	426	426
IT and equipment	233	394
Subscriptions	2,063	1,791
Professional fees	1,458	1,152
Bank charges	179	195
Insurance	871	1,158
Website costs	39	-
Build planning and design costs (restricted - vision fund)	921	7,030
Computer deprecation	701	466
	7,163	12,857

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. DONATIONS FROM TITHE FUND

	2021 £	2020 £
Home mission fund	2,400	2,400
Baptist Missionary Society	1,104	1,104
OMF (M & J Griffiths)	1,200	1,200
Open Doors	1,200	1,200
Howard Jones	100	1,200
Hobson and Mary	1,000	1,000
Mill House of Bread	1,008	1,000
Batram	-	600
CAP Donation	1,100	1,200
	<u>9,112</u>	<u>10,904</u>

7. SPECIAL COLLECTIONS FOR OTHER CAUSES

	2021 £	2020 £
Hobson and Mary	2,717	-
	<u>2,717</u>	<u>-</u>

8 FIXED ASSETS

	Equipment 2021
Written down value brought forward	933
Addition in year	1,169
Depreciation in year	(701)
Written down value carried forward	<u><u>1,401</u></u>

The 2021 Accounts include a provision for the possible liability under the Baptist Pension Scheme.

The pension liability represents the present value of the deficit contributions indicated as being attributable to the Charity by the pension trustees. It has been valued using the following assumptions set by reference to the duration of the deficit recovery payments

Accounting date	31 Dec 2021
Discount rate	1.30%
Pensionable income	4.50%

The movement in the provision is set out below.

	2021
	£
Opening liability not previously provided	21,280
Minus deficiency contributions paid	(3,653)
Interest cost	78
Remaining change to balance sheet liability (recognised in SoFA)	<u>(165)</u>
Balance sheet liability at year end (recognised in SoFA)	<u>17,540</u>

The income and expenditure charge comprises:

Deficiency contributions paid	3,653
Movement in balance sheet liability	(165)
	<u>3,488</u>