

HOPE BAPTIST CHURCH, PLYMOUTH

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

HOPE BAPTIST CHURCH, PLYMOUTH

FINANCIAL STATEMENTS

for the year ended 31 December 2021

Legal and administrative information	3
Trustees' / Directors' report	4 to 7
Independent Examiner's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 to 19
Detailed income and expenditure account (not part of the statutory financial statements)	20 to 23

HOPE BAPTIST CHURCH, PLYMOUTH
LEGAL AND ADMINISTRATIVE INFORMATION

Charity No:	1187113
Trustees who served in the year:	Mr A P Jopson (Treasurer) Mr K Harvey (Secretary) Mrs J Lander (until 11.10.21) Mr P Dixon T S Caird A Hewitt (until 24.9.21) Mrs S Dixon (from 29.9.21)
Minister who served in year:	Rev L N Mansfield
Secretary:	Mr K Harvey
Independent Examiner:	J Hurdle Abacus 61b Hyde Park Road Mutley Plymouth PL3 4JN
Bankers:	The Co-operative Bank plc PO Box 250 Delf House Southway Skelmersdale WN8 6WT CCLA Investment Management Ltd COIF Charity Funds 80 Cheapside London EC2V 6DZ

HOPE BAPTIST CHURCH, PLYMOUTH

TRUSTEES' REPORT

For the year ended 31 December 2021

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2021. Legal and administrative information set out on page 3 forms part of this report.

Structure, Governance and Management

Governing Document

Hope Baptist Church, Plymouth is an independent Baptist church affiliated to the Baptist Union of Great Britain ("BU"). It is legally structured as a Charitable Incorporated Organisation ("CIO") and governed by a constitution. It is a registered charity in its own right reference 1187113 and as from 1 January 2021 incorporated by way of a merger with the previous registered charity, Hope Baptist Church, Plymouth, registered number 1127869. This years' accounts therefore show the prior year figures to 31.12.20 of the previous charity. From 1 January 2021 the operations of the church came under the new CIO.

Appointment of trustees

The trustees serving during the year and since the year end up to the date these accounts are signed off are listed on page 3.

Trustees are nominated from within the membership and elected at the Annual General Meeting. Usually 2 or 3 Trustees (depending on the size of the team) stand down each year. All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

Trustees must be members of the church baptised by full immersion.

Trustee induction and training

New Trustees are provided with an orientation pack to brief them on their legal obligations under charity law, the content of the church rules and decision making processes, and recent financial performance of the church and other important documents which are contained in an induction pack. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Board of Trustees, currently called the Leadership Team (including a Secretary and a Treasurer), administers the church. The board normally meets monthly. A minister(s) is appointed by the church to manage its day to day operations.

Objectives and main activities undertaken

The church exists to proclaim the gospel of Jesus Christ and to make Him known.

Our objectives are achieved in the following ways:

Ministry

Staff

As at 31.12.21 the church employed a full time minister, a full time trainee minister, a full time office manager and a 60% time caretaker.

In addition the church runs a debt counselling centre under Christians Against Poverty (“CAP”). During the year end there was one accredited debt coach, who worked one day each week throughout the year on a voluntary basis.

Regular activities undertaken

The church runs regular worship meetings on Sundays and midweek on occasions and the minister and other church members are available to anyone to assist in ministering to individual needs.

The operations of the church changed significantly from March 2020 due to the various lockdowns decreed by the government as a result of the Coronavirus (Covid 19). Prior to this the church had an active youth program catering for all ages from zero up to 18, beginning with a Mothers and Babies group, a crèche, three parents and toddlers groups and Sunday Biblical teaching based groups run in various age bands from ages 3 up to 18. The groups that could adapt were taken online from March 2020, and those activities that wouldn’t work online were ceased.

The church has gradually managed to start some of these operations again as lockdowns were eased somewhat from Spring 2021.

The church has continued to run regular midweek programs online (and sometimes in person), including life groups, which study the Bible in people’s homes, youth clubs and Bible studies for the under 18s and also some outreach broadcasts with the aim of drawing people from the local community to hear the gospel.

The activities undertaken are to further the charity’s purposes for the Public Benefit. The trustees confirm that they have given due consideration to the Charity Commission’s published guidance on the Public Benefit under the Charities Act 2011.

Training

The church runs training courses for its members on occasions and facilitates individual’s attendance at external training courses and Christian conferences.

Developments over the last year

The key developments during 2021 can be summarised as follows:

- the continued adapting of all activities to the ever changing Covid 19 restrictions, which included streamlining all services
- Gradually re-starting some in person activities, such as the parents & babies group and community café

- the church's weekly soup run ministry continued and 300 hampers were distributed under the Gift of Hope pre-Christmas outreach
- The church also distributed over 200 hampers in school holidays in 2021 as part of the "feast of fun" initiative
- the church offered an accredited debt coaching service within its CAP centre, which enabled the church to offer debt resolution and budgeting advice to people with these problems and introduce them to the Christian faith.
- The church completed the merger of the previous charity with the Charitable Incorporated Organisation with effect from 1.1.21.
- Membership at 31 December 2021 totalled 145 (2020 – 156).

Financial Review

Hope Baptist Church, Plymouth has an operational surplus in 2021 of £74,623 (2020 £12,499). In addition, an item has been included to reflect the church's estimated share of the current Baptist Union pension scheme deficit as at 31 December 2021 of £69,500 (31 December 2020 - £92,100). A detailed note on this has been included at note 14. With this item and the building revaluations in 2015 the overall net asset position of the church stands at £963,955 at 31.12.21 (£866,732 at 31.12.20).

An Emergency Operating Reserve has been set up to reflect 2 months average operating costs. This stood at £34,000 at 31 December 2021 (2020 £28,000). This remains in line with the organisation's published reserves policy.

Reserves Policy

The Trustees believe that the church should hold financial reserves (the Emergency Operating Reserve – EOR) to protect against fluctuations in funding and to have the ability to maintain its activities in the short term if funding is uncertain.

The trustees believe that the minimum level of the EOR should be the equivalent of 2 months of annual operating costs calculated and reviewed annually and built up to the desired level in stages in accordance with the church's overall financial position and its need to maintain its activities. The general unrestricted reserve is detailed under note 12, together with restricted funds.

Risk Review

The Trustees identify and discuss risks on a monthly basis at team meetings.

One key risk identified is the church's dependency on income sources in a recessionary economic climate and it is acknowledged that close monitoring needs to be maintained on finances and ways of improving income streams explored.

The Trustees are developing a comprehensive risk management strategy, which will comprise:

- an annual review of the risks the church may face;
- the establishment of systems and procedures to mitigate those risks identified and
- the implementation of procedures designed to minimise any potential impact on the church should those risks materialise.

Related Parties

Trustees and management of the charity are required to disclose connections with any organisation applying to the church for funding or being considered as a supplier. In such circumstances, the relevant individual takes no part in the related decision making process.

Trustees' responsibilities in relation to the financial statements

Charity law requires the trustees to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice that give a true and fair view of the state of the affairs of the church at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then 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 presume the church will continue its operations.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the church and enables them to ensure that the financial statements comply with the Statement of Recommended Practice (SORP) issued by the Charity Commission. The trustees are responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the church's independent examiner is unaware.
- We as trustees have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the independent examiner is aware of that information.

Approved by the trustees on

20/7/22

and signed on its behalf by:



K Harvey (Secretary)

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF HOPE BAPTIST
CHURCH, PLYMOUTH**

I report on the accounts of Hope Baptist Church, Plymouth for the year ended 31 December 2021, which are set out on pages 9 to 20 below.

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 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

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

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

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

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave 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.


.....
J Hurdle

24/7/2022
.....
Date

Member of Association of Accounting Technicians
Abacus, 61b Hyde Park Road, Mutley, Plymouth, PL3 4JN

HOPE BAPTIST CHURCH, PLYMOUTH
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 December 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	175,368	0	175,368	143,497
Investment income	4	6	0	6	127
Incoming resources from charitable activities					
Grants & other restricted income	3	0	0	0	0
Other activities	4	89,536	18,426	107,962	104,270
Total incoming resources		264,910	18,426	283,336	247,894
Resources expended					
Charitable activities	5	162,698	21,869	184,567	212,621
Governance costs	6	24,146	0	24,146	22,774
Total resources expended		186,844	21,869	208,713	235,395
Net incoming resources		78,066	(3,443)	74,623	12,499
Actuarial gains on defined pension scheme	14	22,600	0	22,600	(1,200)
Total funds at 1 January		853,905	12,827	866,732	855,523
Total funds at 31 December	12/13	954,571	9,384	963,955	866,732

Movement in funds are disclosed in note 12 to the financial statements.

All of the above results are derived from continuing activities. There are no gains or losses in the year other than those shown above.

In accordance with guidelines set out by the Baptist Union, the church's share of the current estimated deficit of the Baptist Union pension scheme should be included as a liability in the church's accounts. This liability is estimated by the pension trustees at £69,500 as at 31 December 2021, a decrease of £22,600 on the figure at 31 December 2020 (see detailed note 14).

HOPE BAPTIST CHURCH, PLYMOUTH
BALANCE SHEET
at 31 December

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	9		843,296		845,857
CURRENT ASSETS					
Debtors	10	9,098		11,752	
Prepayments & accrued income	10	3,000		3,210	
Cash at bank and in hand		185,780		108,573	
Groups cash at bank		881		840	
			<hr/>	<hr/>	
			198,759	124,375	
CREDITORS: amounts					
falling due within one year	11				
Accruals		(3,400)		(2,400)	
SWYM worker committed funds		(3,700)		(7,000)	
Deferred income – CAP project		(500)		(1,000)	
Deferred income – Employers NIC allowance		(1,000)		(1,000)	
			<hr/>	<hr/>	
			(8,600)	(11,400)	
Net current assets			190,159		112,975
Defined benefit pension scheme liability	14		(69,500)		(92,100)
			<hr/>	<hr/>	
NET ASSETS			963,955		866,732
			<hr/>	<hr/>	
Unrestricted funds	12/13		954,571		853,905
Restricted funds	12/13		9,384		12,827
			<hr/>	<hr/>	
TOTAL FUNDS			963,955		866,732
			<hr/>	<hr/>	

The financial statements on pages 9 to 18 were approved by the Trustees on
and signed on their behalf by:-

2017/22



A P Jopson
Treasurer

HOPE BAPTIST CHURCH, PLYMOUTH
NOTES ON FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared 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 (FRS 102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)

Going concern

The accounts have been prepared on the going concern basis.

Income recognition from grants

Income from grants is included in incoming resources when the church is legally entitled to the income and the amount can be quantified with reasonable accuracy. If the grants are received as an "up front" payment for which the conditions of payments have yet to be met then this income is deferred until the conditions are met.

Fund accounting

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is shown in the notes to the financial statements.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost on a reducing balance basis at the following percentage rates:-

Freehold buildings	Nil
Solar Panels	50% year 1; 10% years 2-5 (now w/d to Nil)
Minibus	50%
Music, Projector & PA	20%

Note: the church building (£650,000) and the property at 34 Cedarcroft Road (£180,000) have been included within the church assets at their estimated current open market values. A building revaluation reserve has been set up to reflect this.

Basis of allocation of expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Grants

The church receives occasional grants. The criteria for the use of the grants are governed by the contract between the church and any grant making body.

2. Voluntary income

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Offerings – Non Gift Aid	7,071	0	7,071	10,201
Offerings – Gift Aid	117,602	0	117,602	121,376
Legacies & "one off" gifts	50,695	0	50,695	7,190
	<u>175,368</u>	<u>0</u>	<u>175,368</u>	<u>138,767</u>

HOPE BAPTIST CHURCH, PLYMOUTH

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. Charitable Activities – Grants and loans income

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Grants	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

4. Charitable Activities - Other activities income

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Rental Income – 242 PPR	17,169	0	17,169	18,505
Rental income – 34 Cedarcroft Road	10,500	0	10,500	10,200
Minibus contributions	0	0	0	81
In & out donations to others	0	0	0	1,270
SWYM worker deferred income applied	3,300	0	3,300	0
Mission	0	30	30	522
Donations from groups / other income	2,671	0	2,671	366
Employment allowance	5,708	0	5,708	3,000
Job retention scheme (Covid 19)	9,149	0	9,149	17,039
Community café / outreach	753	0	753	477
CAP income	4,353	0	4,353	767
Soup Run	0	2,606	2,606	2,060
Gift of Hope hampers	0	10,499	10,499	6,075
Ghana project	0	5,291	5,291	4,730
Gift Aid Recovered	31,355	0	31,355	36,095
Solar panels – FIT tariff income	4,494	0	4,494	5,636
Designated funds – church sub-groups	84	0	84	2,157
Designated funds – church sub groups to give away	0	0	0	20
	<u>89,536</u>	<u>18,426</u>	<u>107,962</u>	<u>99,540</u>
Bank interest	<u>6</u>	<u>0</u>	<u>6</u>	<u>127</u>
TOTAL INCOME	<u>264,910</u>	<u>18,426</u>	<u>283,336</u>	<u>247,894</u>

HOPE BAPTIST CHURCH, PLYMOUTH

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2021

5. Charitable activities – resources expended

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Staff costs ministry (see note 8)	113,340	0	113,340	109,701
Other direct activities	42,992	21,869	64,861	94,804
Designated funds – church sub-groups	543	0	543	3,563
Depreciation	5,823	0	5,823	4,553
	<u>162,698</u>	<u>21,869</u>	<u>184,567</u>	<u>212,621</u>

The detailed income and expenditure account on pages 19 to 20 contains an analysis of these expenses.

6. Governance costs

	Unrestricted 2021	Restricted 2021	Total 2021 £	Total 2020 £
Salaries (operations & administration manager)	22,288	0	22,288	21,184
Legal costs (CIO & library lease)	1,658	0	1,658	1,390
Independent Examiner's fee	200	0	200	200
	<u>24,146</u>	<u>0</u>	<u>24,146</u>	<u>22,774</u>
TOTAL RESOURCES EXPENDED	<u>186,844</u>	<u>21,869</u>	<u>208,713</u>	<u>235,395</u>

7. Trustees and related parties

The trustees neither received, nor waived or reimbursed any emoluments during the year (2020: nil).

There were no other transactions with related parties, which are required to be disclosed in these accounts.

HOPE BAPTIST CHURCH, PLYMOUTH

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. Staff costs

	2021 £	2020 £
Ministry – Stipend + employer NI	27,112	26,224
Ministry – Pensions	9,966	8,814
Ministry – Housing Allowance	9,600	9,600
Ministry – Minister related expenses (C Tax, travel, water, ins, buildings)	3,858	2,958
Ministry support costs	971	1,146
C & F worker salary /asst minister costs + expenses	28,679	23,699
Youth Worker (& SWYM provision) – salary, training & allowances	0	26,785
Caretaker salary	10,866	10,475
	91,052	109,701

Note 6

Administration & Operations manager (governance cost note 6)	22,288	21,184
	113,340	130,885

No employee emoluments amounted to over £60,000 in the year (2020: nil).

The average number of employees, calculated on a full time equivalent basis, analysed by function was:-

	2021 No.	2020 No.
Furtherance of objectives, including support	4	4

HOPE BAPTIST CHURCH, PLYMOUTH
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

9. Tangible fixed assets

	Freehold Property £	Minibus £	Solar panels music & PA £	TOTAL £
Cost / valuation				
At 1 January 2021 *	830,000	4,800	60,230	886,422
Additions	0	0	3,262	3,262
Disposal	0	0	0	0
At 31 December 2021	830,000	4,800	63,492	898,292
Depreciation				
At 1 January 2021	0	4,400	44,773	49,173
Charge for year	0	200	5,623	5,823
Disposal	0	0	0	0
At 31 December 2021	0	4,600	50,396	54,996
Net book amount				
As at 31 December 2021	830,000	200	13,096	843,296
As at 31 December 2020	830,000	400	15,457	845,857

*within freehold property is a property at 34 Cedarcroft Road, Plymouth, valued at £180,000 which was held as a Manse for the minister's family's use. This valuation was based on an informal view from a qualified valuer in February 2019. This was not used as a Manse in 2021 and was rented out to provide an income. It should therefore more correctly be classed now as an Investment Property.

The church building has been informally valued by a qualified valuer in February 2019 at £650,000. This valuation was based on the view of the surveyor who undertook the most recent quinquennial review of the property in February 2019, and was not formalised but based on the best estimate of the open market value at the time. The Church property is a mixed use property as part of it is rented out as a local library to provide rental income for the Church. It is not considered practical at this time to allocate the valuation between tangible fixed assets and investment property.

No depreciation has been charged where freehold property is carried at valuation.

10. Debtors & Pre-payments	2021 £	2020 £
Gift Aid Debtor	7,598	9,712
Other debtors	1,500	2,040
	9,098	11,752
Prepayment - Insurance	2,000	2,410
Prepayment – subscriptions	1,000	0
FIT Tariff accrued income	0	800
	12,098	14,962

HOPE BAPTIST CHURCH, PLYMOUTH
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. Creditors: amounts falling due within one year	2021	2020
	£	£
Deferred income – CAP project	500	1,000
Deferred income – Employers NIC allowance	1,000	1,000
Provision - SWYM worker	3,700	7,000
	<hr/>	<hr/>
Total	5,200	9,000
 Accruals		
Accrual – Gas & electricity	1,500	2,000
Accrual – legal costs re. library lease	1,500	0
Accrual – independent examiner	200	200
Accrual – Water	200	200
	<hr/>	<hr/>
Total accruals	3,400	2,400
	<hr/>	<hr/>
Total creditors & provisions	8,600	11,400
	<hr/>	<hr/>

HOPE BAPTIST CHURCH, PLYMOUTH
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12. Movement in funds

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	At 31 December 2021 £
Unrestricted funds:					
General reserve	889,165	258,826	186,301	(7,500)	954,190
Emergency operating reserve	28,000	6,000	0	0	34,000
Pension fund debt	(92,100)	22,600	0	0	(69,500)
	<u>825,065</u>	<u>287,426</u>	<u>186,301</u>	<u>(7,500)</u>	<u>918,690</u>
Designated funds					
Fabric	23,000	0	0	7,000	30,000
Minibus & equipment	5,000	0	0	0	5,000
Youth & P & T Fund*	301	0	409	500	392
Luncheon Club	216	0	37	0	179
Women's Rendezvous	246	39	47	0	238
Flower Fund	77	45	50	0	72
	<u>28,840</u>	<u>84</u>	<u>543</u>	<u>7,500</u>	<u>35,881</u>
Total unrestricted funds	<u>853,905</u>	<u>287,510</u>	<u>186,844</u>	<u>0</u>	<u>954,571</u>
Restricted funds					
Soup run	2,382	2,606	4,211	0	777
Gift of Hope	7,362	10,499	12,931	0	4,930
Ghana project	0	5,291	2,000	0	3,291
JG Mission	0	30	0	0	30
Outreach (thank off 2019)	1,605	0	1,605	0	0
Refugee project (thank off 2020)	1,478	0	1,122	0	356
	<u>12,827</u>	<u>18,426</u>	<u>21,869</u>	<u>0</u>	<u>9,384</u>
Total restricted funds	<u>12,827</u>	<u>18,426</u>	<u>21,869</u>	<u>0</u>	<u>9,384</u>
Total funds	<u>866,732</u>	<u>305,936</u>	<u>208,713</u>	<u>0</u>	<u>963,955</u>

The General reserve represents the free funds of the church, which are not designated for particular purposes.

The Emergency operating reserve represents funds which the trustees have set aside to both protect against, and to continue operating in the event of, unforeseen events.

Restricted funds

Restricted funds are those funds set aside for a particular specific use. Movements in and out during the year are shown above and remaining funds held at the end of the year are shown in creditors in the balance sheet.

Designated funds

These are the funds held by sub-groups of the church set aside to be applied to their particular areas of ministry. The transfer was funds transferred from main church to youth account.

HOPE BAPTIST CHURCH, PLYMOUTH
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

13. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2021 are represented by:			
Tangible fixed asset – church freehold building	650,000	0	650,000
Tangible fixed asset – investment property	180,000	0	180,000
Tangible fixed asset - Minibus	200	0	200
Piano	5,000	0	5,000
Music Projector & PA	8,095	0	8,095
Solar panels	1	0	1
Current assets	189,375	9,384	198,759
Current liabilities	(8,600)	0	(8,600)
Pension scheme deficit share	(69,500)	0	(69,500)
	<hr/>	<hr/>	<hr/>
Net assets at 31 December 2021	954,571	9,384	963,955
	<hr/>	<hr/>	<hr/>

14. Defined benefit pension scheme liability

Pension scheme arrangements

The charity is a participating employer in the Baptist Union Pension Scheme, which, prior to January 2012, was a multi-employer defined benefit scheme. The last actuarial valuation indicated that the obligation to provide defined benefits gives rise to a funding deficit and the charity, along with other participating employers, must make additional contributions to remedy the deficit. The obligation to make deficit reduction contributions in future years has been included as a liability in these financial statements. Further information about this defined benefits scheme and the charity's obligation to contribute towards the funding deficit, is disclosed elsewhere in the notes to these accounts.

Pension commitments

The Baptist Union Pension Scheme

Background to the disclosure

The charity is a participating employer in the Baptist Pension Scheme ("the scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the employer and other participating employers. The scheme comprises a Defined Contribution ("DC") plan, and a Defined Benefit ("DB") plan.

The pensions costs charged to the SoFA in the year comprise contributions accruing in the year in respect of the DC plan plus the impact of deficiency contributions to the DB plan (see below). The charity recognised a liability for its expected best estimate of the future deficiency contributions to the DB plan, on the basis set out below under the heading "Basis for determining the DB plan liability".

The Ministers (including trainees) are eligible to join the scheme.

The defined contribution plan

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%.

The defined benefit plan

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.

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 next actuarial valuation of the DB plan is due as at 31 December 2022.

Recovery plan

A recovery plan dated 30 September 2020 has now been agreed to make good the above deficit in assets. Therefore, in addition to the contributions to the DC plan set out above, the trustees and the council agree to a rate of deficiency contributions from churches and other employers involved in the DB plan.

It has been agreed that the standard rate of deficiency contributions from the churches and other employers involved in the DB plan will remain at the previously agreed levels, increasing each year in line with the increases in the minimum pensionable income. The deficiency contributions are broadly based on 12% of the Pensionable income / minimum pensionable income, reflecting each employer’s contribution in March 2015. Some employers that were involved in the DB plan for a short period pay lower contributions. The trustees and the council agree that a 50% reduction in all deficiency contributions payable between 1 July 2020 and 31 December 2020. The recovery plan envisages deficiency contributions continuing until June 2026.

In addition, the Baptist Union of Great Britain contributed a lump sum of £0.5 million in 2020.

Key assumptions

The key assumptions underlying the actuarial valuation of the DB plan were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% 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	2.70

Basis for determining the DB plan liability

The pension liability included in these accounts is based on an estimate of the amount that the charity would be required to pay should the charity decide to settle the debt immediately; the Baptist Pension Scheme (the “BPS”) has provided this estimate. The BPS is collecting deficit contributions monthly, however these deficit contributions have not been calculated by reference to the charity’s share of the pension deficit and based on the current schedule of contributions. It is possible that the sum of all future annual deficit contributions will be significantly less than the liability included in these accounts. The charity does not foresee any circumstances that could result in immediate payment of the whole debt, however the trustees believe that the BPS may ask the church to increase its contributions towards the deficit and therefore, to be prudent, they have chosen to recognise a liability for the employer debt in these accounts.

The profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Church (including deficit contributions of £3,984) was £9,966 (2020 £8,814).

The church’s share of the overall pension scheme deficit as at 31 December 2021 is estimated by the pension trustees at £69,500 (2019 £92,100).

HOPE BAPTIST CHURCH, PLYMOUTH

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Income				
Weekly Offerings		124,673		131,577
Legacies / one off gifts		50,695		7,190
Mission		30		522
Rental Income – 242 PPR		17,169		18,505
Rental income – 34 Cedarcroft Rd		10,500		10,200
Other Income & Donations from groups		2,671		366
Minibus		0		81
Soup Run		2,606		2,060
Gift of Hope hampers		10,499		6,075
Community Café / outreach		753		477
In & Out donations to others		0		1,270
SWYM worker deferred income applied		3,300		0
CAP project income		4,353		767
Gift Aid Recovered		31,355		36,096
Thank Offering (2021 Ghana project)		5,291		4,730
Solar Panels FIT tariff income		4,494		5,634
Bank Interest		6		127
Designated funds – church sub-groups		84		2,157
Designated funds – church sub groups to give away		0		20
Job Retention Scheme claims (Covid 19)		9,149		17,040
Employment Allowance (HMRC)		5,708		3,000
		<hr/>		<hr/>
		283,336		247,894
Expenditure				
Charitable activities (page 21)		178,744		208,068
Governance & support costs (page 22)		29,969		27,327
		<hr/>		<hr/>
		208,713		235,395
Net income (expenditure) for the year		<hr/>		<hr/>
		74,623		12,499
		<hr/>		<hr/>

HOPE BAPTIST CHURCH, PLYMOUTH
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER

Expenditure

Charitable Activities – Unrestricted

	Direct Activities 2021 £	Support Costs 2021 £	Total 2021 £	Total 2020 £
Minister (incl BU pension deficit costs)	50,536	0	50,536	47,606
Children's & families / asst minister	28,679	0	28,679	23,699
SWYM worker	3,300	0	3,300	0
Hope Youth Worker	0	0	0	26,785
Caretaker salary	10,866	0	10,866	10,475
Training & other staff costs	971	0	971	2,017
Recruitment	1,430	0	1,430	0
Ministry & visiting speaker expenses	1,324	0	1,324	1,146
Mission	13,458	0	13,458	18,160
Building Maintenance & Upkeep	19,224	0	19,224	24,202
Catering, kitchen & Cleaning materials	2,339	0	2,339	2,506
Utilities & internet	4,698	0	4,698	9,335
Multimedia Maintenance & Development	1,577	0	1,577	2,502
Administration (photocopying etc.)	3,399	0	3,399	2,771
Office equipment	1,224	0	1,224	0
Outreach	1,233	0	1,233	2,820
Discipleship	0	0	0	360
CAP project	5,366	0	5,366	3,127
Community Cafe	0	0	0	453
Minibus Expenditure	1,900	0	1,900	5,543
In & Out donations to others	0	0	0	1,270
Depreciation	0	5,823	5,823	4,553
Thank offering	0	0	0	4,730
Designated funds – church sub-groups	543	0	543	3,513
Designated funds – church sub groups given away	0	0	0	50
Children and Youth work subsidies	1,123	0	1,123	875
Other Expenditure (admin, subscriptions etc.)	3,635	0	3,635	5,988
Bank charges & commission	50	0	50	0
Total unrestricted expenditure	156,875	5,823	162,698	204,486

Charitable Activities – Restricted

	Direct Activities 2021 £	Support Costs 2021 £	Total 2021 £	Total 2020 £
Soup run	4,211	0	4,211	2,060
Gift of Hope	12,931	0	12,931	6,075
Ghana project	2,000	0	2,000	0
Outreach (TO 2019)	1,605	0	1,605	0
Refugee project (TO 2020)	1,122	0	1,122	0
Total	21,869	0	21,869	8,135
TOTAL CHARITABLE ACTIVITIES	178,744	5,823	184,567	212,621

Governance costs				
Office manager salary	0	22,288	22,288	21,184
Legal costs (CIO & library lease)	0	1,658	1,658	1,390
Independent Examiners fee	0	200	200	200
	<u>0</u>	<u>24,146</u>	<u>24,146</u>	<u>22,774</u>
TOTAL EXPENDITURE	<u>178,744</u>	<u>29,969</u>	<u>208,713</u>	<u>235,395</u>