

MILFORD BAPTIST CHURCH CIO
Registered Charity number 1193261

**REPORT OF THE TRUSTEES &
FINANCIAL STATEMENTS**

YEAR ENDED 30 SEPTEMBER 2022

**MILFORD BAPTIST CHURCH CIO
REPORT OF THE TRUSTEES & FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2022**

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The trustees present their report and financial statements for the year ended 30 September 2022

Objectives and Activities

The principal objective 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 other parts of the world.

Milford Baptist Church CIO was dormant and had no activity, assets or liabilities prior to 10 November 2021. Before that date Milford Baptist Church functioned as an unregistered and unincorporated charity. On 10 November 2021 all activity, assets and liabilities of the unincorporated charity were transferred to Milford Baptist Church CIO and the unincorporated charity became dormant.

Principal activities during the period ended 30 September 2022 included the following:

- Weekly services including worship, prayer, bible study, preaching and Holy Communion;
- Regular and varied home group meetings for bible study and learning, prayer, fellowship and mutual support;
- Regular and varied youth group meetings and activities for all age groups from 8 - 18;
- Residential trip to Spring Harvest at Segness for mid-teen age group;
- Pastoral support as possible for members in need;
- Varied charitable giving, activity and support;
- Varied outreach initiatives and activity;
- Regular prayer group meetings;
- Regular music group meetings and worship;
- Monthly leadership meetings;
- Quarterly meetings of the church membership.

Due to the impact of the Covid-19 Pandemic during the period, from time to time, some of the above activities were conducted by way of remote, online meeting facilities, subject to necessity or practicality.

Achievements and performance

Having determined that a Charitable Incorporated Organisation (CIO) was the most appropriate legal structure for the ongoing activities of Milford Baptist Church, the transfer of all activities, assets and liabilities of the unincorporated charity to Milford Baptist Church CIO was completed on 10 November 2021.

Thereafter, the CIO pursued its stated objectives through delivery of its principal activities.

The appointment of a families & childrens pastor was actively explored, without successful conclusion. The appointment of a full time minister most suited to the needs of the Church was then considered and further explored.

In the light of the ongoing difficulties resulting from the Covid-19 Pandemic, the Trustees are satisfied with the performance of the CIO during the period.

Financial review

During the period under review the CIO generated a total income of £676,600 and realised a surplus of £657,028. These figures include £598,199 of net assets and funds gifted from the unincorporated charity Milford Baptist Church to the CIO, representing reserves accumulated to 10 November 2021. Income from ordinary activities for the period 11 November 2021 to 30 September 2022 was £78,401, with a surplus from ordinary activities of £58,829. This surplus should be considered atypical due to the absence of a resident minister throughout the period. The cost of a full-time minister and the loss of manse rental income would most likely have resulted in a small operating surplus of approximately £5,000.

At 30 September 2022 the CIO had total reserves carried forward of £657,028 representing net assets & liabilities as at that date.

Full details of all income and expenditure arising during the period and the financial position of the CIO at 30 September 2022 are given by the financial statements following this report which the Trustees have approved.

Reserves policy

The Trustees have determined that the minimum level of general reserves (that is funds that are freely available, excluding restricted and designated reserves) which would ideally be held by the CIO should be sufficient to cover routine expenditure for a period of at least three months together with a provision for unexpected or emergency expenditure. Notionally, this figure is currently set at £35,000.

Unrestricted cash balances at 30 September 2022 were £138,754 which is well in excess of this figure. However, the Church has deliberately accumulated funds in order to fully fund the appointment of a full time minister for the medium term.

Structure, Governance and Management

As referenced above, the Church has operated as a Charitable Incorporated Organisation (CIO) since 10 November 2021. Activities and management are governed by a detailed constitution which is approved by the Baptist Union and filed with the Charity Commission. Management is the responsibility of the Trustees who are elected by the Church membership under the terms of the constitution.

Reference and Administrative Details

Charity name: Milford Baptist Church
Registered charity number: 1193261
Principal address: Baptist Church Hall, 15 New Road, Milford, Godalming, GU8 5BE

Trustees:

D Coombes	
M Dunford	Appointed 23 October 2022
P Herring	Re-appointed 23 October 2022
A Jones	Resigned 23 October 2022
L Lewis	
D R Lucas	Re-appointed 23 October 2022
B E Pollard	Secretary Re-appointed 23 October 2022
E Stanton	Appointed 23 October 2022

Moderator: S Boddington

Independent Examiner: Lucas & Co, Chartered Certified Accountants, 11 Church Street, Godalming, GU7 1EQ

Approved by the Trustees and signed on their behalf by:



D R Lucas
Chairman



B E Pollard
Secretary

Date: 26/06/2023

**MILFORD BAPTIST CHURCH CIO
REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES
YEAR ENDED 30 SEPTEMBER 2022**

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**Report of the Independent Examiner to the Trustees of Milford Baptist Church CIO
on the accounts for the year ended 30 September 2022**

Respective responsibilities of Trustees and Examiner

The CIO's Trustees are responsible for the preparation of the accounts. The CIO'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.

Basis of independent examiner's statement

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 CIO 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.

Independent examiner's statement

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

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

I have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed by or on behalf of the Examiner

PJ L

26.06.23

P J Lucas FCCA

Lucas & Co

Chartered Certified Accountants

11 Church Street, Godalming, Surrey, GU7 1EQ

**MILFORD BAPTIST CHURCH CIO
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022**

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STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds £	Restricted funds £	2022 Total funds £
Charitable Income				
Donations and gifts	2	58,563	-	58,563
Charitable activities	3	19,611	-	19,611
Other income	4	598,199	-	598,199
Bank interest receivable		227	-	227
Total		676,600	-	676,600
Charitable Expenditure				
Ministry costs	5	16,768	-	16,768
Administration	6	2,340	-	2,340
Establishment costs	7	6,646	-	6,646
Manse costs	8	1,902	-	1,902
Charitable giving	9	10,180	-	10,180
Total		37,836	-	37,836
Net surplus/(deficit)		638,764	-	638,764
Other fund movements	13	18,264	-	18,264
Net movement in funds		657,028	-	657,028
Reconciliation of funds	15			
Total funds at 01 October 2021		-	-	-
Net movement in funds - 2021/22		657,028	-	657,028
Total funds at 30 September 2022		657,028	-	657,028

MILFORD BAPTIST CHURCH CIO
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

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BALANCE SHEET

	Notes	£	2022 £
Fixed assets	10		<u>530,554</u>
Current assets			
Debtors	11	4,864	
Cash at bank		<u>138,754</u>	
		143,618	
Creditors			
Amounts falling due within one year	12	<u>(9,920)</u>	
Net current assets			<u>133,698</u>
Total assets less current liabilities			664,252
Creditors			
Amounts falling due after more than one year	13		(7,224)
Net Assets			<u><u>657,028</u></u>
Fund balances			
Unrestricted General Fund	15		142,418
Unrestricted Buildings Fund	15		514,610
Total funds			<u><u>657,028</u></u>



D Lucas
Chairman



B Pollard
Secretary

26/06/

2023

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Preparation

The financial statements are prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP 2021), FRS102, the Charities Act 2011 and under the historical cost convention.

Milford Baptist Church CIO is a registered charity, no. 1193261 and meets the definition of a public benefit entity under FRS102.

Income

Income is recognised once the charity has entitlement to the funds, their receipt is probable and the amount can be measured reliably.

Expenditure

Expenditure is accounted for on an accruals basis and recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Loan interest

Loan interest is accounted for over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount of the debt as it reduces over time.

Taxation

The charity is exempt from tax on its charitable activities.

Tangible Fixed assets

Tangible fixed assets comprise the church buildings and the manse and are carried at historic cost. Depreciation is not provided as the trustees consider that the current market value of these properties significantly exceed the cost at which they are held within the financial statements.

Fixtures, fittings and equipment are capitalised where their acquisition cost is significant. Depreciation is provided at annual rates to write off assets over their estimated useful life.

Pension Scheme liability

Any Pension Scheme liability represents an obligation of the Church towards the assessed deficit arising on the Baptist Pension Scheme Defined Benefit Plan.

Funds

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 a particular restricted purpose.

NOTES TO THE FINANCIAL STATEMENTS

2 Income from donations and gifts	2022
	£
Donations and gifts	48,021
Gift Aid recoverable	10,542
	<u>58,563</u>

3 Income from charitable activities	2022
	£
Manse rental income	16,611
Contributions towards premises costs	3,000
	<u>19,611</u>

Throughout the period, the Manse was let on an arms length basis to private tenants.
Stepping Stones Nursery make termly contributions towards premises costs - Note 19

4 Other income	2022
	£
Net assets transferred from Milford Baptist Church unincorporated charity:	
Tangible fixed assets	530,554
Cash at bank	112,698
Mortgage loans	(23,304)
BU Pension deficit liability	(21,749)
	<u>598,199</u>

On 10 November 2021 the operations, assets, funds and liabilities of Milford Baptist Church unincorporated charity were transferred in full to Milford Baptist Church CIO.

5 Ministry Expenses	2022
	£
Moderator costs and expenses	4,206
General ministry costs	2,010
Outreach and development	1,159
Youth costs	6,827
Other groups and resources	2,566
	<u>16,768</u>

NOTES TO THE FINANCIAL STATEMENTS

6 Administrative Expenses	2022
	£
Postage, stationery and photocopying	264
Telephone and broadband	794
Independent Examiner fees	1,200
Bank charges	82
	2,340

7 Establishment Expenses	2022
	£
Repairs and maintenance	1,457
Lighting and heating	3,235
Insurance	1,844
Water rates	110
	6,646

8 Manse costs	2022
	£
Mortgage interest	1,153
Insurance	749
	1,902

Throughout the period, the Manse was let on an arms length basis to private tenants.

9 Charitable giving	2022
	£
Mechanics for Africa	Note 19 5,100
Compassion UK	2,232
Baptist Home Mission	1,000
Disasters Emergency Committee	500
Various other charitable gifts	1,348
	10,180

NOTES TO THE FINANCIAL STATEMENTS

10 Tangible Fixed Assets

	Historic cost £	Insured value £	Estimated market value £
Church premises			
Original sanctuary	38,107		
Extension	134,384		
	<u>172,491</u>	<u>1,501,000</u>	<u>1,500,000</u>
Church Manse	<u>358,063</u>	<u>479,000</u>	<u>750,000</u>
Total at 30 September 2022	<u>530,554</u>	<u>1,980,000</u>	<u>2,250,000</u>
Total transferred at 10 November 2021	<u>530,554</u>	<u>1,953,000</u>	<u>2,250,000</u>

The Church is the beneficial owner (subject to trust) of the Church Premises and the Church Manse, the legal title to which is held by the Church's custodian trustee, the Baptist Union Corporation. Beneficial ownership of these properties was transferred to Milford Baptist Church CIO from Milford Baptist Church unincorporated charity on 10 November 2021.

Ownership of 'Church fixtures, fittings and equipment was similarly transferred on 10 November 2021. Church fixtures, fittings and equipment are considered to have no realisable value of any significance, but had an insured replacement value at 30 September 2022 of £66,497 (10 November 2021: £66,497).

11 Debtors		2022 £
Other debtors		<u>4,864</u>
		<u>4,864</u>
12 Creditors		2022 £
Amounts falling due within one year		
Mortgage loan	Note 14	8,720
Other creditors and accruals		<u>1,200</u>
		<u>9,920</u>

NOTES TO THE FINANCIAL STATEMENTS

13 Creditors		2022
Amounts falling due after more than one year		£
Mortgage loan	Note 14	7,224
Pension scheme liability		-
		<u>7,224</u>
Pension scheme liability		£
Liability transferred from Milford Baptist Church unincorporated charity at 10 November 2021		21,749
Payments made during the period		(3,485)
Liability released at 30 September 2022		<u>(18,264)</u>
Provision carried forward at 30 September 2022		<u>-</u>
Full details of Pension scheme matters are given at Note 17		

14 Mortgage loan

	Due within one year £	Due within 1 to 2 years £	Total liabilities at 30 Sept 2022 £	Total liabilities transferred at 10 Nov 2021 £
Mortgage loan 1	1,902	1,581	3,483	5,118
Mortgage loan 2	6,818	5,643	12,461	18,186
	<u>8,720</u>	<u>7,224</u>	<u>15,944</u>	<u>23,304</u>

The mortgage loans are secured upon the Church Manse and are in the name of the Baptist Union Corporation, held on behalf of Milford Baptist Church CIO. The liabilities were transferred from Milford Baptist Church unincorporated charity on 10 November 2021.

The loans are repayable by monthly instalments with final repayment due by 30 June 2024. Interest is charged at 4.25% over Barclays Bank Base Rate.

NOTES TO THE FINANCIAL STATEMENTS

15 Funds and reserves	Unrestricted General Fund £	Unrestricted Premises Fund £	Restricted funds £	2022 Total funds £
Total funds at 01 September 2021	-	-	-	-
Net movement in funds - 2021/22	149,778	507,250	-	657,028
Transfer between funds	(7,360)	7,360	-	-
Total funds at 30 September 2022	142,418	514,610	-	657,028

The Unrestricted General Fund represent the majority of the Church income and expenditure and can be used in accordance with the charitable objectives at the discretion of the trustees.

The Unrestricted Premises Fund is a fixed asset reserve, maintained (by transfer to or from general funds) at a level equal to the net book value of the church premises and church manse less the balance of the mortgage loan payable.

16 Analysis of Assets & Liabilities between Funds

	2022 £
Unrestricted General Fund	
Gift Aid tax recoverable	4,864
Bank balances	138,754
Other creditors and accruals	(1,200)
Unrestricted General Fund	142,418
Unrestricted Premises Fund	
Church premises	172,491
Church manse	358,063
	530,554
Loans due within one year	(8,720)
Loans due after more than one year	(7,224)
	514,610

NOTES TO THE FINANCIAL STATEMENTS

17 Pension Scheme Liability

The Church 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 the other participating employers.

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of the final 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. Since 1 January 2012, benefits have been provided through a Defined Contribution (DC) Plan.

A formal actuarial valuation of the DB Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit. The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

On 30 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. As such, the Church's provision for the Pension Scheme liability as remaining at 30 September 2022 was released in full.

Pension scheme liability	£
Provision transferred from Milford Baptist Church unincorporated charity 10 November 2021	21,749
Payments made during the period	(3,485)
Liability released to general funds at 30 September 2022	(18,264)
 Provision carried forward at 30 September 2022	 £ Nil

18 Trustees' remuneration and benefits

No trustees received any remuneration or benefits during the period

A total of £803 was reimbursed to two trustees during the period in respect of software licences, ministry expenses and youth resource costs.

NOTES TO THE FINANCIAL STATEMENTS

19 Related party disclosures

Mechanics for Africa (MFA) is a charity which was established by Milford Baptist Church unincorporated charity. Trustees David Lucas and Peter Herring were also trustees of MFA throughout the year. Other church members also serve as trustees of MFA from time to time.

Donations of £5,100 were made to MFA by the church during the year (Note 9).

Stepping Stones Nursey School Milford (Stepping Stones) is a charity which was established by Milford Baptist Church unincorporated charity. Church members serve as trustees of Stepping Stones from time to time. Stepping Stones operates from the church premises and during the year made contributions of £3,000 towards premises running costs and overheads (Note 3).

All trustees and members of Milford Baptist Church CIO make significant contributions to the church throughout the year, be it service, finance or both.