

MILFORD BAPTIST CHURCH CIO
Registered Charity number 1193261

**REPORT OF THE TRUSTEES &
FINANCIAL STATEMENTS**

YEAR ENDED 30 SEPTEMBER 2023

**MILFORD BAPTIST CHURCH CIO
REPORT OF THE TRUSTEES & FINANCIAL STATEMENTS
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CONTENTS

Report of the trustees	1 - 2
Report of the Independent Examiner	3
Statement of Financial Activities	4
Balance Sheet	5
Notes to the Financial Statements	6 - 13

The trustees present their report and financial statements for the year ended 30 September 2023.

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.

Principal activities during the period ended 30 September 2023 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;
- Annual Carols by Candlelight community service at Christmas;
- Regular and varied youth group meetings and activities for all age groups from 8 - 18;
- Residential trip to Spring Harvest at Minehead for young teen age group;
- Regular toddler group meetings providing social contact and support for local young mums with their toddlers;
- Regular 'family friendly' events at Easter, Christmas and high summer;
- Family & youth funtime pitches at the annual Milford Village Fete in June;
- 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.

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

The CIO pursued its stated objectives through delivery of its principal activities.

The appointment of a full time minister most suited to the needs of the Church continues to be progressed.

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 £81,863 (2022: £676,600) and realised a surplus of £30,429. (2022: £657,028). The comparative figures for 2022 were significantly inflated by £598,199 arising from the transfer in of net assets and funds from Milford Baptist Church unincorporated charity. The income and surplus for 2023 should still be considered atypical due to the absence of a resident minister and the consequent letting of the manse throughout the year. The annual cost of a full-time minister and no manse rental income would most likely have resulted in an operating deficit of approximately £30,000.

At 30 September 2023 the CIO had total reserves carried forward of £687,457 (2022: £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 2023 are given by the financial statements following this report which the Trustees have approved.

Reserves policy

The Trustees have determined 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 and 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 2023 were £161,607 (2022: £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	Resigned 22 October 2023
M Dunford	
P Herring	Resigned 22 October 2023
A Kelland	Appointed 22 October 2023, resigned 09 May 2024.
L Lewis	
I Lewzey	Appointed 22 October 2023
D R Lucas	Resigned 22 October 2023
B E Pollard	Secretary Resigned 22 October 2023
E Stanton	Secretary (elected 22 October 2023)

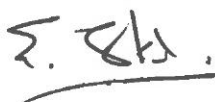
Moderator: S Bodington

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

Property Trustees: The Baptist Union Corporation Limited, Baptist House, 129 Broadway, Didcot, OX11 8RT

Bankers: CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, ME19 4JQ

Approved by the Trustees and signed on their behalf by:



E Stanton
Secretary



M Dunford
Trustee

Date: 13/06/2024

MILFORD BAPTIST CHURCH CIO
REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES
YEAR ENDED 30 SEPTEMBER 2023

3

Report of the Independent Examiner to the Trustees of Milford Baptist Church CIO
on the accounts for the year ended 30 September 2023

Respective responsibilities of Trustees and Examiner

The CIO's Trustees are responsible for the preparation of the accounts under the requirements of the Charities Act 2011 (the Charities Act). The CIO's trustees consider that an audit is not required for this year under section 144 of 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; or
- 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

PJL

P J Lucas FCCA
Lucas & Co
Chartered Certified Accountants
11 Church Street, Godalming, Surrey, GU7 1EQ

Date: 13th June 2024

STATEMENT OF FINANCIAL ACTIVITIES

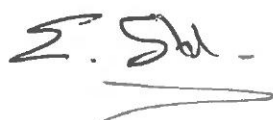
		Unrestricted funds £	2023 Total funds £	2022 10.6 mths Total funds Unrestricted £
	Note			
Charitable Income				
Donations and gifts	2	57,951	57,951	58,563
Charitable activities	3	21,739	21,739	19,611
Other income	4	-	-	598,199
Bank interest receivable		2,173	2,173	227
Total		81,863	81,863	676,600
Charitable Expenditure				
Ministry costs	5	12,811	12,811	16,768
Administration	6	2,503	2,503	2,340
Establishment costs	7	16,194	16,194	6,646
Manse costs	8	1,951	1,951	1,902
Charitable giving	9	17,975	17,975	10,180
Total		51,434	51,434	37,836
Net surplus/(deficit)		30,429	30,429	638,764
Other fund movements	13	-	-	18,264
Net movement in funds		30,429	30,429	657,028
Reconciliation of funds	15			
Total funds at 01 October 2022		657,028	657,028	-
Net movement in funds - 2022/23		30,429	30,429	657,028
Total funds at 30 September 2023		687,457	687,457	657,028

MILFORD BAPTIST CHURCH CIO
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2023

5

BALANCE SHEET

	Notes	2023 £	2022 £
Fixed assets	10	<u>530,554</u>	<u>530,554</u>
Current assets			
Debtors	11	4,279	4,864
Cash at bank		<u>161,607</u>	<u>138,754</u>
		165,886	143,618
Creditors			
Amounts falling due within one year	12	<u>(8,983)</u>	<u>(9,920)</u>
Net current assets		<u>156,903</u>	<u>133,698</u>
Total assets less current liabilities		687,457	664,252
Creditors			
Amounts falling due after more than one year	13	-	(7,224)
Net Assets		<u>687,457</u>	<u>657,028</u>
Fund balances			
Unrestricted General Fund	15	164,308	142,418
Unrestricted Buildings Fund	15	<u>523,149</u>	<u>514,610</u>
Total funds		<u>687,457</u>	<u>657,028</u>



E Stanton
Secretary



M Dunford
Trustee

Date: 13 / 06 / 2024

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	2023	2022
	£	£
Donations and gifts	48,369	48,021
Gift Aid recoverable	9,582	10,542
	<u>57,951</u>	<u>58,563</u>

3 Income from charitable activities	2023	2022
	£	£
Manse rental income	21,739	16,611
Contributions towards premises costs	-	3,000
	<u>21,739</u>	<u>19,611</u>

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

4 Other income	2023	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>-</u>	<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	2023	2022
	£	£
Moderator costs and expenses	3,362	4,206
General ministry costs	1,590	2,010
Outreach and development	2,138	1,159
Youth costs	3,841	6,827
Other groups and resources	1,880	2,566
	<u>12,811</u>	<u>16,768</u>

NOTES TO THE FINANCIAL STATEMENTS

6 Administrative Expenses	2023	2022
	£	£
Postage, printing and stationary	371	264
Telephone and broadband	764	794
General expenses	343	-
Independent Examiner fees	960	1,200
Bank charges	65	82
	<u>2,503</u>	<u>2,340</u>

7 Establishment Expenses	2023	2022
	£	£
Repairs and maintenance	5,449	1,457
Lighting and heating	8,362	3,235
Insurance	2,207	1,844
Water rates	176	110
	<u>16,194</u>	<u>6,646</u>

8 Manse costs	2023	2022
	£	£
Mortgage interest	1,014	1,153
Insurance	937	749
	<u>1,951</u>	<u>1,902</u>

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

9 Charitable giving		2023	2022
		£	£
Mechanics for Africa	Note 19	11,500	5,100
Compassion UK		1,400	2,232
Stepping Stones	Note 19	2,000	-
Baptist Home Mission		-	1,000
Disasters relief		900	500
Other charitable and pastoral gifts		2,175	1,348
		<u>17,975</u>	<u>10,180</u>

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>1,833,333</u>	<u>1,500,000</u>
Church Manse	<u>358,063</u>	<u>622,576</u>	<u>750,000</u>
Total at 30 September 2023	<u>530,554</u>	<u>2,455,909</u>	<u>2,250,000</u>
Total at 30 September 2022	<u>530,554</u>	<u>2,186,551</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 Limited. 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 2023 of £81,193 (30 September 2022: £73,744).

11 Debtors		2023 £	2022 £
Other debtors		<u>4,279</u>	<u>4,864</u>
		<u>4,279</u>	<u>4,864</u>
12 Creditors		2023 £	2022 £
Amounts falling due within one year			
Mortgage loan	Note 14	7,405	8,720
Other creditors and accruals		<u>1,578</u>	<u>1,200</u>
		<u>8,983</u>	<u>9,920</u>

NOTES TO THE FINANCIAL STATEMENTS

13 Creditors		2022	2022
Amounts falling due after more than one year		£	£
Mortgage loan	Note 14	-	7,224
Pension scheme liability		-	-
		-	7,224
Pension scheme liability		£	£
Liability at 30 September 2022/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		-	(18,264)
Provision carried forward at 30 September 2023/2022		-	-

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 liability at 30 Sept 2023 £	Total liability at 30 Sept 2022 £
Mortgage loan 1	1,619	-	1,619	3,483
Mortgage loan 2	5,786	-	5,786	12,461
	7,405	-	7,405	15,944

The mortgage loans are secured upon the Church Manse and are in the name of the Baptist Union Corporation Limited, 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.
At 30 September 2023 the interest rate was 8.74% (2022; 4.25%) (3.49% over Bank Base Rate).

NOTES TO THE FINANCIAL STATEMENTS

15 Funds and reserves	Unrestricted General Fund £	Unrestricted Premises Fund £	Restricted funds £	Total funds £
Total funds at 01 October 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
Net movement in funds - 2022/23	30,429	-	-	30,429
Transfer between funds	(8,539)	8,539	-	-
Total funds at 30 September 2023	164,308	523,149	-	687,457

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

	2023 £	2022 £
Unrestricted General Fund		
Gift Aid tax recoverable	4,279	4,864
Bank balances	161,607	138,754
Other creditors and accruals	(1,578)	(1,200)
Unrestricted General Fund	164,308	142,418
Unrestricted Premises Fund		
Church premises	172,491	172,491
Church manse	358,063	358,063
	530,554	530,554
Loans due within one year	(7,405)	(8,720)
Loans due after more than one year	-	(7,224)
	523,149	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 was due 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 remaining provision for the Pension Scheme liability was released in full at 30 September 2022.

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
Payments during year ended 30 September 2023	£ 12
Provision carried forward at 30 September 2023	£ Nil

Contingent liability - Cessation Event

At 30 September 2023, since the Church had no employee members of the Scheme it was subject to a cessation event under section 75 of the Pensions Act 1995. It was therefore potentially liable for its proportion of the Scheme deficit applicable to its previous ministers who were members of the scheme, assessed at £47,700. This liability would only become payable if the Church did not appoint an employee member of the Scheme within a three year period of grace. Since the agreement with Just, the 'period of grace' option has been removed. However, on 04 February 2024 the Church signed a Deferred Debt Agreement with Baptist Pensions which defers indefinitely payment of the cessation liability. As a consequence of the agreement with Just Group and the elimination of the Scheme deficit, it is widely anticipated that all member churches will be formally and fully released from any potential cessation liabilities within the short to medium term.

NOTES TO THE FINANCIAL STATEMENTS

18 Trustees' remuneration and benefits

During the year ended 30 September 2023 L Lewis was paid £360 (2022: £Nil) for cleaning services, provided on a self-employed basis and in full compliance with the CIO constitution requirements.

No trustees received any remuneration or benefits during the period ended 30 September 2022.

A total of £106 (2022: £227) was reimbursed to L Lewis during the period in respect of church fabric & maintenance expenses and youth resource costs.

A total of £766 (2022: £576) was reimbursed to two (2022: one) other trustees during the period in respect of software licences, ministry expenses and music group resources.

19 Related party disclosures

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

Donations of £11,500 (2022: £5,100) were made to MFA by the Church during the year (Note 9).

Stepping Stones Nursey School Milford (Stepping Stones) is a separate charity which was originally established by Milford Baptist Church unincorporated charity. Church members serve as trustees of Stepping Stones.

Stepping Stones operates from the Church premises and during the year made contributions of £Nil (2022: £3,000) towards premises running costs and overheads (Note 3).

A special donation of £2,000 (2022: £Nil) was made to Stepping Stones by the Church during the year (Note 9).

All trustees and members of Milford Baptist Church CIO make significant contributions to the Church throughout the year, be it service, finance or both. Most income from donations and gifts is contributed by members.