

THE BAPTIST CHURCH KILMINGTON
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE BAPTIST CHURCH KILMINGTON

YEAR ENDED 31 DECEMBER 2021

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**THE BAPTIST CHURCH KILMINGTON
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2021**

Reference and Administrative Details

Charity Name The Baptist Church Kilminster

Other Names Beacon Baptist

Address The Beacon
Whitford Road
Kilminster
Devon
EX13 7RF

Trustees The Revd Darrell Holmes (resigned August 2021)
Mike Hudson
Anthony Chape
Jon Garvey
Lesley Buss (Treasurer) (resigned March 2021)
Malcolm Eade (Treasurer) (appointed March 2021)
Richard Andrews (Church Secretary)

Property Trustees Baptist Union Corporation Ltd
Baptist House
PO Box 44
129 Broadway
Didcot
Oxon
OX11 8RT

Bankers Lloyds Bank PLC
Trinity Square
Axminster
Devon
EX13 5AL

Independent Examiner M Melksham FCCA
Bush & Co Limited
Chartered Accountants
2 Barnfield Crescent
Exeter
EX1 1QT

THE BAPTIST CHURCH KILMINGTON

REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2021

The Trustees present their report together with the financial statement for the year ending 31 December 2021.

Structure, Governance and Management

The Charity is governed by an Approved Governing Document. Members of the Church are accepted in accordance with the Constitution which requires them to be or to have been publicly baptised on the profession of faith in Jesus Christ or that persons seeking membership who have not been baptised in the manner described in the Union's Declaration of Principle may at the discretion of the Church Members' Meeting (CMM) be accepted for full membership based on their own public profession of faith.

The CMM normally takes place six times per year and has responsibility for the overall policy of the church. In accordance with the Constitution, the members appoint Elders, who together with the Minister, Associate Minister, Church Secretary and Treasurer (who are also appointed by the Members), are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Relevant matters may be submitted to the Church meeting by the Trustees for guidance, or may be raised by members in the Church meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at Church meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

Objectives and Activities

The principle purpose of the charity is the advancement of the Christian faith according to the principles of the Baptist denomination to include the advancement of education, community service and such other general charitable purposes in such parts of the United Kingdom and the world as the Church shall determine.

In order to achieve the principal objective, which is set out above, the Church provides a variety of activities both to its membership and to the community in general. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with Him as living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. Normally services take place each Sunday at 10.30 am and this year there were a number of afternoon services as we came out of lockdown. This year has been different due to the global pandemic, but even so services have been live streamed every week, or held in the carpark or in the church every Sunday since April. There are also occasional services at other times which are advertised on the Church Notice Board, in the newsletter and website at <http://www.beaconbaptist.co.uk/>. Normally there is a full children's programme during the morning service. The church seeks to be a friendly and welcoming community, and anybody is free to attend any of the services.

The Church runs a series of home groups for the growth of faith and discipleship in the homes of some members, and further details of these can be obtained from the Trustees or Administrator on request, or at the Sunday services of worship. This year has of course been somewhat different with, for much of the year, some groups continuing to meet over zoom or using the church's outside space, and more recently in homes whilst others sadly have been unable to meet.

The Church is responsible for a Toddler Group which meets in the Church premises on a Wednesday morning and monthly Messy Sparklers, with the purpose of assisting the community and demonstrating the love of Jesus Christ. The Church has also run a youth club for teenagers, and various events for young people including a Holiday Club in August. Sadly, for the early part of the year many of these activities have had to be curtailed. From time to time the Church

THE BAPTIST CHURCH KILMINGTON

REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2021

Objectives and Activities (Continued)

runs courses for people interested in discovering more about Christianity. The Church operates systems to ensure that all people working with children and adults at risk are appropriately vetted with regard to the Disclosure and Barring Service. The Trustees have read the Charity Commission guidance on public benefit and is satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

Achievement and Performance

The Church does not measure the success of its programmes only in numbers, including financial numbers but also in less tangible areas like fellowship and encouragement. The Trustees recognise that these are difficult areas to measure but believe that 2021 was a positive year in the life of the church, despite the pandemic and earlier lockdown. The Church has seen its members supporting and reaching out to others in different ways than before. It has also seen the commitment of younger members and others in the technical side of live streaming etc. The Church believes that it will be able to continue to pursue its mission purposes in 2022 with renewed enthusiasm as we return to a form of normality.

There were no baptisms in 2021, four people joined the church by transfer from other churches and others were voted into membership. Sadly four church members died during the year and others have moved to other churches closer to their homes or family or to further their ministry. At 31 December 2021 the membership stood at 94.

Average attendance at worship services has remained similar this year, and the church has put in place procedures to help people come back to in-person services by having a clear policy on mask wearing and continuing to allow social distancing for the more anxious. When held the numbers attending the children and young people's work remains similar to previous years. The Toddler Group continued to be very well supported with 20 families attending regularly.

When possible, the church members ran a monthly lunch group 'Contact Lunch' for members of the local community with a regular attendance of 30 many of whom do not have particularly close ties to the fellowship. The church hosts the 'Pop-up Post Office' on a Tuesday morning and provides refreshments and friendship/fellowship to everyone who uses the facility when Covid guidance allowed.

Financial Review

The Church continues to raise the funds which it needs to carry on its activities from within its own membership and congregation. No wider public appeal was made for funds during the year. Gross income for the year was £129,997 (2020 £107,059). Total receipts of £130,347 (2020 £107,527) included proceeds from the sale of assets £350.

The most significant expense related to the employment costs of Rev D Holmes, as Minister of the Church and Mike Hudson as the Minister in Training, to lead and co-ordinate the church's activities including the Sunday Services, to provide pastoral care for the congregation and other people, and to equip and encourage the membership in the life, Christian witness and service.

Mike is a Minister in Training on a four-year course which commenced in September 2018, from January 2022 Mike will become our Pastor for the foreseeable future.

The Church expressed its part in the life of the wider church by making grants to national and international Christian organisations, other churches and societies with Christian aims and objectives compatible with the church's own charitable purposes.

Total expenditure for the year was £93,491 (2020 £97,597) Total payments for the year of £105,373 (2020 £109,478) includes loan repayments of £11,882.

**THE BAPTIST CHURCH KILMINGTON
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2021**

Financial Review (Continued)

The Church is heavily dependent on its membership working as volunteers in all aspects of the church's activities, many of which are run with little or no impact on the church's expenditure, but nevertheless contribute substantially to the achievement of the church's objectives.

The financial results for the year, together with the summary of the accounting policies adopted are set out in the accompanying financial statements.

The church is a participating employer within the Defined Benefit section of the Baptist Pension scheme and has been making ongoing deficit payments to cover the costs of past service of its employees within the scheme under a recovery plan. The church understands that if it had left the scheme at the year-end it would have to have made a one-off payment estimated to be £45,100 to meet its statutory obligations to the scheme. The church has no plan to leave the scheme and expects to continue to make payments to the scheme in line with the recovery plan.

Reserves Policy

The Trustees have established a Reserves Policy to enable the church to function effectively to meet its obligations in the event of a decline in our income or a major cost.

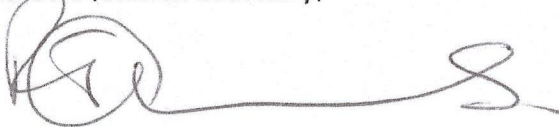
Having considered the relevant risk of changes in income and expenditure, the Trustees have determined that the appropriate level of reserves is in the range of £18-20,000. As at 31 December 2021, the church held total reserves of £81,227 of which £6,334 was restricted and £20,000 designated.

Plans for Future Periods

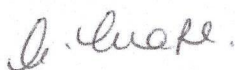
The Membership has agreed to continue the 20:20 Vision, a Medium-Term for the Church. A vision which includes 4 elements, Looking Up to God, In to the brothers and sisters in the fellowship, Out to unbelievers and Down to the next generations, though this will be reviewed as we enter a new chapter with our new Pastor. Mid year the fellowship said goodbye to the Senior Pastor who has moved to another fellowship in Devon, and following a Special Members Meeting in November has called our current Minister in Training to become our Pastor.

Approved by Trustees on 4th April 2022 and signed on its behalf by

Richard Andrews (Church Secretary)



Anthony Chape (Trustee)



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE BAPTIST CHURCH KILMINGTON
YEAR ENDED 31 DECEMBER 2021**

I report to the trustees on my examination of the accounts of the above charity ("the Church") for the year ended 31 December 2021, which are set out on pages 6 to 12.

Respective Responsibilities of Trustees and Examiner

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

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioner under section 145 (5) (b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

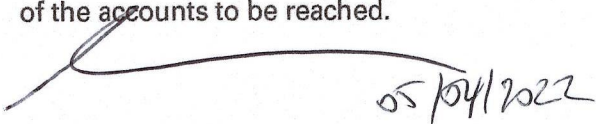
Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 the seeking of 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 Examiner's Statement

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

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Matthew Melksham FCCA
Bush & Co Limited
Chartered Accountants
2 Barnfield Crescent
Exeter
EX1 1QT
Date:

THE BAPTIST CHURCH KILMINGTON
RECEIPTS AND PAYMENTS ACCOUNTS
YEAR ENDED 31 DECEMBER 2021

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
RECEIPTS						
Offerings		88,338	-	1,150	89,488	80,582
Donations and other income	2	17,286	-	5,400	22,686	9,926
Income tax recovered		15,434	-	-	15,434	14,195
Interest received		335	-	-	335	147
Government grant		502	-	-	502	960
Local mission	3	1,552	-	-	1,552	1,249
Gross income		123,447	-	6,550	129,997	107,059
 Sale of assets		 350	 -	 -	 350	 468
Total receipts		123,797	-	6,550	130,347	107,527
PAYMENTS						
Ministerial expenses	4	52,717	400	1,900	55,017	60,148
Mission and evangelism	5	13,830	-	-	13,830	11,530
Property expenses	6	8,008	-	-	8,008	8,006
Administration	7	6,838	-	-	6,838	7,034
Miscellaneous expenses	8	3,870	-	-	3,870	3,483
Local mission	9	5,928	-	-	5,928	7,396
Total expenditure		91,191	400	1,900	93,491	97,597
 Repayment of loan		 11,882	 -	 -	 11,882	 11,881
Total payments		103,073	400	1,900	105,373	109,478
Net receipts/(payments)		20,724	(400)	4,650	24,974	(1,951)
Transfer between Funds	10	(20,000)	20,000	-	-	-
TOTAL CASH FUNDS B/F		54,169	400	1,684	56,253	58,204
TOTAL CASH FUNDS C/F	10	54,893	20,000	6,334	81,227	56,253

**THE BAPTIST CHURCH KILMINGTON
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Fund £	Total 2021 £	Total 2020 £
ASSETS					
Cash funds					
Lloyds Bank current account		18,427	6,334	24,761	9,837
B U 7 day deposit account		16,360	-	16,360	16,326
B U 1 yr deposit account		40,000	-	40,000	30,000
Petty Cash		156	-	156	90
Total cash funds		74,943	6,334	81,277	56,253
Assets held for charity's own use	11	1,991,203	-	1,991,203	1,991,203
Total assets		2,066,146	6,334	2,072,480	2,047,456
LIABILITIES					
Agency account	12	50	-	50	-
Long term loan	13	149,942	-	149,942	157,062
Pension scheme liability	14	45,100	-	45,100	70,400
Total liabilities		199,742	-	199,742	227,462

The notes on pages 8 to 12 form an integral part of these accounts.

These accounts were approved by the trustees on 4th April 2022 and signed on their behalf by:



Malcolm Eade (Treasurer)

Anthony Chape (Trustee)



THE BAPTIST CHURCH KILMINGTON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

These accounts have been prepared on a 'receipts and payments' basis and in accordance with Section 133 Charities Act 2011.

2. DONATIONS AND OTHER INCOME

	2021	2020
	£	£
Premises income	3,673	3,627
Sundry gifts and legacies	19,013	6,299
	<u>22,686</u>	<u>9,926</u>

3. LOCAL MISSION RECEIPTS

	2021	2020
	£	£
Children's activities	834	855
Fellowship groups and events	718	394
	<u>1,552</u>	<u>1,249</u>

4. MINISTERIAL EXPENSES

	2021	2020
	£	£
Stipends and pensions	35,598	41,748
Travel and training	3,431	1,625
Manse costs	13,092	15,274
Discipleship	2,169	1,451
Visiting speakers	150	50
Ministerial sundries	577	-
	<u>55,017</u>	<u>60,148</u>

5. MISSION AND EVANGELISM

	2021	2020
	£	£
BMS World Mission	3,900	3,900
BMS Home Mission	3,900	4,900
Sundry appeals and gifts	6,030	2,730
	<u>13,830</u>	<u>11,530</u>

THE BAPTIST CHURCH KILMINGTON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021

6. PROPERTY EXPENSES

	2021	2020
	£	£
Beacon utilities	2,396	3,333
Beacon repairs, maintenance and cleaning	5,612	4,673
	<u>8,008</u>	<u>8,006</u>

7. ADMINISTRATION

	2021	2020
	£	£
Administrator costs	4,404	3,258
Printing postage and stationery	1,586	1,971
Telephones and communication	848	1,805
	<u>6,838</u>	<u>7,034</u>

8. MISCELLANEOUS EXPENSES

	2021	2020
	£	£
Subscriptions and training	1,466	1,485
Music copyright licence	1,202	1,028
Catering expenses	476	412
Accountancy fees	726	558
	<u>3,870</u>	<u>3,483</u>

9. LOCAL MISSION PAYMENTS

	2021	2020
	£	£
Children's activities	1,244	713
Fellowship groups and events	567	45
Local mission	247	405
Worship costs	3,870	6,233
	<u>5,928</u>	<u>7,396</u>

THE BAPTIST CHURCH KILMINGTON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021

10. MOVEMENTS IN FUNDS

CURRENT YEAR	Balance B/Forward £	Receipts £	Payments £	Transfers £	Balance C/forward £
Unrestricted					
<i>General funds</i>	54,169	123,797	(103,073)	(20,000)	54,893
<i>Designated funds</i>					
Manse fund	400	-	(400)	-	-
Reserve fund	-	-	-	20,000	20,000
	54,569	123,797	(103,473)	-	74,893
Restricted					
Youth	1,684	-	-	-	1,684
Ministerial Training	-	6,550	(1,900)	-	4,650
Total funds	56,253	130,347	(105,373)	-	81,227
PRIOR YEAR	Balance B/Forward £	Receipts £	Payments £	Transfers £	Balance C/forward £
Unrestricted					
<i>General funds</i>	55,640	107,527	(108,998)	-	54,169
<i>Designated funds</i>					
Manse fund	880	-	(480)	-	400
	56,520	107,527	(109,478)	-	54,569
Restricted					
Youth	1,684	-	-	-	1,684
Total funds	58,204	107,527	(109,478)	-	56,253

THE BAPTIST CHURCH KILMINGTON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021

11. ASSETS HELD FOR CHARITY'S OWN USE

The Church is the beneficial owner (subject to the relevant trusts) of the following assets, the legal title to which is held by the Church's custodian trustee, the Baptist Union Corporation Ltd.

The figures entered here represent the insured values.

	2021 £	2020 £
Church premises at Whitford Rd, Kilminster, EX13 7RF	1,665,722	1,665,722
Church Manse at 33 Dukes Way, Axminster, EX13 5QP	187,981	187,981
Furniture, fixtures and equipment	137,500	137,500
	<u>1,991,203</u>	<u>1,991,203</u>

12. AGENCY ACCOUNT

	2021 £	2020 £
Monies raised to be paid onward in future years	50	-
	<u>50</u>	<u>-</u>

13. LONG TERM LIABILITY

	2021 £	2020 £
Baptist Union Loan Fund Loan	149,942	157,062
	<u>149,942</u>	<u>157,062</u>

14. PENSION SCHEME LIABILITY

The Church is a participating employer in the Baptist Pension Scheme (the Scheme) which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Ltd). 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 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. Since 1 January 2012, benefits have been provided through a Defined Contribution (DC) Plan.

**THE BAPTIST CHURCH KILMINGTON
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2021**

14. PENSION SCHEME LIABILITY (Continued)

A formal valuation of the DB Plan as 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.

Under the Schedule of Contributions, the Church makes a monthly payment in respect of the DB scheme deficit, currently £312.48 which will increase in line with increases in Minimum Pensionable Income. The Schedule of Contributions foresees these contributions continuing until 30th June 2026. The pension scheme liability shown in the Statement of Assets and liabilities is calculated as the current rate per month multiplied by the number of months remaining in the current Schedule of Contributions, which amounted to £16,874 as at 31 December 2021.

The Church has been advised that the estimated cost for the church to buyout their Pension Scheme liabilities as at 31 December 2021 was £45,100.