

NORTHCOTE ROAD BAPTIST CHURCH

31 December 2022

Annual Report and Financial Statements

Tandem Accounting
Chartered Accountants
17 Heathville Road
London N19 3AL

NORTHCOTE ROAD BAPTIST CHURCH

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NORTHCOTE ROAD BAPTIST CHURCH

Legal & Administrative Information For the year ended 31 December 2022

Charity Name	Northcote Road Baptist Church. The Church was established in September 1882	
Charity Registration no	The church has excepted registration status.	
Principal Address	Northcote Road Baptist Church, 102-106 Northcote Road, London, SW11 6PN	
Governing Document	The Church's governing document was adopted at a church meeting held on 13 October 2013.	
Objectives	The principal purpose of the Church is to be an open and inclusive space in the community where those exploring faith can be made to feel welcome and those on a life long journey of faith can feel at home.	
Affiliations	The church is a member of the Baptist Union of Great Britain and the London Baptist Association.	
Trustees	The Trustees who served during the year or who were serving at the date of this report were:	
Holding Trustee	London Baptist Property Board Ltd, Unit C2, 15 Dock Street, London E1 8JN	
Managing Trustees	Malcolm Johnston Caroline Johnston Les Rees-Partridge Darren Powell	Secretary (resigned 31 December 2023) Treasurer (resigned 31 December 2023) Deacon (resigned 19 February 2023) Pastor
Bank	Barclays Bank plc	
Independent Examiner	Christine Cheung-Poston Flat 48 Samford House Charlotte Terrace Islington London N1 0JF	
Accountants	John Helm ACA Tandem Accounting 17 Heathville Road London N19 3AL	

NORTHCOTE ROAD BAPTIST CHURCH

Annual Report of the Church Executive For the year ended 31 December 2022

The Church Executive submits its annual report and the financial statements of Northcote Road Baptist Church ("the Church") for the year ended 31 December 2022. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2019 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

1. Structure, Governance & Management

1.1 Trustees

The Church has two classes of trustees as follows:

1.1.1 Managing Trustees

The Managing Trustees of the Church are responsible for the day to day management of the Church's business in accordance with the Church's objects.

The Managing Trustees are the members of the Church Executive elected by the Church members' meeting. The Church Executive consists of all the leaders, the church secretary, the church treasurer, and the minister as ex officio member. Deacons will normally serve a term of office of three years. Leaders are elected at the church AGM annually. Ministers are appointed at Special Church Meetings and serve without fixed term. They can only be removed at Special Church Meetings.

The Church Executive meets regularly, to discuss the full range of matters relating to finance, fabric, general administration, the implementation of the church governing document, and the maintenance of the church membership roll.

None of the Church's officers, with the exception of the Minister, receives remuneration.

The induction process for any church member newly-appointed to the Church Executive comprises an initial meeting with the Minister and receipt of copies of the Church Constitution, the most recent financial statements, and the Charity Commission's guidance 'The Essential Trustee'.

1.1.2 The Holding Trustee

The holding trustee is responsible for holding the Church's land and buildings on trust for the benefit of the church and ensuring that the use of the land and buildings is as envisaged by the Trust Deed. The holding trustee is the London Baptist Property Board, appointed by the Members without fixed term and can be removed by the Members.

1.2 Church Members

Church Membership is open to those who would like to commit themselves to the life of NRBC and its community.

Church Members share in the responsibility for the finances, administration, maintenance and activities of the church and elect the Church Executive. Church Members meet regularly each year for meetings, and receive reports from the Church Executive.

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2. Activities & Strategies

Northcote Road Baptist Church is a church for all in Battersea.

On a wider front the Church is in membership with the London Baptist Association and the Baptist Union of Great Britain. The Church Executive has given due regard to the Charity Commissions 'guidance on public benefit. During the year the Church continued to carry out the following activities in order to promote the Gospel in the local neighborhood and beyond.

Aside from the normal Sunday morning service, there are a number of organised activities throughout the week including prayer and bible study groups, running clubs, pastoral support and advocacy.

3. Achievements and Performance

Normally NRBC provides worship on a Sunday, with communion on a regular monthly basis.

There were no baptisms or weddings during the period.

4. Financial Review

The church's main source of funding is the free will offerings of church members, income from letting the church premises and income from the investment property.

4.1 Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 8 and 9 respectively. The Church's funds increased by £44,899 (2021: decreased by £17,437). The balance sheet shows total net assets of £6,199,498 (2021: £6,154,599).

4.2 Reserves Policy

The Church Executive has examined the requirements for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets. The Church Executive considers that, given the nature of the Church's work, free reserves should be equivalent to approximately 6 months 'routine general fund expenditure, plus committed future expenditure on other projects, where funds permit.

The Church Executive is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources and will allow the church to cope and respond to unforeseen emergencies whilst specific action plans are implemented. At 31 December 2022 the Church had net free reserves of £686,234 (2021: £679,792) as follows:

	2022 £	2021 £
Total reserves	7,199,972	7,155,311
Less: unrestricted fixed assets used for the continuing work of the church	(6,600,714)	(6,600,712)
Add: creditors due in more than one year	86,976	107,893
Add: provisions	-	17,300
Free reserves	686,234	679,792
Free reserves requirement:		
6 month's budgeted routine expenditure	60,000	60,000

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4.3 Investment Policy

The church maintains a small portfolio of properties to provide a rental income. Any funds in excess of day to day requirements are placed on interest bearing deposit.

4.4 Grants Policy

The Church makes grants to support missionary endeavours both in the UK and abroad. The policy of the church is to give grants on the basis that they are subject to annual review and only renewed on the basis of meeting set criteria. The missionary societies supported during the year included the BUGB Home Mission Fund (www.baptist.org.uk/homemission), Operation Mobilisation and Zimkids.

5. Plans for Future Periods

We will continue to gather every Sunday at 11am to re-engage with the story of God's unconditional love. We'll do this through music, a short talk and spending time together. Whether people are visiting, exploring faith, or looking for a place to call their home, everyone is welcome to join us.

6. Responsibilities of Trustees for the Financial Statements

The Church Executive is responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Charity law in England and Wales requires the Church Executive to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing those financial statements, the Church Executive is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the charity will continue.

The Church Executive is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document. The Church Executive is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Church Executive is responsible for the maintenance and integrity of the charity and financial information included in the charity's website.

7. Approval

The report of the Church Executive was approved by the Church Executive on 18 March 2024 and signed on its behalf by:



Darren Powell
Chair of Trustees

NORTHCOTE ROAD BAPTIST CHURCH

Report of the Independent Examiner to the Church Executive of Northcote Road Baptist Church

I report on the financial statements of Northcote Road Baptist Church for the year ended 31 December 2022, set out on pages 7 to 18.

This report is made solely to the Church Executive in accordance with section 145 of the Charities Act 2011 ("the Act"). My independent examination has been undertaken so that I might state to the Church Executive those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by the law, I do not accept responsibility to anyone other than the Trust and the Church Executive for my independent examination, for this report, or the opinions I have formed.

RESPECTIVE RESPONSIBILITIES OF CHURCH EXECUTIVE AND EXAMINER

The Church Executive considers that an audit is not required for this year (under section 144(2) of the Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under section 145 of the Act);
- To follow the procedures laid down in the General Direction given by the Charity Commission (under section 145(5)(b) of the 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 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 seeking explanations from the Church Executive concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept (in accordance with section 130 of the Act); and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or
2. to which, in my opinion, attention should be drawn in order to enable proper understanding of the accounts to be reached.



Christine Cheung-Poston
18 March 2024

NORTHCOTE ROAD BAPTIST CHURCH

Statement of Financial Activities

For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Income from:	2						
Donations and legacies		8,130	-	8,130	13,706	-	13,706
Other trading activities		148,055	-	148,055	124,258	-	124,258
Investments		6,946	-	6,946	7,801	-	7,801
Total Income		163,131	0	163,131	145,765	0	145,765
Expenditure on:							
Raising funds		447	-	447	1,069	-	1,069
Charitable activities	3	118,023	-	118,023	161,471	-	161,471
Total Expenditure		118,470	0	118,470	162,540	0	162,540
Net gains/(losses) on investments		-	-	-	-	-	-
Net income	4	44,661	0	44,661	(16,775)	0	(16,775)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		44,661	0	44,661	(16,775)	0	(16,775)
Total funds brought forward		7,155,311	-	7,155,311	7,172,086	-	7,172,086
Total funds carried forward		7,199,972	0	7,199,972	7,155,311	0	7,155,311

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Balance Sheet

As at 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Fixed Assets					
Tangible Assets	5	6,600,714	-	6,600,714	6,600,712
Investments	6	600,000	-	600,000	600,000
		7,200,714	0	7,200,714	7,200,712
Current Assets					
Debtors	7	16,979	-	16,979	1,178
Cash At Bank And In Hand		91,038	-	91,038	103,050
		108,017	0	108,017	104,228
Creditors - Amounts Falling Due Within One Year	8	21,783	-	21,783	24,436
Net Current Assets		86,234	0	86,234	79,792
Creditors - Amounts Falling Due After More Than One Year	9	86,976	-	86,976	107,893
Provisions	10	-	-	-	17,300
Net Assets		7,199,972	0	7,199,972	7,155,311
Represented by:					
Restricted Income Funds	12	-	-	-	-
Unrestricted Income Funds		7,199,972	-	7,199,972	7,155,311
Total Funds		7,199,972	0	7,199,972	7,155,311

The financial statements were approved by the Church Executive on 18 March 2024 and signed on its behalf by:



Darren Powell
Chair of Trustees

NORTHCOTE ROAD BAPTIST CHURCH

Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)). The financial statements are drawn up on the historical cost basis of accounting except for the revaluation of freehold land and buildings which are shown at market value.

The financial statements include all transactions, assets and liabilities for which the Church is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body or those that are informal gatherings of church members.

The Church meets the definition of a public benefit entity under FRS 102.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

The income from trading activities includes rental income from the letting of church premises and freehold land and buildings which is accounted for when earned. It is shown gross, with the associated costs included in fundraising costs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Church; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The Church is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Charitable expenditure includes those costs in fulfilling the Church's principal objects, as outlined in the Report of the Church. These include governance costs which comprise all costs involving the public accountability of the Church and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

The church pays pension contributions for the Ministers into the Baptist Pension Scheme, a final salary defined benefit scheme for contributions until 31 December 2011 and a defined contribution scheme for contributions made thereafter. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the church. The scheme is therefore accounted for as a defined contribution scheme, with contributions payable to the scheme being accounted for on an accruals basis. In addition, the church currently pays contributions towards a deficit on the defined benefit scheme. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The deficit, discounted to present value, is fully provided in these accounts and the charge to the income and expenditure account, which is included in the total pension cost, is the employer contributions payable as adjusted by the movement in the discounted provision.

Rentals under operating leases are charged as incurred over the term of the lease.

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Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting Policies (continued)

Tangible Fixed Assets

The church land and buildings and the church manse are stated at valuation when first recognised in 2020. No depreciation is charged in respect of freehold land and buildings, as the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.

The cost of furniture, fittings and equipment, less any expected residual value, is depreciated on a straight line basis over the effective useful life of the asset, which has been estimated as four years.

Investments

Investment properties are stated at market value and revalued every five years. Realised and unrealised gains and losses on investments are reflected through the Statement of Financial Activities. An in-house review is performed annually based on information from local residential price changes.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount. Provisions have been calculated at the best estimate of the settlement amount and discounted to present value at the reporting date.

Loans

The Church's loans with the London Baptist Property Board qualify as basic financial instruments and are classified as concessionary loans. Concessionary loans are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

The funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that 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 particular restricted purposes.

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Notes to the Financial Statements For the year ended 31 December 2022

2. Income

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Donations & legacies				
Offerings and donations	8,130	-	8,130	13,706
	8,130	0	8,130	13,706
Other trading income				
Lettings income	148,055	-	148,055	124,258
	148,055	0	148,055	124,258
Investment income				
Bank Interest	46	-	46	1
Rent	6,900	-	6,900	7,800
	6,946	0	6,946	7,801
	163,131	0	163,131	145,765

3. Expenditure on Raising Funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Expenditure in relation to the investment property	447	-	447	1,069

4. Expenditure on Charitable Activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Provision of Minister (see note 3a)	27,344	-	27,344	105,138
Church life & outreach	15,108	-	15,108	465
Gifts & grants (see note 3b)	5,797	-	5,797	5,004
Office costs	5,530	-	5,530	3,544
Provision of church building and facilities	63,994	-	63,994	47,070
Governance	250	-	250	250
	118,023	0	118,023	161,471

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Notes to the Financial Statements For the year ended 31 December 2022

4. Expenditure on Charitable Activities (continued)

4a. Gifts to Individuals and organisations

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Gifts to individuals:	27		27	-
Gifts to organisations:				
Operation Mobilisation	4,570	-	-	5,004
UK Home Mission	600	-	-	-
ZimKids	600	-	-	-
	5,770	0	0	5,004
	5,797	0	27	5,004

4b. Staff costs

	2022 £	2021 £
Included within Expenditure on Charitable Activities are the following staff costs:		
Gross salaries	30,271	9,600
Employer National Insurance	3,081	918
Employer's Annual Allowance	(3,081)	(918)
Pension contributions – current	2,880	960
Pension contributions – movement on deficit provision – see note 10	(15,108)	(531)
	18,043	10,029
Of which the following salaries and pension contributions were in relation to Key Management Personnel:		
Gross salaries	30,271	9,600
Pension contributions - current	2,880	960
The average number of employees during the year:	2022 Number	2021 Number
Full time workers	1	1
Part time workers	-	-

The average number of employees during the year was 1 (2021: 1) being 1 full time minister (2021: 1). No employee received emoluments in excess of £60,000 during the year.

No trustees (2021: nil) received reimbursement for expenditure.

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Notes to the Financial Statements For the year ended 31 December 2022

5. Tangible Fixed Assets

	Freehold land & buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2021	6,600,000	949	6,600,949
Additions	-	319	319
Disposals	-	-	-
	<u>6,600,000</u>	<u>1,268</u>	<u>6,601,268</u>
At 31 December 2022	<u>6,600,000</u>	<u>1,268</u>	<u>6,601,268</u>
Depreciation			
At 1 January 2021	-	237	237
Charge For Year	-	317	317
Disposals	-	-	-
	<u>0</u>	<u>554</u>	<u>554</u>
At 31 December 2022	<u>0</u>	<u>554</u>	<u>554</u>
Net Book Value			
At 31 December 2022	<u>6,600,000</u>	<u>714</u>	<u>6,600,714</u>
At 31 December 2021	<u>6,600,000</u>	<u>712</u>	<u>6,600,712</u>

The church's freehold properties are the church and hall at 109 Northcote Road, London, SW11 6PN and the manse at 84 Alfriston Road, London SW11 6NW. All of the fixed assets are used for charitable purposes.

All properties are included initially at valuation. The church and hall have been valued using a yield multiplier of 5% - which is considered a reasonable yield basis for a good tenant. This reaches a crude value figure of £5,100,000.

6. Fixed Asset Investments

Investment properties	2022 £	2021 £
At 1 January	600,000	600,000
Revaluation	-	-
Disposals/redemptions	-	-
	<u>600,000</u>	<u>600,000</u>
At 31 December	<u>600,000</u>	<u>600,000</u>

The church's investment property is 102A Northcote Road, London SW11. The valuation was undertaken by the trustees based on information from local residential price changes.

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Notes to the Financial Statements For the year ended 31 December 2022

7. Debtors

	2022 £	2021 £
Lettings income receivable	16,979	1,179
Gift Aid Receivable	-	-
	<u>16,979</u>	<u>1,179</u>

8. Creditors - Amounts Falling Due Within One Year

	2022 £	2021 £
Loan: London Baptist Property Board (see note 9)	20,000	20,000
Other creditors including taxation and social security	783	2,686
Accruals	1,000	1,750
	<u>21,783</u>	<u>24,436</u>

9. Creditors - Amounts Falling Due After More Than One Year

	2022 £	2021 £
Loan: London Baptist Property Board	<u>86,976</u>	<u>107,893</u>

Loan interest is payable at a variable percentage rate per annum. The capital is repayable in equal quarterly instalments over ten years commencing 6 months from the date of the second of two draw downs, which was 18 May 2017, the first being on 31 December 2016. The loan is unsecured.

10. Provisions

	2022 £	2021 £
Balance brought forward	17,300	21,526
Deficit contributions made in the year	(2,192)	(3,695)
Unwinding of discount	(15,108)	(531)
	<u>0</u>	<u>17,300</u>

The provision is in respect of deficit pension contributions due to the Baptist Pension Scheme. The current deficit reduction plan requires contributions to be made until June 2026. The provision has been calculated based on the current deficit contributions, assuming they will increase by inflation, and the total liability has been discounted to present value using a market bond rate, using the following assumptions set by reference to the duration of the deficit recovery payments:

	31 Dec 2022	31 Dec 2021	31 Dec 2020
Discount rate	5.7%	2.0%	1.4%
Future increases to Minimum Pensionable Income	5.6%	3.2%	3.3%

More details of the pension provision can be found in note 11.

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Notes to the Financial Statements For the year ended 31 December 2022

11. Pensions

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the Scheme are held separately from those of the Employer and the other participating employers. The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that the scheme is accounted for as if the Scheme were a defined contribution scheme.

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.

From January 2012, pension provision is being made through the **Defined Contribution (DC) Plan** within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

The Ministers and some members of the church staff are eligible to join the Scheme, which is not contracted out of the State Second Pension.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out 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 key financial assumptions underlying the valuation were as follows:

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increase Adjustment (above CPI)	0.50
Assumed investment returns	
• Pre-retirement	2.95
• Post retirement	1.70
Deferred pension increases	
• Pre April 2009	3.20
• Post April 2009	2.50
Pension increases	
• Main Scheme pension	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%. The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022.

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Notes to the Financial Statements For the year ended 31 December 2022

11. Pensions (continued)

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. 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 there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. A provision has been included in the accounts for the amounts due under this agreement in accordance with section 28.11A of FRS 102 (see note 9). Accordingly, the income and expenditure account charge for the period represents the employer contributions payable as adjusted for the movement in the provision. The total pension cost for the Church in 2022 was a credit of £12,228 (2021: debit of £429).

12. Related Party Transactions

The trustees made voluntary donations of £8,160 (2021: £13,706) during the year.

NORTHCOTE ROAD BAPTIST CHURCH

Notes to the Financial Statements For the year ended 31 December 2022

13. Reconciliation between Cash Accounting and Accruals Accounting in 2020 & 2021

The previous accounts, to 31 December 2021, were drawn up on a receipts and payments basis. Following the change of basis to accruals accounting in 2022, the 2021 and 2020 accounts have been restated across the balance sheet headings as follows:

13a: 2020	Fixed Assets £	Investments £	Debtors £	Bank & cash £	Creditors £	Provisions £	Total £	Restricted Funds £	Unrestricted Funds £
As previously stated at 31 December 2020	-	-	-	110,589	-	-	110,589	-	110,589
Accruals adjustments 2020:									
Fixed assets	6,600,000	-	-	-	-	-	6,600,000	-	6,600,000
Investments	-	600,000	-	-	-	-	600,000	-	600,000
Debtors - lettings	-	-	26,499	-	-	-	26,499	-	26,499
Creditors - accruals	-	-	-	-	(1,500)	-	(1,500)	-	(1,500)
Creditors - loans	-	-	-	-	(141,976)	-	(141,976)	-	(141,976)
Provisions	-	-	-	-	-	(21,526)	(21,526)	-	(21,526)
Total accruals adjustments	6,600,000	600,000	26,499	0	(143,476)	(21,526)	7,061,497	0	7,061,497
Restated 31 December 2020	6,600,000	600,000	26,499	110,589	(143,476)	(21,526)	7,172,086	0	7,172,086

NORTHCOTE ROAD BAPTIST CHURCH

Notes to the Financial Statements For the year ended 31 December 2022

13. Reconciliation between Cash Accounting and Accruals Accounting in 2020 & 2021

13b: 2021	Fixed Assets £	Investments £	Debtors £	Bank & cash £	Creditors £	Provisions £	Total £	Restricted Funds £	Unrestricted Funds £
As previously stated at 31 December 2021	-	-	-	103,050	-	-	103,050	-	103,050
Accruals adjustments 2020 (see 13a above)	6,600,000	600,000	26,499	-	(143,476)	(21,526)	7,061,497	-	7,061,497
Accruals adjustments 2021:									
Fixed assets	712	-	-	-	-	-	712	-	712
Debtors - lettings	-	-	(25,321)	-	-	-	(25,321)	-	(25,321)
Creditors – other creditors	-	-	-	-	(2,686)	-	(2,686)	-	(2,686)
Creditors - accruals	-	-	-	-	(250)	-	(250)	-	(250)
Creditors - loans	-	-	-	-	14,083	-	14,083	-	14,083
Provisions	-	-	-	-	-	4,226	4,226	-	4,226
Total accruals adjustments	6,600,712	600,000	1,178	0	(132,329)	(17,300)	7,052,261	0	7,052,261
Restated 31 December 2021	6,600,712	600,000	1,178	103,050	(132,329)	(17,300)	7,155,311	0	7,155,311