

Charity registration number: 1199579



## Hereford Baptist Church

Annual Report and Financial Statements

for the period from 1 April 2023 to 31 December 2023

Young & Co  
Chartered Accountants & Registered Auditors  
St Ethelbert House  
Ryelands Street  
Hereford  
HR4 0LA



## **Hereford Baptist Church**

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## **Hereford Baptist Church**

### **Trustees' Report**

Hereford Baptist Church (HBC, the CIO) was registered as a Charitable Incorporated Organisation, number 1199579 on 7 July 2022 but was dormant until 1 April 2023, when it took over the assets and operations of Hereford Baptist Church, an unincorporated trust, registered number 1131325.

The trustees present their first report and unaudited accounts for HBC for the nine month period ended 31 December 2023. The accounts have been prepared in accordance with applicable accounting standards and the Charities SORP (FRS102) - Statement of Recommended Practice 2019: Accounting and Reporting by Charities. Assets, income and expenditure transferred from the unincorporated charity have been accounted for using merger accounting principles.

#### **Objectives and activities**

##### ***Objects and aims***

The CIO is governed by a constitution which states that the principal purpose 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/or other parts of the world.

The church provides a variety of activities both to its membership and to the wider community. The aim is to show the love of Jesus Christ in both words and actions - assisting within the community, sharing the gospel and bringing those who wish into a close relationship with Him as living Lord.

##### ***Public benefit***

When planning our activities for the year, the Trustees have considered the Charities Commission guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. We try to enable ordinary people to live out their faith as part of a community of believers through:

- Regular worship services open to all
- Small groups for people to develop their knowledge and trust in Jesus
- Community outreach
- Pastoral care for those who are sick or struggling
- Mission support, both nationally and internationally

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **Hereford Baptist Church**

### **Trustees' Report (continued)**

#### **Achievements and performance**

Having served the city for 195 years as an unincorporated charity and now as a CIO, HBC has a history of engaging with the local community, encouraging faith and providing for people's physical, social and spiritual needs.

Central to the work and witness of the church are its regular public services of Christian worship at 10.30am each Sunday, which includes programmes for children and young people. In addition, there have been occasional reflective communion services held on Sunday afternoons. Services are generally held on the church premises but occasionally in the open air at Bishops Meadow. Sunday morning services are streamed online for those who are unable to attend in person; during Covid lockdowns, streaming was the only way to access them.

HBC continues to seek to be a friendly, welcoming community. All services are open to anyone who wishes to attend, and we have been pleased to welcome new attenders, both online and in person. Full details of services are available on the church website - <http://www.herefordbaptist.org.uk>.

Church and living out faith are not viewed just as 'once a week activities' but as part of our everyday attitude of worship. A number of HBC small groups meet during the week for the growth of faith and community.

HBC members seek to share our resources and our faith with the community that surrounds the church. Recent outreach events have included Christmas Carols at the Maylord shopping centre, with enthusiastic participation by our young people, and a very popular children's holiday club at Easter. Our weekly Tot-Stop sessions attract a number of local young families.

Our members contribute directly to wider charitable activities and the church ensures that a significant contribution is made towards other communities from its income. Specific groups that received funding from the church in this year included the Baptist Missionary Society, the Baptist Union Home Mission, and Wycliffe Bible Translators. The levels of support provided to these and other missions are reviewed regularly by the Trustees in consultation with the members.

HBC pursues all these activities with the assistance of a paid minister and two paid part-time administrators. HBC members voted in February 2023 to appoint our Minister in training, Jon Stark, as our full time minister from September 2023.

## **Hereford Baptist Church**

### **Trustees' Report (continued)**

#### **Financial review**

(£1k = £1,000, comparative figures in brackets are for the unincorporated trust)

The core activities of Hereford Baptist Church are funded by collections and gifts from those who attend the church and by rental income.

Total income on unrestricted general funds for the 9 month period was £115k (year to 31 March 2023: £160k) which included donations, gift aid, bequests, deposit interest and rental income (HBC has two manses in Hereford, one of which is currently rented out and the other has been renovated recently for occupation by our Minister and his wife). General fund expenditure amounted to £81k (year to 31 March 2023: £101k).

Restricted donations of £7k (year to 31 March 2023: £13k) were received for particular charities or mission activities and passed on as appropriate. BMS World Mission and a new local charity, The Living Hope CIO, benefited from specific appeals during the period.

The church is committed to granting at least 15% of its annual income each year to mission organisations. This amounted to £15k for the period.

The net result for the 9 month period was a general fund surplus of £33,602 (year to 31 March 2023: surplus of £59,175). The general fund balance carried forward was £341,498. HBC properties are held in a designated property fund with a balance of £2,822,540.

Other fund balances carried forward were:

- £750 designated hardship fund;
- £653 designated Totstop fund;
- £2,270 restricted mission fund;
- £5,400 other restricted giving (primarily for HBC's youth work); and
- £97,910 held in trust for building work and improvements.

#### ***Policy on reserves***

HBC does not pursue the accumulation of reserves as a policy but seeks to use the resources given to it to pursue its objectives. It has, however, recognised the need to maintain a level of reserves sufficient to meet both the expected and unexpected costs of pursuing those objectives.

HBC aims to maintain a minimum reserve equal to at least four months of anticipated expenditure. Both the level of reserves and the policy on the use of any accumulated funds are reviewed regularly by the Trustees when the charity's accounts are prepared.

At 31 December 2023, HBC's unrestricted cash balances stood at £333k, which equates to 26 months of anticipated expenditure for 2024.

## **Hereford Baptist Church**

### **Trustees' Report (continued)**

#### **Going concern**

The assets transferred from the unincorporated charity were sufficient to ensure that the CIO would operate as a going concern. The Trustees consider it appropriate to continue using the going concern basis in preparing these accounts.

#### ***Use of volunteers***

The Trustees would like to thank the many unpaid volunteers who give readily of their time, experience and skills. Without this army of people, the church would not be able to run the many activities that provide discipleship, support, pastoral care and outreach to those within the church and our local community. No financial value has been attributed to volunteer time in HBC's financial statements.

#### **Structure, governance and management**

##### ***Organisational structure***

The church is governed by Trustees consisting of the Minister and Deacons. Certain specific aspects of the church's life are led by individual deacons. The church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted by reference to Disclosure and Barring Service (DBS) checks and procedures and have completed safeguarding training.

Members of Hereford Baptist Church (HBC) are accepted in accordance with the Constitution. The normal mode of entry into membership of a Baptist Church is to have been publicly baptised on the profession of faith in Jesus Christ. However, persons seeking membership who have not been publicly baptised may be accepted into membership at the discretion of the church meeting based on their own public profession of faith. Membership is regularly reviewed, and names of non-active members removed. Membership at the end of December 2023 was 115 (31 March 2023: 127).

Church Members' Meetings take place at least four times in any calendar year and have responsibility for the overall policy of the church. In accordance with the Constitution the members in Church Meeting appoint Trustees, who are the Ministers and Deacons. Deacons have specific responsibilities for the operation of certain areas in church life and include a Church Secretary and Treasurer. The Trustees are responsible for the day-to-day running of the Church's work, 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 advancing the Christian faith. Relevant matters may be submitted to the Church Meeting by the Trustees for guidance or may be raised by members in Church Meetings 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 under the guidance of the Holy Spirit and under the Lordship of Jesus Christ.

The Church is a member of the Baptist Union of Great Britain and the Heart of England Baptist Association.

## **Hereford Baptist Church**

### **Trustees' Report (continued)**

#### ***Major risks and management of those risks***

##### *Significant risks*

The two most prominent risks identified by the Trustees are the protection of children and vulnerable adults, and health and safety.

Written policies are in place and are regularly reviewed.

#### **Reference and Administrative Details**

Charity Registration Number: 1199579

#### **Trustees and officers**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr I Burrell
	Mr M Kerrigan
	Dr I Darwood
	Mr J Stark
	Mr G Taberner
	Mr B D Lea
	Mrs M G Willcocks
	Mr M Foster (resigned 22 May 2023)
	Mr D Butterfield (appointed 18 September 2023)

The Trustees are elected by the Church Members.

Principal Office:	Hereford Baptist Church
	Commercial Road
	Hereford
	HR1 2BP

Independent Examiner:	Young & Co
	Chartered Accountants & Registered Auditors
	St Ethelbert House
	Ryelands Street
	Hereford
	HR4 0LA

## Hereford Baptist Church

### Trustees' Report (continued)


Bankers:

CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

Custodian trustee for property assets:

Baptist Union Corporation  
129 Broadway  
Didcot  
OX11 8RT

The annual report was approved by the trustees of the charity on 8 April 2024 and signed on its behalf by:



.....  
Mr I Burrell  
Secretary and trustee

## Hereford Baptist Church

### Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial period 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 8 April 2024 and signed on its behalf by:



.....  
Mr I Burrell  
Secretary and trustee

## Hereford Baptist Church

### Independent Examiner's Report to the trustees of Hereford Baptist Church

I report to the trustees on my examination of the accounts of Hereford Baptist Church for the year ended 31 December 2023.

#### Responsibilities and basis of report

As the charity trustees of Hereford Baptist Church you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

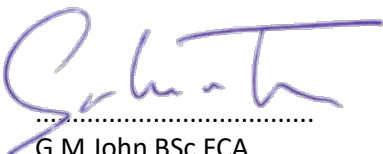
I report in respect of my examination of the Hereford Baptist Church's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Hereford Baptist Church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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 no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



G M John BSc FCA

Chartered Accountants & Registered Auditors

St Ethelbert House  
Ryelands Street  
Hereford  
HR4 0LA

8 April 2024

## Hereford Baptist Church

### Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023

		Unrestricted funds £	Restricted funds £	Total 31 December 2023 £
	Note			
<b>Income and Endowments from:</b>				
Donations and legacies		89,697	4,384	94,081
Investment income	3	10,858	2,789	13,647
Other income		14,285	-	14,285
Total income		<u>114,840</u>	<u>7,173</u>	<u>122,013</u>
<b>Expenditure on:</b>				
Charitable activities		<u>(81,410)</u>	<u>(2,299)</u>	<u>(83,709)</u>
Total expenditure		<u>(81,410)</u>	<u>(2,299)</u>	<u>(83,709)</u>
Net income		33,430	4,874	38,304
Gross transfers between funds		<u>380,000</u>	<u>(380,000)</u>	<u>-</u>
Net movement in funds		413,430	(375,126)	38,304
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>2,752,011</u>	<u>480,706</u>	<u>3,232,717</u>
Total funds carried forward	17	<u><u>3,165,441</u></u>	<u><u>105,580</u></u>	<u><u>3,271,021</u></u>

The notes on pages 12 to 27 form an integral part of these financial statements.

## Hereford Baptist Church

### Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023 (continued)

		Unrestricted funds £	Restricted funds £	Total 31 March 2023 £
	Note			
<b>Income and Endowments from:</b>				
Donations and legacies		135,100	10,343	145,443
Investment income	3	4,114	2,314	6,428
Other income		20,592	-	20,592
		<u>159,806</u>	<u>12,657</u>	<u>172,463</u>
Total income				
<b>Expenditure on:</b>				
Charitable activities		(100,527)	(12,383)	(112,910)
		<u>(100,527)</u>	<u>(12,383)</u>	<u>(112,910)</u>
Total expenditure				
Net income		59,279	274	59,553
<b>Other recognised gains and losses</b>				
Actuarial gains on defined benefit pension schemes		15,975	-	15,975
		<u>75,254</u>	<u>274</u>	<u>75,528</u>
Net movement in funds				
<b>Reconciliation of funds</b>				
Total funds brought forward		2,676,757	480,432	3,157,189
Total funds carried forward	17	<u>2,752,011</u>	<u>480,706</u>	<u>3,232,717</u>

All of the charity's activities derive from continuing operations during the above two periods.


The funds breakdown for 2023 is shown in note 17.

The notes on pages 12 to 27 form an integral part of these financial statements.

**Hereford Baptist Church**  
**(Registration number: 1199579)**  
**Balance Sheet as at 31 December 2023**

	Note	31 December 2023 £	31 March 2023 £
<b>Fixed assets</b>			
Tangible assets	12	2,826,374	2,815,816
<b>Current assets</b>			
Debtors	13	10,310	4,616
Cash at bank and in hand	14	<u>440,069</u>	<u>416,760</u>
		450,379	421,376
<b>Creditors: Amounts falling due within one year</b>	15	<u>(5,732)</u>	<u>(4,475)</u>
<b>Net current assets</b>		<u>444,647</u>	<u>416,901</u>
<b>Net assets</b>		<u>3,271,021</u>	<u>3,232,717</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		105,580	480,706
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>3,165,441</u>	<u>2,752,011</u>
<b>Total funds</b>	17	<u>3,271,021</u>	<u>3,232,717</u>

The financial statements on pages 9 to 27 were approved by the trustees, and authorised for issue on 8 April 2024 and signed on their behalf by:



.....  
Mr I Burrell  
Secretary and trustee



.....  
Mr M Kerrigan  
Trustee

## **Hereford Baptist Church**

### **Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Hereford Baptist Church meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

##### **Going concern**

Having reviewed the charity's cash holdings together with future projected cash flows, the Trustees have an expectation that the charity has adequate resources to continue its activities for the foreseeable future. On 1 April 2023, HBC transferred all of its assets, liabilities and activities to a Charitable Incorporated Organisation (CIO), also named Hereford Baptist Church (registered charity number 1199579). The trustees of the CIO are the same as those for HBC. The Trustees consider that there are no material uncertainties over the charity's financial viability.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### ***Donations and legacies***

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### ***Investment income***

Investment income, together with any associated tax credits, are included in the accounts when receivable.

## **Hereford Baptist Church**

### **Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land	None
Freehold buildings	2% of cost per annum
Fixtures and fittings	15% of cost per annum

The residual value of freehold buildings is assessed each year. The valuations used are based upon current insurance valuations, and are considered to approximate to the open market value. As long as the valuations are in excess of the book values, no depreciation charge is provided for in the accounts.

Freehold land is assessed for any impairment on an annual basis and a provision is made if necessary.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Fund structure

General funds represent the funds of the Church that are not subject to any restrictions regarding their use and are available for application on the general purposes of the Church. The accounts include all transactions for which the Church is responsible in law. They do not include the accounts of Church groups that are informal gatherings of Church members.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### Hire purchase and finance leases

Assets held for use in operating leases are included as a separate category in fixed assets at cost and depreciated over their useful life.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### Pensions and other post retirement obligations

Hereford Baptist Church provides a defined contribution pension scheme for ministers through the Baptist Pension scheme. The assets of the scheme are held separately from those of the church in an independently administered fund. Contributions to this scheme are charged to the unrestricted fund as they become payable. The church is also responsible for its proportion of the closed defined benefit Baptist Pension scheme and the deficit is recognised as a liability, discounted for the time value of money. Hereford Baptist church also provides a defined contribution pension scheme for other employees through the NEST pension scheme.

#### 2 Income from donations and legacies

	Unrestricted funds Designated £	General £	Restricted funds £	Total funds £
Donations and legacies;				
Donations from individuals	32	71,672	4,384	76,088
Gift aid reclaimed	-	17,993	-	17,993
	<u>-</u>	<u>17,993</u>	<u>-</u>	<u>17,993</u>
<b>Total for period ended 31 December 2023</b>	<u>32</u>	<u>89,665</u>	<u>4,384</u>	<u>94,081</u>
<b>Total for period ended 31 March 2023</b>	<u>104</u>	<u>134,996</u>	<u>10,343</u>	<u>145,443</u>

#### 3 Investment income

	Unrestricted funds General £	Restricted funds £	Total funds £
Interest receivable and similar income;			
Interest receivable on bank deposits	10,858	2,789	13,647
	<u>10,858</u>	<u>2,789</u>	<u>13,647</u>
<b>Total for period ended 31 December 2023</b>	<u>10,858</u>	<u>2,789</u>	<u>13,647</u>
<b>Total for period ended 31 March 2023</b>	<u>4,114</u>	<u>2,314</u>	<u>6,428</u>

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### 4 Other income

	Unrestricted funds General £	Total funds £
Rental income	14,285	14,285
<b>Total for period ended 31 December 2023</b>	<u>14,285</u>	<u>14,285</u>
<b>Total for period ended 31 March 2023</b>	<u>20,592</u>	<u>20,592</u>

#### 5 Expenditure on charitable activities

	Note	Unrestricted funds Designated £	General £	Restricted funds £	Total funds £
Church Activities	202		5,316	120	5,638
Mission		-	14,700	2,179	16,879
Ministry		-	9,308	-	9,308
Establishment		-	14,200	-	14,200
Depreciation, amortisation and other similar costs		-	1,373	-	1,373
Staff costs		-	28,374	-	28,374
Allocated support costs		-	4,954	-	4,954
Governance costs		-	2,983	-	2,983
<b>Total for period ended 31 December 2023</b>		<u>202</u>	<u>81,208</u>	<u>2,299</u>	<u>83,709</u>
<b>Total for period ended 31 March 2023</b>		<u>-</u>	<u>100,527</u>	<u>12,383</u>	<u>112,910</u>

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

	<b>Activity undertaken directly £</b>	<b>Total expenditure £</b>
Church activities	11,485	11,485
Mission	17,528	17,528
Ministry	31,473	31,473
Establishment	20,240	20,240
<b>Total for period ended 31 December 2023</b>	<u>80,726</u>	<u>80,726</u>
<b>Total for period ended 31 March 2023</b>	<u>108,690</u>	<u>108,690</u>

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### 6 Analysis of governance and support costs

##### Charitable activities expenditure

		Unrestricted funds	Total 31 December
	Basis of allocation	General £	2023 £
Church Activities	45%	2,229	2,229
Mission	5%	248	248
Ministry	45%	2,229	2,229
Establishment	5%	248	248
		<u>4,954</u>	<u>4,954</u>
		Unrestricted funds	Total 31 March
	Basis of allocation	General £	2023 £
Church Activities	45%	3,876	3,876
Mission	5%	431	431
Ministry	45%	3,876	3,876
Establishment	5%	431	431
		<u>8,614</u>	<u>8,614</u>

##### Basis of allocation

Reference	Method of allocation
A	Support costs are allocated to Charitable activities using the percentages shown above based on estimated time spent by staff

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	2,772	2,772
Legal fees	211	211
	<hr/>	<hr/>
<b>Total for period ended 31 December 2023</b>	<b>2,983</b>	<b>2,983</b>
	<hr/>	<hr/>
<b>Total for period ended 31 March 2023</b>	<b>4,266</b>	<b>4,266</b>
	<hr/>	<hr/>

#### 7 Net incoming/outgoing resources

Net incoming resources for the period include:

	31 December 2023 £	31 March 2023 £
Depreciation of fixed assets	1,373	1,182
	<hr/>	<hr/>

#### 8 Trustees remuneration and expenses

During the period the charity made the following transactions with trustees:

##### **Mr J Stark**

Mr J Stark received remuneration of £14,468 (2023: £14,215) during the period.

Pension contributions of £1,115 (year to 31 March 2023: £691) were paid by the Charity.

The remuneration is paid for employment with the Charity which was not in respect of the trusteeship.

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### 9 Staff costs

The aggregate payroll costs were as follows:

	31 December 2023 £	31 March 2023 £
<b>Staff costs during the period were:</b>		
Wages and salaries	26,481	26,067
Pension costs	<u>1,893</u>	<u>1,148</u>
	<u>28,374</u>	<u>27,215</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the period expressed as full time equivalents was as follows:

	31 December 2023 No	31 March 2023 No
Charitable services	1	1
Administration and part-time cleaners	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

3 (2023 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

1 (2023 - 1) of the above employees participated in the Defined Benefit Pension Schemes.

Contributions to the employee pension schemes for the period totalled £1,893 (2023 - £1,145).

No employee received emoluments of more than £60,000 during the period

#### 10 Independent examiner's remuneration

	31 December 2023 £	31 March 2023 £
Examination of the financial statements	<u>2,772</u>	<u>2,640</u>

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2023	2,810,610	127,179	2,937,789
Additions	11,930	-	11,930
Disposals	-	(59,989)	(59,989)
At 31 December 2023	<u>2,822,540</u>	<u>67,190</u>	<u>2,889,730</u>
<b>Depreciation</b>			
At 1 April 2023	-	121,972	121,972
Charge for the year	-	1,373	1,373
Eliminated on disposals	-	(59,989)	(59,989)
At 31 December 2023	<u>-</u>	<u>63,356</u>	<u>63,356</u>
<b>Net book value</b>			
At 31 December 2023	<u>2,822,540</u>	<u>3,834</u>	<u>2,826,374</u>
At 31 March 2023	<u>2,810,610</u>	<u>5,207</u>	<u>2,815,817</u>

#### 13 Debtors

	31 December 2023 £	31 March 2023 £
Trade debtors	5,752	-
Prepayments	4,558	4,343
Other debtors	-	273
	<u>10,310</u>	<u>4,616</u>

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### 14 Cash and cash equivalents

	<b>31 December 2023</b>	<b>31 March 2023</b>
	<b>£</b>	<b>£</b>
Cash at bank	<u>440,069</u>	<u>416,760</u>

#### 15 Creditors: amounts falling due within one year

	<b>31 December 2023</b>	<b>31 March 2023</b>
	<b>£</b>	<b>£</b>
Accruals	<u>5,732</u>	<u>4,475</u>

## **Hereford Baptist Church**

### **Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)**

#### **16 Pension and other schemes**

##### **Defined benefit pension schemes**

##### **Baptist Pension Scheme**

The Church is a participating employer the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity 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, 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 Broadstone Corporate Benefits Ltd. 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 if they are unable to work due to long-term incapacity.

This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Ministers are eligible to join the Scheme.

The date of the most recent comprehensive actuarial valuation was 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.

##### ***Principal actuarial assumptions***

The principal actuarial assumptions at the statement of financial position date are as follows:

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### Type of financial assumption % per annum

RPI price inflation assumption 3.20%  
CPI price inflation assumption 2.70%  
Minimum Pensionable Income increases (CPI plus 0.5% pa) 3.20%  
Assumed investment returns  
- Pre-retirement 2.95%  
- Post retirement 1.70%  
Deferred pension increases  
- Pre April 2009 3.20%  
- Post April 2009 2.50%  
Pension increases  
- Main Scheme pension 2.70%

#### *Post retirement mortality assumptions*

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.

#### **Multi-employer plans**

This is a defined benefit plan.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (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 30th 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.

#### 17 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2023 £
<b>Unrestricted funds</b>					
General	2,750,437	114,808	(81,208)	(2,430,610)	353,427
Designated	<u>1,574</u>	<u>32</u>	<u>(202)</u>	<u>2,810,610</u>	<u>2,812,014</u>
<b>Total unrestricted funds</b>	2,752,011	114,840	(81,410)	380,000	3,165,441
<b>Restricted funds</b>	<u>480,706</u>	<u>7,173</u>	<u>(2,299)</u>	<u>(380,000)</u>	<u>105,580</u>
<b>Total funds</b>	<u><u>3,232,717</u></u>	<u><u>122,013</u></u>	<u><u>(83,709)</u></u>	<u><u>-</u></u>	<u><u>3,271,021</u></u>

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>					
General	2,675,287	159,702	(100,527)	15,975	2,750,437
Designated	<u>1,470</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>1,574</u>
<b>Total unrestricted funds</b>	2,676,757	159,806	(100,527)	15,975	2,752,011
<b>Restricted funds</b>	<u>480,432</u>	<u>12,657</u>	<u>(12,383)</u>	<u>-</u>	<u>480,706</u>
<b>Total funds</b>	<u><u>3,157,189</u></u>	<u><u>172,463</u></u>	<u><u>(112,910)</u></u>	<u><u>15,975</u></u>	<u><u>3,232,717</u></u>

The specific purposes for which the funds are to be applied are as follows:

#### Designated Funds:

- The Hardship fund was created to provide specific gifts to individuals in particular need.
- The Totstop fund provides equipment for the Church's Mums and Tots group.
- The Building fund was created to hold the Commercial Road Church and two manses.

#### Restricted Funds:

- Earmarked Giving relates to gifts and donations received for specific purposes.
- The Building Fund includes the proceeds from a previous land sale. It also previously contained the two manses, but following investigation into the history of their acquisitions, they are no longer treated as restricted and have been transferred to the designated Building Fund this year. The fund is restricted to building projects and major refurbishments.
- The Mission Fund relates to earmarked congregational giving. The gifts are passed on to the appropriate charity as soon as possible.
- Broadmoor chapel relates to the proceeds arising from the sale of Broadmoor chapel. The fund can be used for land purchase, building works and major repairs.

## Hereford Baptist Church

### Notes to the Financial Statements for the Period from 1 April 2023 to 31 December 2023 (continued)

#### 18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 December 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	3,834	2,822,540	-	2,826,374
Current assets	343,396	1,403	105,580	450,379
Current liabilities	(5,732)	-	-	(5,732)
Total net assets	<u>341,498</u>	<u>2,823,943</u>	<u>105,580</u>	<u>3,271,021</u>

	Unrestricted funds		Restricted funds	Total funds at 31 March 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	2,435,816	-	380,000	2,815,816
Current assets	319,096	1,574	100,706	421,376
Current liabilities	(4,475)	-	-	(4,475)
Total net assets	<u>2,750,437</u>	<u>1,574</u>	<u>480,706</u>	<u>3,232,717</u>

## Hereford Baptist Church

### Detailed Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023

	31 December 2023				Total 31 March 2023 £
	Unrestricted funds		Restricted	Total	
	Designated £	General £	funds £	£	£
<b>Income and Endowments from:</b>					
Donations and legacies (analysed below)	32	89,665	4,384	94,081	145,443
Investment income (analysed below)	-	10,858	2,789	13,647	6,428
Other income (analysed below)	-	14,285	-	14,285	20,592
Total income	<u>32</u>	<u>114,808</u>	<u>7,173</u>	<u>122,013</u>	<u>172,463</u>
<b>Expenditure on:</b>					
Charitable activities (analysed below)	<u>(202)</u>	<u>(81,208)</u>	<u>(2,299)</u>	<u>(83,709)</u>	<u>(112,910)</u>
Total expenditure	<u>(202)</u>	<u>(81,208)</u>	<u>(2,299)</u>	<u>(83,709)</u>	<u>(112,910)</u>
Net (expenditure)/income	(170)	33,600	4,874	38,304	59,553
Gross transfers between funds (analysed below)	<u>2,810,610</u>	<u>(2,430,610)</u>	<u>(380,000)</u>	<u>-</u>	<u>-</u>
Net movement in funds	2,810,440	(2,397,010)	(375,126)	38,304	59,553
<b>Reconciliation of funds</b>					
Total funds brought forward	<u>1,574</u>	<u>2,750,437</u>	<u>480,706</u>	<u>3,232,717</u>	<u>3,157,189</u>
Total funds carried forward	<u><u>2,812,014</u></u>	<u><u>353,427</u></u>	<u><u>105,580</u></u>	<u><u>3,271,021</u></u>	<u><u>3,216,742</u></u>

This page does not form part of the statutory financial statements.

# Hereford Baptist Church

## Detailed Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023 (continued)

	31 December 2023				Total 31 March 2023 £
	Unrestricted funds Designated £	General £	Restricted funds £	Total £	
<b><i>Donations and legacies</i></b>					
Donations - Totstop	32	-	-	32	104
Donations - Earmarked	-	-	420	420	450
Donations - Missions	-	-	3,964	3,964	9,893
Donations - General	-	71,672	-	71,672	97,625
Gift Aid tax reclaimed	-	17,993	-	17,993	37,371
	<u>32</u>	<u>89,665</u>	<u>4,384</u>	<u>94,081</u>	<u>145,443</u>
	31 December 2023				
	Unrestricted funds General £	Restricted funds £	Total £	Total 31 March 2023 £	
<b><i>Investment income</i></b>					
Interest on cash deposits - Building	-	2,257	2,257	1,730	
Interest on cash deposits - Broadmoor	-	532	532	584	
Interest on cash deposits - General	10,858	-	10,858	4,114	
	<u>10,858</u>	<u>2,789</u>	<u>13,647</u>	<u>6,428</u>	
	31 December 2023				
	Unrestricted funds General £	Total £	Total 31 March 2023 £		
<b><i>Other income</i></b>					
Rental income	14,285	14,285	20,592		
	<u>14,285</u>	<u>14,285</u>	<u>20,592</u>		

This page does not form part of the statutory financial statements.

# Hereford Baptist Church

## Detailed Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023 (continued)

	31 December 2023				Total 31 March 2023 £
	Unrestricted funds Designated £	General £	Restricted funds £	Total £	
<b>Charitable activities</b>					
Missions and charitable donations	-	-	(2,179)	(2,179)	(12,383)
Missions and charitable donations	-	(14,700)	-	(14,700)	(19,690)
Communion supplies	-	(101)	-	(101)	(191)
Guest preacher costs	-	(110)	-	(110)	(939)
Minister's salaries	-	(14,804)	-	(14,804)	(13,824)
Superannuation	-	(1,514)	-	(1,514)	(665)
Youth ministry costs	(202)	-	-	(202)	-
Youth ministry costs	-	-	(120)	(120)	-
Youth ministry costs	-	(4,695)	-	(4,695)	(7,026)
Fellowship catering	-	(621)	-	(621)	(608)
Manse expenses	-	(9,097)	-	(9,097)	(11,804)
Wages and salaries	-	(7,851)	-	(7,851)	(7,493)
Staff pensions (Admin)	-	(188)	-	(188)	(245)
Staff pensions (Cleaner)	-	(191)	-	(191)	(238)
Cleaners wages	-	(3,826)	-	(3,826)	(4,750)
Water rates	-	(283)	-	(283)	(376)
Light, heat and power	-	(5,144)	-	(5,144)	(5,401)
Insurance	-	(3,016)	-	(3,016)	(3,893)

This page does not form part of the statutory financial statements.

# Hereford Baptist Church

## Detailed Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023 (continued)

	31 December 2023				Total 31 March 2023 £
	Unrestricted funds Designated £	General £	Restricted funds £	Total £	
Health and safety	-	(538)	-	(538)	(794)
Repairs and maintenance	-	(3,059)	-	(3,059)	(4,200)
Portacabins	-	(1,638)	-	(1,638)	(2,184)
Equipment repairs and renewals	-	(522)	-	(522)	(1,682)
Telephone and fax	-	(892)	-	(892)	(1,195)
Computer software and maintenance costs	-	(1,236)	-	(1,236)	(3,172)
Printing, postage and stationery	-	(874)	-	(874)	(1,650)
Trade subscriptions	-	(1,078)	-	(1,078)	(1,281)
Sundry expenses	-	(729)	-	(729)	(1,634)
Bank charges	-	(145)	-	(145)	(144)
Depreciation of fixtures and fittings	-	(1,373)	-	(1,373)	(1,182)
	<u>(202)</u>	<u>(78,225)</u>	<u>(2,299)</u>	<u>(80,726)</u>	<u>(108,644)</u>
	<b>31 December 2023</b>				
	<b>Unrestricted funds General £</b>		<b>Total £</b>	<b>Total 31 March 2023 £</b>	
<b>Governance costs</b>					
Accountancy fees	(2,772)		(2,772)	(2,640)	
Legal and professional fees	(211)		(211)	(1,626)	
	<u>(2,983)</u>		<u>(2,983)</u>	<u>(4,266)</u>	

This page does not form part of the statutory financial statements.

## Hereford Baptist Church

### Detailed Statement of Financial Activities for the Period from 1 April 2023 to 31 December 2023 (continued)

	31 December 2023				Total 31 March 2023 £
	Unrestricted funds Designated £	General £	Restricted funds £	Total £	
<b><i>Gross transfers between funds</i></b>					
Funds - Transfer from another fund	-	-	(380,000)	(380,000)	-
Funds - Transfer from another fund	-	(2,430,610)	-	(2,430,610)	-
Funds - Transfer to another fund	<u>2,810,610</u>	<u>-</u>	<u>-</u>	<u>2,810,610</u>	<u>-</u>
	<u>2,810,610</u>	<u>(2,430,610)</u>	<u>(380,000)</u>	<u>-</u>	<u>-</u>

