

Charity registration number: SC001501

Perth Baptist Church

Annual Report and Financial Statements

for the Year Ended 31 December 2021



Perth Baptist Church
Contents (continued)

Reference and Administrative Details	1
Trustees' Report	2 to 5
Statement of Trustees' Responsibilities	6
Independent Examiner's Report	7
Statement of Financial Activities	8 to 9
Balance Sheet	10
Notes to the Financial Statements	11 to 26

Perth Baptist Church

Reference and Administrative Details

Trustees



Secretary


Principal Office

14 Almond View
Perth
PH1 1QQ

Charity Registration Number

SC001501

Independent Examiner


Morris and Young
Chartered Accountants
6 Atholl Crescent
Perth
PH1 5JN

Perth Baptist Church

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(Second edition - October 2019).

Objectives and activities

Public benefit

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

Achievements and performance

For the first half of 2021, the regular pattern of online services shared via the YouTube channel established from the commencement of the Covid lockdown during 2020 continued. From July physical attendance at services became possible again, albeit under specific control measures overseen by the Crisis Management Group. This ensured that the practical arrangements remained in step with current Covid restrictions for places of worship as imposed by the Scottish Government. During the earlier part of the year, it was possible to arrange a few face-to-face weekdays events, again subject to agreed control measures, which allowed very limited gatherings of young people in the church premises. Over subsequent weeks from early summer onwards, it gradually became more possible to ease restrictions Sunday gatherings, again following appropriate control measures, as conditions improved gradually towards the end of the year.

During the earlier part of the year, it became apparent that the ongoing search of a new church pastor was now leading to a specific individual. The Search Group, composed of a representative group of members and deacons, presented a proposal and then a recommendation to members to consider the appointment of [REDACTED] to this role. Following introduction to [REDACTED] via events organised online with members, a ballot was held which resulted in his successful appointment to serve as the church pastor from Sunday 1st August 2021. Prior to this time the church manse was redecorated and prepared in order that the Goncalves family could move in and begin to settle in Perth before [REDACTED] commenced in his new role.

The church was grateful to receive funding via the government 'Adapt and thrive' initiative which allowed purchase of live stream camera equipment. This has enabled 'live' services to be simultaneously shared online. The system was brought into use shortly before 'normal' services recommenced on the church premises. It has allowed those who have felt unable to return to attending services for health reasons still to participate online in a 'live' environment and has been a major blessing to all less able to physically attend services for their various reasons.

The church has run online Alpha courses which continue to be a blessing and encouragement to those who have led and attended. Church leadership and planning meetings also continued to be held predominantly via Zoom throughout the year.

Perth Baptist Church also continues to support missionaries linked with us through BMS World Mission. We are one of around 900 churches that supports the BMS Birthday Scheme which raises money for BMS. Our Overseas Missionary Committee works hard to keep us well informed and prayerful for people serving our Lord overseas and with whom we as a Church have a connection. Regular prayer letters are shared and visits from speakers involved in overseas mission have been able to be arranged, sometimes more easily in virtual format.

Perth Baptist Church

Trustees' Report (continued)

The Church continues its membership of Perth Action of Churches Together.

Our part time youth worker completed the second year of his 3 year contract and was able to make some inroads into meeting and supporting young people, both in the church and through connections via schools in the local community.

4 new members joined the church throughout the year, 1 member passed away and 12 moved on. Our membership now stands at 164. It was a joy to see a number of people make first-time decisions to follow Christ. 5 people were also baptised during the year.

Financial review

Principal funding sources

The church receives its funding from those in the fellowship by way of weekly offerings and standing orders, many of which are Gift-Aided, and from general donations. The church does not organise specific activities for the purpose of raising income. There is no investment income.

The charity generated a deficit for the year of £5,384 (2020: a surplus of £27,246). The total income amounted to £212,712 (2020: £180,050), of which £10,466 (2020: £12,601) was related to restricted projects and £202,246 (2020: £167,449) to unrestricted funds. At the balance sheet date the unrestricted reserves were £1,332,289 (2020: £1,338,793), including designated funds of £1,209,483 (2020: £1,194,606) with £6,263 ((2020: £5,143) in restricted funds.

Policy on reserves

The current free reserves (i.e. reserves not committed or invested in fixed assets) of the church are currently £122,806 (2020: £144,187). The Trustees are of the opinion that the church is able to fund itself on an ongoing basis. The church increased its reserve fund from £30,000 to £45,000 in advance of the appointment of the new Church Pastor during 2021. At the year-end the free reserves exceeds the reserve fund, but will be utilised in future years.

Grant making policies

The church undertakes to donate 25% of all income to mission. (Overseas 15%, home 10%). In 2021 the Home Mission donations went to support the Baptist Union of Scotland, Scottish Baptist Ministers Fellowship, Christians Against Poverty and Greyfriars House in Perth; support to an individual training in Youth Ministry at Cornhill College (Glasgow), Perth Harbour Counselling, Perth Street Pastors, Prison Fellowship, Scottish Bible Society, Community Bible Society, P&K Foodbank, Gideons International (UK), SU Scotland and UCCF, The Overseas Mission donations were given to support BMS, Slavic Gospel Association, Interserve, Novi-Most International, Christian Solidarity Worldwide, Serbia, International Justice Mission and TEARFund.

Plans for future periods

Aims and key objectives for future periods

Our part time (16 hours a week) Youth Worker in a joint venture with Perth and District YMCA has a further year to run and, although restricted from original intentions, throughout 2021 has been able to find effective ways to keep in touch with young people in our church and community.

Perth Baptist Church

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

Perth Baptist Church is established by constitution. It is registered as a charity with the Office of the Scottish Charity Regulator (OSCR) and is recognised as a charity for the purposes of Section 505 Income & Corporation Taxes Act 1988. However, the Trustees have authorised we move from being a registered charity with OSCR to become a SCIO and this process has been ongoing throughout 2021 with members also giving their approval. The church is affiliated to the Baptist Union of Scotland.

Recruitment and appointment of trustees

Trustees are appointed by the members through an annual election. Candidates are nominated following careful consideration of their suitability and their skills. Members are invited to vote "Yes" for those candidates they consider suitable. To be elected, a candidate needs to secure a yes vote from at least two thirds of those voting. Successful candidates are appointed for a six year term.

Induction and training of trustees

The aims, objectives and current activities of the Church are explained to all new Trustees in an in depth induction process and they are made aware of the requirements contained in the publications "Guidance for Trustees" and the Charity Commission "CC3 – Responsibilities of Charity Trustees."

Organisational structure

The members take major decisions at the quarterly members meetings. The Trustees are responsible for the day-to-day operating of the church. The Trustees are elected by the members and normally serve a six-year term.

The church is congregational in government.

Major risks and management of those risks

The Trustees have assessed the major risks to which the church is exposed, in particular those related to the operations and finances of the church, and are satisfied that systems are in place to mitigate any exposure to the major risks.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk

The trustees are conscious of the aim to retain sufficient cash resources to meet the immediate requirements of the charity.

Perth Baptist Church
Trustees' Report (continued)

Credit risk

The charity's principal financial asset are the Church premises and its bank balances.

The charity has no significant concentration of credit risk.

Liquidity risk

The charity's liquid funds are kept in a variety of bank accounts to enable it to service its everyday financial needs.

The annual report was approved by the trustees of the charity on 7 June 2022 and signed on its behalf by:

[Redacted signature]

[Redacted name]

Trustee

Perth Baptist Church

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual 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 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 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust Deed. 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.

Approved by the trustees of the charity on 7 June 2022 and signed on its behalf by:



Trustee

Perth Baptist Church

Independent Examiner's Report to the trustees of Perth Baptist Church

I report on the accounts of the charity for the year ended 31 December 2021 which are set out on pages 8 to 26.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the 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 Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 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 I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

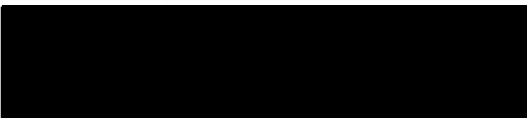

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Association of Certified Chartered Accountants
8 June 2022

Perth Baptist Church

Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies	2	202,246	10,466	212,712	180,050
Expenditure on:					
Charitable activities	3	<u>(205,284)</u>	<u>(13,692)</u>	<u>(218,976)</u>	<u>(168,433)</u>
Total Expenditure		<u>(205,284)</u>	<u>(13,692)</u>	<u>(218,976)</u>	<u>(168,433)</u>
Net (expenditure)/income		(3,038)	(3,226)	(6,264)	11,617
Gross transfers between funds		(4,346)	4,346	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		<u>880</u>	<u>-</u>	<u>880</u>	<u>15,629</u>
Net movement in funds		(6,504)	1,120	(5,384)	27,246
Reconciliation of funds					
Total funds brought forward		<u>1,338,793</u>	<u>5,143</u>	<u>1,343,936</u>	<u>1,316,690</u>
Total funds carried forward	14	<u><u>1,332,289</u></u>	<u><u>6,263</u></u>	<u><u>1,338,552</u></u>	<u><u>1,343,936</u></u>

Perth Baptist Church

Statement of Financial Activities for the Year Ended 31 December 2021 (continued)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	167,449	12,601	180,050
Total income		<u>167,449</u>	<u>12,601</u>	<u>180,050</u>
Expenditure on:				
Charitable activities	3	(152,639)	(15,794)	(168,433)
Total expenditure		<u>(152,639)</u>	<u>(15,794)</u>	<u>(168,433)</u>
Net income/(expenditure)		14,810	(3,193)	11,617
Gross transfers between funds		(2,484)	2,484	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>15,629</u>	<u>-</u>	<u>15,629</u>
Net movement in funds		27,955	(709)	27,246
Reconciliation of funds				
Total funds brought forward		<u>1,310,838</u>	<u>5,852</u>	<u>1,316,690</u>
Total funds carried forward	14	<u><u>1,338,793</u></u>	<u><u>5,143</u></u>	<u><u>1,343,936</u></u>


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

Perth Baptist Church

(Registration number: SC001501) Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	1,234,602	1,225,856
Current assets			
Debtors	10	3,113	7,768
Cash at bank and in hand	11	140,474	149,278
		143,587	157,046
Creditors: Amounts falling due within one year	12	(14,518)	(7,716)
Net current assets		129,069	149,330
Total assets less current liabilities		1,363,671	1,375,186
Provisions	13	(25,119)	(31,250)
Net assets		1,338,552	1,343,936
Funds of the charity:			
Restricted income funds			
Restricted funds		6,263	5,143
Unrestricted income funds			
Unrestricted funds		1,332,289	1,338,793
Total funds	14	1,338,552	1,343,936

The financial statements on pages 8 to 26 were approved by the trustees, and authorised for issue on 7 June 2022 and signed on their behalf by:


Trustee

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)(Second edition - October 2019)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of preparation

Perth Baptist Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (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.

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's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

Perth Baptist Church is a charity and is recognised as such by H M Revenue & Customs for taxation purposes. As a result there is no liability on any of its income.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

The Trustees have decided not to provide further depreciation on the permanent buildings, which is not in line with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)(Second edition - October 2019)). The users of these accounts are principally the members of the Church and the Trustees feel that the cost of carrying out a professional valuation to include these assets at market value in the accounts would be considerable compared to the limited additional benefit derived by the users of the accounts. The Trustees have no reason to believe that the market value of the property is less than current net book value.

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
Permanent buildings	no depreciation
Fixtures & fittings	12.5% straight line

Trade debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at an amount prepaid net of any discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on deposits.

Trade creditors

Creditors are recognised where there is a present obligation resulting 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

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.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

The charity also operates a defined benefit pension scheme. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Income from donations and legacies

	Unrestricted funds Designated £	General £	Restricted funds £	Total 2021 £
Donations and legacies;				
Offerings: plate	-	6,833	-	6,833
Offerings: gift aid	-	120,968	-	120,968
Gift aid reclaimed	-	30,348	-	30,348
Grants, including capital grants;				
Government grants	-	-	2,598	2,598
Grants from other charities	12,300	-	-	12,300
Other donations	-	31,797	7,868	39,665
	<u>12,300</u>	<u>189,946</u>	<u>10,466</u>	<u>212,712</u>
	Unrestricted funds Designated £	General £	Restricted funds £	Total 2020 £
Donations and legacies;				
Offerings: plate	-	6,936	-	6,936
Offerings: gift aid	-	113,986	-	113,986
Gift aid reclaimed	-	29,044	-	29,044
Grants, including capital grants;				
Government grants	-	-	-	-
Grants from other charities	-	-	-	-
Other donations	60	17,423	12,601	30,084
	<u>60</u>	<u>167,389</u>	<u>12,601</u>	<u>180,050</u>

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

3 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total
	Designated	General	2021
	£	£	£
Activities undertaken directly	-	119,144	122,558
Depreciation	3,554	-	3,554
Staff costs	114	70,738	78,804
Allocated support costs	1,543	7,415	11,284
Governance costs	-	2,776	2,776
	<u>5,211</u>	<u>200,073</u>	<u>218,976</u>
	Unrestricted funds	Restricted funds	Total
	Designated	General	2020
	£	£	£
Activities undertaken directly	-	92,496	99,671
Depreciation	2,717	-	2,717
Staff costs	817	45,321	54,238
Allocated support costs	1,314	6,262	8,095
Governance costs	-	3,712	3,712
	<u>4,848</u>	<u>147,791</u>	<u>168,433</u>

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Unrestricted funds General £	Total 2020 £
Independent examiner fees				
Examination of the financial statements	1,640	1,640	1,320	1,320
Legal fees	<u>1,136</u>	<u>1,136</u>	<u>2,392</u>	<u>2,392</u>
	<u><u>2,776</u></u>	<u><u>2,776</u></u>	<u><u>3,712</u></u>	<u><u>3,712</u></u>

5 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	<u>3,554</u>	<u>2,717</u>

6 Trustees remuneration and expenses

The community pastor and minister, who are also Trustees, received remuneration, including pension contributions, of £50,094 (2020: £31,510). Mileage and office expenses were of £2,781 (2020: £1,891) was reimbursed during the year.

No trustees have received any other benefits from the charity during the year.

The amount expenses waived by the trustees during the year totalled £Nil (2020 - £Nil).

Donations made by the trustees without any conditions attached totalled £Nil for the year (2020 - £Nil).

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

7 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	63,487	42,421
Social security costs	3,955	2,064
Pension costs	<u>11,362</u>	<u>9,753</u>
	<u><u>78,804</u></u>	<u><u>54,238</u></u>

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

	2021 No	2020 No
Full time staff	1	1
Part time staff	<u>3</u>	<u>5</u>
	<u><u>4</u></u>	<u><u>6</u></u>

2 (2020 - 2) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,573 (2020 - £8,987).

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

The total employee benefits of the key management personnel of the charity were £50,094 (2020 - £28,553).

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Taxation

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

9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost				
At 1 January 2021	1,174,995	153,017	115,921	1,443,933
Additions	<u>-</u>	<u>12,300</u>	<u>-</u>	<u>12,300</u>
At 31 December 2021	<u>1,174,995</u>	<u>165,317</u>	<u>115,921</u>	<u>1,456,233</u>
Depreciation				
At 1 January 2021	52,754	148,397	16,926	218,077
Charge for the year	<u>-</u>	<u>3,554</u>	<u>-</u>	<u>3,554</u>
At 31 December 2021	<u>52,754</u>	<u>151,951</u>	<u>16,926</u>	<u>221,631</u>
Net book value				
At 31 December 2021	<u>1,122,241</u>	<u>13,366</u>	<u>98,995</u>	<u>1,234,602</u>
At 31 December 2020	<u>1,122,241</u>	<u>4,620</u>	<u>98,995</u>	<u>1,225,856</u>

Heritable property is held at cost as the Trustees' feel that the cost of carrying out of a professional valuation to include these assets at market value in the accounts would be considerable compared to the limited additional benefit derived by the users of the accounts. The Trustees have no reason to believe that the market value of the property is less than current net book value.

10 Debtors

	2021 £	2020 £
Other debtors	<u>3,113</u>	<u>7,768</u>

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

11 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	88	88
Cash at bank	<u>140,386</u>	<u>149,190</u>
	<u>140,474</u>	<u>149,278</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	1,061	1,946
Accruals	1,320	1,320
Other creditors	<u>12,057</u>	<u>4,450</u>
	<u>14,438</u>	<u>7,716</u>

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

13 Pension contributions

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 and the assets of the Scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

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 contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Minister and some members of the church staff are eligible to join the Scheme.

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 the members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pensions 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.

Benefits in respect of services prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan with the Scheme. The main benefits for pre 2012 service were a defined benefit 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. 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.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

Type of financial assumption

RPI price inflation assumption 3.20%

CPI price inflation assumption 2.70%

Minimum pensionable income increases 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 in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% 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 Schemes is due to take place not later than as at 31 December 2022.

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.

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustees and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2021 £	2020 £
At 1 January 2021	31,250	50,016
Deficiency contributions paid	(5,365)	(3,954)
Interest costs (recognised in SoFA)	114	817
Remaining charge to the balance sheet liability* (recognised in the SoFA)	<u>(880)</u>	<u>(15,629)</u>
At 31 December 2021	<u><u>25,119</u></u>	<u><u>31,250</u></u>

* Comprises any change in agreed deficit recovery plans and change in assumptions between year-ends.

This liability represents the present value of deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments.

	2021 %	2020 %
Discount rate	.4	.4
Future increases to Minimum Pensionable Income	<u>3.0</u>	<u>3.0</u>
	<u><u>3.4</u></u>	<u><u>3.4</u></u>

During the year the Church made contributions of £5,365 (2020: £3,954) to the Pension Schemes including deficit contributions.

Cessation event

At present the Church is paying the ongoing deficiency contribution outlined above and the balance sheet liability above is based on those deficiency contributions. However, the Pension Scheme Trustee has the right to quantify and seek payment of the debt at any time.

Defined contribution pension scheme

Additionally the Church contributed to a defined contribution pension scheme. £5,208 (2020: £5,022) has been charged to the Statement of Financial Activities in the year to which payments relate.

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

14 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
Unrestricted funds						
<i>General</i>						
General Fund	144,187	189,946	(200,073)	(11,254)	-	122,806
<i>Designated</i>						
Capital Fund	1,225,856	12,300	(3,554)	-	-	1,234,602
Fellowship Fund	-	-	(1,543)	1,543	-	-
Pension Fund	(31,250)	-	(114)	5,365	880	(25,119)
	<u>1,194,606</u>	<u>12,300</u>	<u>(5,211)</u>	<u>6,908</u>	<u>880</u>	<u>1,209,483</u>
Total unrestricted funds	<u>1,338,793</u>	<u>202,246</u>	<u>(205,284)</u>	<u>(4,346)</u>	<u>880</u>	<u>1,332,289</u>
Restricted funds						
CAP Fund	730	-	-	-	-	730
Open Circle	216	60	(35)	-	-	241
Almond Tree Cafe	22	-	(7)	-	-	15
Under Five	-	5,925	(10,277)	4,352	-	-
Holiday @ Home	2,556	-	-	-	-	2,556
Footwise	637	427	-	-	-	1,064
Blythwood Shoebox	976	4,054	(3,373)	-	-	1,657
Young adults	6	-	-	(6)	-	-
	<u>5,143</u>	<u>10,466</u>	<u>(13,692)</u>	<u>4,346</u>	<u>-</u>	<u>6,263</u>
Total restricted funds	<u>5,143</u>	<u>10,466</u>	<u>(13,692)</u>	<u>4,346</u>	<u>-</u>	<u>6,263</u>
Total funds	<u>1,343,936</u>	<u>212,712</u>	<u>(218,976)</u>	<u>-</u>	<u>880</u>	<u>1,338,552</u>

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General						
General Fund	132,144	167,389	(147,791)	(7,555)	-	144,187
Designated						
Capital Fund	1,228,573	-	(2,717)	-	-	1,225,856
Fellowship Fund	137	60	(1,314)	1,117	-	-
Pension Fund	(50,016)	-	(817)	3,954	15,629	(31,250)
	<u>1,178,694</u>	<u>60</u>	<u>(4,848)</u>	<u>5,071</u>	<u>15,629</u>	<u>1,194,606</u>
Total unrestricted funds	<u>1,310,838</u>	<u>167,449</u>	<u>(152,639)</u>	<u>(2,484)</u>	<u>15,629</u>	<u>1,338,793</u>
Restricted funds						
CAP Fund	740	-	(10)	-	-	730
Open Circle	331	35	(150)	-	-	216
Almond Tree Cafe	626	696	(1,300)	-	-	22
Under Five	-	6,134	(8,618)	2,484	-	-
Holiday @ Home	2,749	60	(253)	-	-	2,556
Footwise	1,096	210	(669)	-	-	637
Blythswood Shoebox	304	5,466	(4,794)	-	-	976
Young adults	6	-	-	-	-	6
	<u>5,852</u>	<u>12,601</u>	<u>(15,794)</u>	<u>2,484</u>	<u>-</u>	<u>5,143</u>
Total restricted funds	<u>5,852</u>	<u>12,601</u>	<u>(15,794)</u>	<u>2,484</u>	<u>-</u>	<u>5,143</u>
Total funds	<u>1,316,690</u>	<u>180,050</u>	<u>(168,433)</u>	<u>-</u>	<u>15,629</u>	<u>1,343,936</u>

Perth Baptist Church

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

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

The CAP fund represents donations received to assist in the work of Christians Against Poverty within the Perth area.

Other restricted funds represent balances held by groups that are run within the Church.

The designated capital fund represents the book value of the fixed assets.

The fellowship fund may be used by the minister to provide assistance to anyone whom he thinks is in need of it. The recipients of the fund are not to be disclosed.

15 Analysis of net assets between funds

	Unrestricted funds			Restricted funds	Total funds 2021
	General £	Designated £	Other £	£	£
Tangible fixed assets	-	1,223,840	-	-	1,223,840
Current assets	137,323	-	-	6,263	143,586
Current liabilities	(14,517)	-	-	-	(14,517)
Provisions	-	-	(25,119)	-	(25,119)
Total net assets	<u>122,806</u>	<u>1,223,840</u>	<u>(25,119)</u>	<u>6,263</u>	<u>1,327,790</u>

	Unrestricted funds			Restricted funds	Total funds 2020
	General £	Designated £	Other £	£	£
Tangible fixed assets	-	1,225,856	-	-	1,225,856
Current assets	151,903	-	-	5,143	157,046
Current liabilities	(7,716)	-	-	-	(7,716)
Provisions	-	-	(31,250)	-	(31,250)
Total net assets	<u>144,187</u>	<u>1,225,856</u>	<u>(31,250)</u>	<u>5,143</u>	<u>1,343,936</u>

16 Analysis of net funds

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash at bank and in hand	<u>149,278</u>	<u>(8,804)</u>	<u>140,474</u>
Net debt	<u>149,278</u>	<u>(8,804)</u>	<u>140,474</u>

17 Related party transactions

There were no related party transactions in the year.