

REGISTERED CHARITY NUMBER: 1131049

**REPORT OF THE TRUSTEES AND**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**FOR**  
**SCUNTHORPE BAPTIST CHURCH**

**SCUNTHORPE BAPTIST CHURCH**

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**FOR THE YEAR ENDED 31 MARCH 2020**

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## **SCUNTHORPE BAPTIST CHURCH**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020**

The trustees present their report with the financial statements of the charity for the year ended March 2020. The trustees have adopted the provisions of 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).

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Charity number**

1131049

##### **Principal address**

Ashby Road  
Scunthorpe  
DN16 1NR

##### **Trustees**

T W Macdonald  
P Clark  
A Sturman  
B Berry - resigned 3.9.19  
M Roberts  
P D Johnson - resigned 2.7.19

##### **Independent examiner**

Helen Spauls  
F.C.A  
Smethurst & Co LLP  
12 Abbey Road  
GRIMSBY  
DN32 0HL

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

##### **Organisational structure**

Scunthorpe Baptist Church was established over 70 years ago but was not required to be registered as a charity. It registered with the Charity Commission on 10 August 2009 and operates as an unincorporated association in accordance with its constitution, which was adopted on 2 June 2009. The Trustees are appointed through an open and public process by the church members' meeting to be responsible for the governance of the church. Trustees, except for the Lead Pastor, are appointed for an initial three-year term and serve so long as they have the support of the church members' meeting. They have the opportunity to be nominated for re-appointment at the end of each three-year term. The Trustees control, manage and administer the church, subject to any specific or general directions from the church members' meeting. The Lead Pastor, who is also a Trustee, takes responsibility for the implementation of direction set by the Trustees and works through the staff and Leadership Team. In addition, each member of the Leadership Team has responsibility for a particular area of the church's work.

Volunteers are involved in the management, administration and activities of the church, and they play a vital role in ensuring that all of our efforts are carried out to a high standard, are effective to our objectives, and are done so in line with our vision and values as a charity. The trustees would like to place on record their sincere gratitude to all our volunteers.

The trustees during the year were those listed above.

##### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The principal purpose is to advance the Christian faith as well as to advance education and to carry out other charitable activities. The church's vision is 'Here as in Heaven'.

Grants are made as directed by the donor or where the Trustees considers the payment would further the objectives of the church.

**SCUNTHORPE BAPTIST CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

During 2019/20 the church worked hard to fully implement the vision previously adopted. The vision is 'Here as in Heaven', with a mission of 'Raising spirit filled, kingdom minded disciples'. Alongside this we have a set of values which govern how we operate and help us determine our priorities and inform our decision making.

The values are as follows:

We build His kingdom, not our empire  
We are family where everyone is welcome because nobody is perfect  
We give God our first and our best  
We always say yes to the Holy Spirit  
We don't maintain, we multiply  
We consider it a joy to be generous  
We would rather take risks than miss opportunities

In the context of the objectives, the following achievements show how the vision 'Here as in Heaven' has increasingly come to life.

### **Communities**

Our holiday clubs and work with young people in the Crosby area continued with great success, being well supported and valued by the local community. Our efforts in Crosby also increased during this year in preparation for its future as a church location, with a new Alpha Course being run in the area to help nurture the foundational elements of the Christian faith in the community.

Our work with young adults with additional needs continues to be an important source of social engagement, with a well established group now meeting on a monthly basis for worship, learning, and social activities.

### **Coaching**

We continue to offer Connect Groups during the week at different times and locations, making it easier for people to engage on a regular basis. These groups are an important setting for personal development, as well as a space for care. Our weekly gatherings also continue to be an opportunity for Christian learning. We have also been encouraged by the teaching and support of various invited individuals and organisations, and have provided training opportunities for various leaders and volunteers from within the church.

### **Celebrations**

The church continued to meet each Sunday morning; until late into March 2020 when the national COVID-19 lockdown came into effect. During these times various teams ensure that this expression of our church life is inclusive and welcoming as well as providing an environment for spiritual growth and Christian worship. We continue to meet as a church for corporate prayer.

### **Care**

We continue to offer services in five local care homes, though this ministry is likely to be heavily impacted by the effects of COVID-19 for some time to come. The vast majority of our care and support is of individuals through prayer, visiting and by meeting practical needs, with much of this important work being done by volunteers.

### **Compassion**

Our local Foodbank project continues to support thousands of people with food parcels, with distributions happening 5 times a week from various locations from the local area. In addition the project continues to give extra support to families facing difficult situations at Christmas time. Our overseas mission work also continues, particularly with our partnership with the charity Compassion International, with a significant number of children being sponsored in Awash Sebat Kilo Meserete Kristos Child development centre in Ethiopia.

### **Children and Young People**

Our Sunday morning activities for children have continued to provide a safe environment for them to explore their faith and to learn about various issues to help them throughout their life. Our youth gatherings, including IGNITE at Ashby Road and 2:52 Challenge in Crosby, have also continued to meet regularly, with an opportunity for bible study being made available at each session.

**SCUNTHORPE BAPTIST CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**FINANCIAL REVIEW**

**Reserves policy**

In accordance with the Charities Commission guidance, the Trustees meet regularly during the year to review the level of reserves and consider that at the balance sheet date there were adequate free reserves for the church's future plans of £101,108 (2019 - £92,368).

The church has a reserves policy of 3 months wages and 3 months utilities and building commitment costs, we have set this amount for the year 2019/20 as £35,000.

Budgets are prepared on an annual basis by the staff and Leadership Team and approved by the trustees and subsequently by the church meeting.

Reviews of income and expenditure are carried out quarterly by the Leadership Team and trustees prior to being presented to the church meeting.

Those responsible for procurement of goods and services are required to ensure that best value is achieved, and that preferred suppliers are reviewed on a regular basis.

**FUTURE DEVELOPMENTS**

In 2018/19 the decision was made that Scunthorpe Baptist Church would complete the transition to become a CIO (Charitable Incorporated Organisation), closely following the recommended guidelines of the Baptist Union throughout this process. As part of this transition the church would be re-branding as 'Connect Church', and will begin to operate as one church in two locations; Ashby Road and Crosby.

It was anticipated that this transfer would be completed on 1 April 2020, to coincide with the new financial year. However, due to the COVID-19 pandemic beginning in March 2020 the official transfer has taken place on 1 January 2021.

As part of this change it is also anticipated that many of our community projects, including Scunthorpe Foodbank, will become part of a second new CIO (Connect Foundation), to enable these projects to continue to develop, grow, and adapt in the future.

**IMPACT OF COVID-19 PANDEMIC**

COVID-19 has undoubtedly had a huge impact on our charitable capacity, but we have taken every necessary action available to us to ensure our resources are used to focus on our key priorities as an organisation.

In March 2020, in accordance with the government guidance relating to the pandemic, we began to operate with limited services. This included the closure of our building for Sunday worship gatherings, midweek gatherings, and all external events and groups. Whilst some of these regular activities were able to continue by using online platforms, naturally some of our usual undertakings have been either postponed or cancelled indefinitely.

The most significant project that has continued throughout the pandemic has been our Foodbank, with a significant amount of work being done to ensure it can remain active in a COVID secure way. This involved a significant increase in our volunteer numbers, with some of our regular team members needing to shield or self isolate etc. To ensure this project remained viable we shifted from a collection service to one that was entirely based on delivery, though it is hoped that we will return to in person services when it is appropriate to do so.

The situation with COVID-19 has also had an impact on our staffing, with the decision being made to furlough our centre assistant for some of the periods when the restrictions were particularly limiting.

Naturally some of our volunteers have been unable to serve as normal due to COVID-19, though we work hard to ensure that they remain supported and connected to our work so that they may feel able to returning their voluntary capacity whenever that is appropriate for them. We are extremely grateful to our members and local community who have continued to support us financially during these difficult times, meaning that we are able to remain in a healthy financial position despite the challenges presented by COVID-19. Whilst our regular income decreased during the worst of the pandemic, including the loss of income from room bookings etc, our expenditure also decreased due to limited services being provided.

Where our services have increased, such as within Foodbank, we have also seen income being maintained or even increased. It remains the case that we have a reserves policy in place and as such we seek to have 3 months of costs in reserve. So far these reserves remain available and unaffected by the pandemic.

At this stage we cannot know when we will be able to return to full capacity, including the reintroduction of in person services for example, but with the roll out of vaccinations beginning locally we are confident that as a charity we are well placed (both financially and organisationally) to move forward and even to continue to grow in the near future.

**SCUNTHORPE BAPTIST CHURCH**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit and complied with section 17 (5) of the 2011 Charities Act when reviewing the aims and objectives prior to planning and developing activities.

**TRUSTEES RESPONSIBILITY STATEMENT**

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable 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 trust deed. They 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 order of the board of trustees on ..... and signed on its behalf by:

.....  
P Clark - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
SCUNTHORPE BAPTIST CHURCH**

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I report on the accounts for the year ended 31 March 2020, which are set out on pages six to sixteen.

**Responsibilities and basis of report**

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

I have examined your charity's accounts as required under section 145 of the Charities Act 2011 ('the Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. that accounting records were not kept as required by section 130 of the Act; or
2. that the accounts do not accord with those records; or
3. that the accounts do not comply with the accounting requirements of the Act; or
4. that there is further information needed for a proper understanding of the accounts.

**Independent examiner's statement**

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.

Helen Spauls  
F.C.A  
Smethurst & Co LLP  
12 Abbey Road  
GRIMSBY  
DN32 0HL

Date: .....

**SCUNTHORPE BAPTIST CHURCH**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income		124,213	25,229	149,442	150,704
Investment income	2	10,724	-	10,724	10,650
<b>Incoming resources from charitable activities</b>					
Grants		-	4,200	4,200	-
<b>Other incoming resources</b>		2,543	-	2,543	3,738
<b>Total incoming resources</b>		137,480	29,429	166,909	165,092
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Ministry		43,342	4,200	47,542	11,238
Mission		37,721	22,301	60,022	41,948
Establishment		38,876	-	38,876	46,998
Administration		16,129	-	16,129	48,450
Grants		6,456	-	6,456	5,904
<b>Total resources expended</b>		142,524	26,501	169,025	154,538
<b>NET INCOMING/(OUTGOING) RESOURCES</b>		(5,044)	2,928	(2,116)	10,554
<b>Other recognised gains/losses</b>					
Gains/losses on investment assets		(6,000)	-	(6,000)	17,000
<b>Net movement in funds</b>		(11,044)	2,928	(8,116)	27,554
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		673,287	20,882	694,169	666,615
<b>TOTAL FUNDS CARRIED FORWARD</b>		662,243	23,810	686,053	694,169

The notes form part of these financial statements



**SCUNTHORPE BAPTIST CHURCH**

**BALANCE SHEET  
AT 31 MARCH 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	6	341,135	-	341,135	354,919
Investment property	7	220,000	-	220,000	226,000
		<u>561,135</u>	<u>-</u>	<u>561,135</u>	<u>580,919</u>
<b>CURRENT ASSETS</b>					
Debtors	8	5,357	-	5,357	6,690
Cash at bank		146,036	23,810	169,846	160,630
		<u>151,393</u>	<u>23,810</u>	<u>175,203</u>	<u>167,320</u>
<b>CREDITORS</b>					
Amounts falling due within one year	9	(5,428)	-	(5,428)	(4,388)
		<u>145,965</u>	<u>23,810</u>	<u>169,775</u>	<u>162,932</u>
<b>NET CURRENT ASSETS</b>					
		<u>707,100</u>	<u>23,810</u>	<u>730,910</u>	<u>743,851</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS</b>					
Amounts falling due after more than one year	10	(44,857)	-	(44,857)	(49,682)
		<u>662,243</u>	<u>23,810</u>	<u>686,053</u>	<u>694,169</u>
<b>NET ASSETS</b>					
<b>FUNDS</b>					
Unrestricted funds	11			662,243	673,287
Restricted funds				23,810	20,882
				<u>686,053</u>	<u>694,169</u>
<b>TOTAL FUNDS</b>					

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
P Clark -Trustee

.....  
T W Macdonald -Trustee

## **SCUNTHORPE BAPTIST CHURCH**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1. ACCOUNTING POLICIES**

##### **Change in accounting policies**

The former Manse Property owned by the charity has been reclassified during the year as investment property from tangible fixed assets. Comparative figures have been restated in line with the revised policy.

The policy has changed to:

Investment property is measured at cost and subsequently at fair value at each reporting date. No depreciation is provided on investment property.

Previously the property was included within tangible fixed assets at cost and depreciated at 2% Straight Line per annum.

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

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

##### **Donations**

Donations are accounted for gross when received.

##### **Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income is deferred only when the charity has to fulfil conditions before it becomes entitled to it.

##### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

##### **Costs of activities in furtherance of the charity's objects**

Actual costs are included in the accounts in the year in which they are incurred, inclusive of any irrecoverable VAT.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 5% Straight Line and 2% Straight Line
Fixtures and fittings	- 25% Straight Line, 20% Straight Line and 10% Straight Line

Depreciation on fixed assets costing over £250 is calculated to write off the cost on a straight line basis over their expected useful lives.

The church premises owned prior to 2002 are considered to be inalienable and historic fixed assets. They are excluded from the balance sheet because reliable cost information is not available and valuation would incur significant costs, which would be onerous compared to the additional benefit gained by the user of the accounts. Expenditure since 2002 on premises is included in the balance sheet at cost.

The building extension in 2002 is included in fixed assets at a cost of £485,200 and depreciated at 2% straight line. The Trustees consider that none of its separate components has a significantly different useful economic life that collectively would materially affect the carrying value in the accounts.

Furniture and equipment acquired since 2002 for the church premises is included at cost where the expected useful life exceeds 5 years. Fixed assets are reviewed annually for impairment where a market value can be reasonably assessed.

**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020**

**1. ACCOUNTING POLICIES - continued**

**Investment property**

Investment property is measured at cost and subsequently at fair value at each reporting date. No depreciation is provided on investment property.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Pension costs**

Employer's contributions to the defined contribution pension schemes of eligible employees are included in the Statement of financial activity in the year in which they become payable. Obligations under a defined benefit multi-employer plan are recognised as though they were a defined contribution plan. A liability is included for the present value of contributions payable that result from the terms of the agreement with the multi-employer plan and the impact of deficiency contributions are included in the Statement of financial activity.

**Grants payable**

The Church makes grants to other organisations whose charitable objects complement its work. They are accounted for in the year in which they are paid.

**Management and administration**

This represents direct expenditure on the management of the Church. Most of the management is carried out without charge by volunteers. The intangible cost is not included in the Statement of Financial Activities since there is no measurable cost to the volunteers for their service.

**Investment income**

Investment income is accounted for in the year in which it is received.

**2. INVESTMENT INCOME**

	31.3.20	31.3.19
	£	£
Rents received	8,700	8,700
Bank interest	2,024	1,950
	<u>10,724</u>	<u>10,650</u>

**3. GRANTS PAYABLE**

	31.3.20	31.3.19
	£	£
Grants	6,456	5,904
	<u>6,456</u>	<u>5,904</u>

The total grants paid to institutions during the year was as follows:

	31.3.20	31.3.19
	£	£
Home Mission	3,408	2,952
BMS World Mission	3,048	2,952
	<u>6,456</u>	<u>5,904</u>

**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020**

**4. TRUSTEES' REMUNERATION AND BENEFITS**

	31.3.20	31.3.19
	£	£
Trustees' salaries	28,050	27,451
Trustees' social security	928	1,385
Trustees' pension contributions to defined benefit schemes	3,419	4,237
	<u>32,397</u>	<u>33,073</u>

The above Trustees remuneration relates to pastor, Rev T W MacDonald in respect of his services as Lead Pastor. In addition to the above T W Macdonald, lived rent-free in housing owned or leased by the church, as is customary for clergy. For pension purposes this benefit has been valued at £6,144 (2019 - £6,000).

£4,935 has been paid to the Baptist Pension Trust Limited as Scunthorpe Baptist Church's share of the deficit (2019 - £4,803).

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019 .

**5. STAFF COSTS**

	31.3.20	31.3.19
	£	£
Wages and salaries	85,616	101,084
Social security costs	1,739	3,430
Other pension costs	5,158	6,694
	<u>92,513</u>	<u>111,208</u>

The average monthly number of employees during the year was as follows:

	31.3.20	31.3.19
Church	<u>6</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

Total paid to key management during the year inclusive of national insurance and pension contributions was £32,397 (2019- £33,073).

**6. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2019 and 31 March 2020	<u>512,539</u>	<u>78,072</u>	<u>590,611</u>
<b>DEPRECIATION</b>			
At 1 April 2019	169,674	66,018	235,692
Charge for year	<u>11,072</u>	<u>2,712</u>	<u>13,784</u>
At 31 March 2020	<u>180,746</u>	<u>68,730</u>	<u>249,476</u>
<b>NET BOOK VALUE</b>			
At 31 March 2020	<u>331,793</u>	<u>9,342</u>	<u>341,135</u>
At 31 March 2019	<u>342,865</u>	<u>12,054</u>	<u>354,919</u>

**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. INVESTMENT PROPERTY**

	£
<b>MARKET VALUE</b>	
At 1 April 2019	226,000
Revaluation	(6,000)
	220,000
At 31 March 2020	220,000
<b>NET BOOK VALUE</b>	
At 31 March 2020	220,000
At 31 March 2019	226,000

Investment property was initially purchased for £155,000 in 2003.

The Trustees have estimated the fair value of the investment property at each period end using publicly available government information on local house prices.

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Other debtors	5,357	6,690
	5,357	6,690

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Other creditors	5,428	4,388
	5,428	4,388

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.20	31.3.19
	£	£
Other creditors	44,857	49,682
	44,857	49,682

**11. MOVEMENT IN FUNDS**

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
<b>Unrestricted funds</b>			
General fund	673,287	(11,044)	662,243
<b>Restricted funds</b>			
Restricted Fund	20,882	2,928	23,810
	694,169	(8,116)	686,053
<b>TOTAL FUNDS</b>	694,169	(8,116)	686,053

**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020**

**11. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	137,480	(142,524)	(6,000)	(11,044)
<b>Restricted funds</b>				
Restricted Fund	29,429	(26,501)	-	2,928
<b>TOTAL FUNDS</b>	<u>166,909</u>	<u>(169,025)</u>	<u>(6,000)</u>	<u>(8,116)</u>

**Comparatives for movement in funds**

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
<b>Unrestricted Funds</b>			
General fund	646,337	26,950	673,287
<b>Restricted Funds</b>			
Restricted Fund	20,278	604	20,882
<b>TOTAL FUNDS</b>	<u>666,615</u>	<u>27,554</u>	<u>694,169</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	148,334	(138,384)	17,000	26,950
<b>Restricted funds</b>				
Restricted Fund	16,758	(16,154)	-	604
<b>TOTAL FUNDS</b>	<u>165,092</u>	<u>(154,538)</u>	<u>17,000</u>	<u>27,554</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	At 31.3.20 £
<b>Unrestricted funds</b>			
General fund	646,337	15,906	662,243
<b>Restricted funds</b>			
Restricted Fund	20,278	3,532	23,810
<b>TOTAL FUNDS</b>	<u>666,615</u>	<u>19,438</u>	<u>686,053</u>

**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020**

**11. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	285,814	(280,908)	11,000	15,906
<b>Restricted funds</b>				
Restricted Fund	46,187	(42,655)	-	3,532
<b>TOTAL FUNDS</b>	<u>332,001</u>	<u>(323,563)</u>	<u>11,000</u>	<u>19,438</u>

Included within restricted funds are as follows:

**Foodbank**

These funds are given specifically to support our Foodbank project, offering emergency food parcels to people in crisis.

**Change for Change**

These funds are loose change donations that are given to allow us to support vulnerable people with one-off support, for example, purchasing a microwave, buying a train ticket etc.

**Crosby**

These funds are given to support our project in Crosby, a particularly challenging area of Scunthorpe, where we have recently established a new venue.

**Holiday Club**

These funds finance the holiday clubs we provide in conjunction with the local schools and local authority, particularly during the Easter and summer breaks.

**Next Generation**

This is a one-off legacy donation that was given with the express purpose of being used to develop future leaders for service within the charity.

**Media**

This is a one-off gift to allow the purchase of some improved media equipment.

**Big Give**

These funds are used to resource our Christmas 'Big Give' drive, in particular the production of Christmas Hampers, which are donated to needy families in partnership with the local Children's Services.

**Dishwasher**

This is a one-off gift to allow the charity to purchase a new working dishwasher for the kitchen.

**EMBA**

This is funding towards staff training tuition fees.

## SCUNTHORPE BAPTIST CHURCH

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

#### 12. PENSIONS

The custodian trustee of the church is the Baptist Union Corporation Limited (Charity no. 249635) which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain and the East Midlands Baptist Association.

The church has made donations to the Baptist Union Home Mission Scheme and BMS World Mission as set out in note 3.

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the Employer and the other participating employers.

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 pensions 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 is 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 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 Aviva plc. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.] The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within 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.

#### Actuarial Valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) 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 £18 million (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	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns- Pre-retirement	2.95
- Post retirement	3.20
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70



**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. PENSIONS**

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 Scheme 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 Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

**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.

<b>Accounting date (year ending):</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Balance sheet liability at year start	£49,682	£88,692
Minus deficiency contributions paid	-£4,935	-£4,803
Interest cost (recognised in SoFA)	£945	£1,985
Remaining change to balance sheet liability *(recognised in SoFA)	-£ 834	-£36,192
Balance sheet liability at year end	£44,857	£49,682

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

This liability represents the present value of the 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:

<b>Accounting Date</b>	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Discount rate	2.2 %	2.4%	2.3%
Further increases to Minimum Pensionable Income	2.8 %	3.3%	3.2%

**13. RELATED CHARITIES**

The custodian trustee of the church is the Baptist Union Corporation Limited (Charity no. 249635) which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain and the East Midlands Baptist Association.

The church has made donations to the Baptist Union Home Mission Scheme and BMS World Mission as set out in note 3.

**14. RELATED PARTY TRANSACTIONS**

During the year the elected Trustees donated £10,515 (2019 - £10,240) to the church.

**SCUNTHORPE BAPTIST CHURCH**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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**15. PRIOR PERIOD ADJUSTMENT**

The reclassification of property from tangible fixed assets to investment property has had the following effect on the comparative figures:

Cost value brought forward in 2019 of freehold property has been revised to £512,539 from £667,539. Accumulated depreciation in the brought forward in 2019 of freehold property has been revised to £158,602 from £203,552.

Fair value brought forward in 2019 of Investment property has been revised to £209,000 from nil..

Resulting in reserves brought forward in 2019 increased by £98,950.

Depreciation during the year for 2019 was revised on Freehold property to £11,072 from £14,172.

An unrealised gain on investment property has been now been included of £17,000.

Resulting in the reserves carried forward in 2019 increasing in total by £119,050.

**SCUNTHORPE BAPTIST CHURCH**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2020**

	31.3.20	31.3.19
	£	£
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Donations	149,442	150,704
<b>Investment income</b>		
Rents received	8,700	8,700
Bank interest	2,024	1,950
	<hr/>	<hr/>
	10,724	10,650
<b>Incoming resources from charitable activities</b>		
Grants	4,200	-
<b>Other incoming resources</b>		
Other trading income	2,543	3,738
	<hr/>	<hr/>
<b>Total incoming resources</b>	166,909	165,092
<b>RESOURCES EXPENDED</b>		
<b>Charitable activities</b>		
Trustees' salaries	28,050	27,451
Trustees' social security	928	1,385
Trustees' pension contributions	3,419	4,237
Wages	57,566	73,633
Social security	811	2,045
Pensions	1,739	2,457
Sundries	56,162	57,753
Depreciation of tangible fixed assets	13,784	13,880
Baptist pension deficit costs	110	(34,207)
Grants to institutions	6,456	5,904
	<hr/>	<hr/>
	169,025	154,538
	<hr/>	<hr/>
<b>Total resources expended</b>	169,025	154,538
<b>Net (expenditure)/income before gains and losses</b>		
	(2,116)	10,554
<b>Realised recognised gains and losses</b>		
Unrealised gains/losses on investment property	(6,000)	17,000
	<hr/>	<hr/>
<b>Net (expenditure)/income</b>	<u>(8,116)</u>	<u>27,554</u>