

REGISTERED CHARITY NUMBER: 1131049

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020
FOR
SCUNTHORPE BAPTIST CHURCH

SCUNTHORPE BAPTIST CHURCH

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

| | Page |
|-----------------------------------|---------|
| Report of the Trustees | 1 to 4 |
| Independent Examiner's Report | 5 |
| Statement of Financial Activities | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements | 8 to 15 |

SCUNTHORPE BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the period ended 31st December 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
M Roberts

Independent examiner

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

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

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 PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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 work in Crosby has now been fully established as a new location separate from our Ashby Road building, with a dedicated team of people focussing on that area of our local community, meaning greater involvement and inclusion. We have also continued to be actively involved in the wider faith community, as well as engaging more in the local UCNL (University Campus North Lincs).

Those involved in our work with adults with additional needs continued to provide social support and provisions where possible, and we continue to plan for the development of a new community foundation to future develop our work.

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, including new groups meeting online to make them even more accessible to different people groups. These groups are an important setting for personal development, as well as a space for personal care.

Our weekly gatherings also continue to be an opportunity for Christian learning, whether meeting online or in person. 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, though this largely happened online when the national COVID-19 lockdowns came into effect, though there were occasional in person / outdoor gatherings too. 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 and ministry.

Care

Due to the COVID-19 pandemic our Care Home ministry has now come to end, though we continue to offer pastoral support on request. 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 on a regular basis.

Compassion

Our local Foodbank project continues to support thousands of people with food parcels, with distributions now happening 4 times a week from various locations from the local area. This project has developed even further with a new partnership with our local Citizens Advice Service making a huge difference for the local community. 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

Throughout the year we have continued to include children and young people within the life of the church, as well as supporting parents and families where possible, and we remain committed to providing holiday clubs and Sunday provisions for local children and young people.

SCUNTHORPE BAPTIST CHURCH

REPORT OF THE TRUSTEES FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020

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 £117,774 (March 2020 - £101,108).

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 took place on 1 January 2021.

Now that Connect Church is established with two locations, early plans are being developed to consider any future opportunities for more locations to be planted and established.

As part of this change it was 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. This has also faced delays due to the pandemic, but is expected to be completed before the beginning of the next financial year.

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, both for our members and our local communities.

Every effort has been made to keep contact with those with whom we were already working, and the pandemic has also made it possible for us to make new relationships and connections, including through online resources.

The pandemic naturally meant that many of our projects and ministries were required to adapt and pivot to the new circumstances, which was largely done successfully.

The situation with COVID-19 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 were unable to serve as normal during this time, though we work hard to ensure that they remain supported and connected to our work so that they may feel able to return to 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 from room bookings stopped during the pandemic, this has now returned, with new regular bookings also being added.

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.

We are grateful in most cases to now be able to operate again as we were prior to the pandemic, with both financial and volunteer resources still being available to us.

Public Benefit

SCUNTHORPE BAPTIST CHURCH

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

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**

I report on the accounts for the period 1 April 2020 to 31 December 2020, which are set out on pages six to fifteen.

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 PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

| | | | PERIOD 1.4.20 TO 31.12.20 | YEAR ENDED 31.3.20 |
|--|-------|---------------------------|------------------------------------|-----------------------|
| | Notes | Unrestricted fund £ | Restricted fund £ | Total funds £ |
| INCOMING RESOURCES | | | | |
| Incoming resources from generated funds | | | | |
| Voluntary income | | 86,437 | 82,634 | 169,071 |
| Investment income | 2 | 10,096 | - | 10,096 |
| Incoming resources from charitable activities | | | | |
| Grants | | - | - | 4,200 |
| Other incoming resources | | 1,830 | - | 1,830 |
| Total incoming resources | | 98,363 | 82,634 | 180,997 |
| RESOURCES EXPENDED | | | | |
| Charitable activities | | | | |
| Ministry | | 24,201 | - | 24,201 |
| Mission | | 21,904 | 40,589 | 62,493 |
| Establishment | | 27,030 | 125 | 27,155 |
| Administration | | 10,659 | - | 10,659 |
| Grants | | 6,480 | - | 6,480 |
| Total resources expended | | 90,274 | 40,714 | 130,988 |
| NET INCOMING/(OUTGOING) RESOURCES | | 8,089 | 41,920 | 50,009 |
| Other recognised gains/losses | | | | |
| Gains/losses on investment assets | | 19,000 | - | 19,000 |
| Net movement in funds | | 27,089 | 41,920 | 69,009 |
| RECONCILIATION OF FUNDS | | | | |
| Total funds brought forward | | 662,243 | 23,810 | 686,053 |
| TOTAL FUNDS CARRIED FORWARD | | 689,332 | 65,730 | 755,062 |

The notes form part of these financial statements

SCUNTHORPE BAPTIST CHURCH

**BALANCE SHEET
AT 31 DECEMBER 2020**

| | Notes | Unrestricted fund £ | Restricted fund £ | 31.12.20 Total funds £ | 31.3.20 Total funds £ |
|--|-------|---------------------------|-------------------------|---------------------------------|--------------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 6 | 332,558 | - | 332,558 | 341,135 |
| Investment property | 7 | 239,000 | - | 239,000 | 220,000 |
| | | <u>571,558</u> | <u>-</u> | <u>571,558</u> | <u>561,135</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 4,952 | - | 4,952 | 5,357 |
| Cash at bank and in hand | | 164,543 | 65,730 | 230,273 | 169,846 |
| | | <u>169,495</u> | <u>65,730</u> | <u>235,225</u> | <u>175,203</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | (18,810) | - | (18,810) | (5,428) |
| NET CURRENT ASSETS | | | | | |
| | | <u>150,685</u> | <u>65,730</u> | <u>216,415</u> | <u>169,775</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | 722,243 | 65,730 | 787,973 | 730,910 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 10 | (32,911) | - | (32,911) | (44,857) |
| NET ASSETS | | | | | |
| | | <u>689,332</u> | <u>65,730</u> | <u>755,062</u> | <u>686,053</u> |
| FUNDS | | | | | |
| Unrestricted funds | 11 | | | 689,332 | 662,243 |
| Restricted funds | | | | 65,730 | 23,810 |
| TOTAL FUNDS | | | | | |
| | | | | <u>755,062</u> | <u>686,053</u> |

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 PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020

1. ACCOUNTING POLICIES

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.

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.

SCUNTHORPE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

1. ACCOUNTING POLICIES - continued

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

| | PERIOD 1.4.20 TO | YEAR ENDED 31.3.20 |
|----------------|------------------------|-----------------------|
| | 31.12.20 | 31.12.20 |
| | £ | £ |
| Rents received | 8,997 | 8,700 |
| Bank interest | 1,099 | 2,024 |
| | <u>10,096</u> | <u>10,724</u> |

3. GRANTS PAYABLE

| | PERIOD 1.4.20 TO | YEAR ENDED 31.3.20 |
|--------|------------------------|-----------------------|
| | 31.12.20 | 31.12.20 |
| | £ | £ |
| Grants | 6,480 | 6,456 |

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

| | PERIOD 1.4.20 TO | YEAR ENDED 31.3.20 |
|-------------------|------------------------|-----------------------|
| | 31.12.20 | 31.12.20 |
| | £ | £ |
| Home Mission | 3,240 | 3,408 |
| BMS World Mission | 3,240 | 3,048 |
| | <u>6,480</u> | <u>6,456</u> |

SCUNTHORPE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

4. TRUSTEES' REMUNERATION AND BENEFITS

| | PERIOD 1.4.20 TO 31.12.20 | YEAR ENDED 31.3.20 |
|--|------------------------------------|-----------------------|
| | £ | £ |
| Trustees' salaries | 22,410 | 28,050 |
| Trustees' social security | - | 928 |
| Trustees' pension contributions to defined benefit schemes | 2,052 | 3,419 |
| | <u>24,462</u> | <u>32,397</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 £4,608 (2020 - £6,144).

£2,508 has been paid to the Baptist Pension Trust Limited as Scunthorpe Baptist Church's share of the deficit (2020 - £4,935).

Trustees' expenses

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

5. STAFF COSTS

| | PERIOD 1.4.20 TO 31.12.20 | YEAR ENDED 31.3.20 |
|-----------------------|------------------------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 54,702 | 85,616 |
| Social security costs | - | 1,739 |
| Other pension costs | 3,380 | 5,158 |
| | <u>58,082</u> | <u>92,513</u> |

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

| | PERIOD 1.4.20 TO 31.12.20 | YEAR ENDED 31.3.20 |
|--------|------------------------------------|-----------------------|
| Church | <u>6</u> | <u>6</u> |

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

Total paid to key management during the period inclusive of national insurance and pension contributions was £24,462 (2020- £32,397).

SCUNTHORPE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

6. TANGIBLE FIXED ASSETS

| | Freehold property £ | Fixtures and fittings £ | Totals £ |
|-----------------------|---------------------------|-------------------------------|-------------|
| COST | | | |
| At 1 April 2020 | 512,539 | 78,072 | 590,611 |
| Additions | - | 1,691 | 1,691 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 512,539 | 79,763 | 592,302 |
| | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | |
| At 1 April 2020 | 180,746 | 68,730 | 249,476 |
| Charge for year | 8,305 | 1,963 | 10,268 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 189,051 | 70,693 | 259,744 |
| | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | |
| At 31 December 2020 | 323,488 | 9,070 | 332,558 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2020 | 331,793 | 9,342 | 341,135 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

7. INVESTMENT PROPERTY

| | £ |
|-----------------------|-------------|
| MARKET VALUE | |
| At 1 April 2020 | 220,000 |
| Revaluation | 19,000 |
| | <hr/> |
| At 31 December 2020 | 239,000 |
| | <hr/> <hr/> |
| NET BOOK VALUE | |
| At 31 December 2020 | 239,000 |
| | <hr/> <hr/> |
| At 31 March 2020 | 220,000 |
| | <hr/> <hr/> |

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

| | 31.12.20 £ | 31.3.20 £ |
|---------------|---------------|--------------|
| Other debtors | 4,952 | 5,357 |
| | <hr/> | <hr/> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.20 £ | 31.3.20 £ |
|---------------------------|---------------|--------------|
| Bank loans and overdrafts | 1,830 | - |
| Other creditors | 16,980 | 5,428 |
| | <hr/> | <hr/> |
| | 18,810 | 5,428 |
| | <hr/> <hr/> | <hr/> <hr/> |

SCUNTHORPE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

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

| | | |
|-----------------|-------------------|-------------------|
| | 31.12.20 | 31.3.20 |
| | £ | £ |
| Other creditors | 32,911 | 44,857 |
| | <u> </u> | <u> </u> |

11. MOVEMENT IN FUNDS

| | | | |
|---------------------------|-------------------|-------------------|-------------------|
| | At 1.4.20 | Net movement | At 31.12.20 |
| | £ | in funds | £ |
| | | £ | |
| Unrestricted funds | | | |
| General fund | 662,243 | 27,089 | 689,332 |
| Restricted funds | | | |
| Restricted Fund | 23,810 | 41,920 | 65,730 |
| | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>686,053</u> | <u>69,009</u> | <u>755,062</u> |

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

| | | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | Incoming | Resources | Gains and | Movement in |
| | resources | expended | losses | funds |
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 98,363 | (90,274) | 19,000 | 27,089 |
| Restricted funds | | | | |
| Restricted Fund | 82,634 | (40,714) | - | 41,920 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>180,997</u> | <u>(130,988)</u> | <u>19,000</u> | <u>69,009</u> |

Comparatives for movement in funds

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

SCUNTHORPE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

11. MOVEMENT IN FUNDS - continued

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

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

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.

Dishwasher

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

Christmas Hampers

Donations were made to sponsor a Christmas hamper. The Christmas hampers were then prepared and delivered in partnership with local children's services, ensuring that the most vulnerable and needy families received a full Christmas dinner and gifts for the children.

Pastor Albert

Funds were raised to support a partner of the church in Zambia with school fees for his son. All donations were sent directly to Albert.

12. POST BALANCE SHEET EVENTS

Scunthorpe Baptist Church began to operate as a Charitable Incorporated Organisation (CIO) on the 1st January 2021. All assets and liabilities were transferred with effect of this date. Scunthorpe Baptist Church also re-branded with effect from 1st January 2021 as Connect Church.

SCUNTHORPE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020

13. 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 | 1.70 |
| 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 PERIOD 1 APRIL 2020 TO 31 DECEMBER 2020**

13. 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.

| Accounting date (year ending): | 31 December | |
|---|--------------------|----------------------|
| | 2020 | 31 March 2020 |
| Balance sheet liability at year start | £44,857 | £49,682 |
| Minus deficiency contributions paid | -£2,508 | -£4,935 |
| Interest cost (recognised in SoFA) | £709 | £945 |
| Remaining change to balance sheet liability *(recognised in SoFA) | -£10,147 | -£834 |
| Balance sheet liability at year end | £32,911 | £44,857 |

*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:

| Accounting Date | 31 December | | |
|---|--------------------|----------------------|----------------------|
| | 2020 | 31 March 2020 | 31 March 2019 |
| Discount rate | 0.9 % | 2.2% | 2.4% |
| Further increases to Minimum Pensionable Income | 3.5 % | 2.8% | 3.3% |

14. 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.

15. RELATED PARTY TRANSACTIONS

During the period the elected Trustees donated £7,380 (2020- £10,515) to the church.