

Registered Charity Number : 1135695

**GUILDFORD BAPTIST CHURCH
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

GUILDFORD BAPTIST CHURCH
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for the year ended 31 March 2021

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GUILDFORD BAPTIST CHURCH
ELDERS' REPORT
for the Year Ended 31st March 2021

The Elders, who are also the trustees of the charity, present their report with the financial statements of the church for the year ended 31st March 2021. The Elders 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 Ireland (FRS102) (effective 1 January 2015)".

Reference and Administrative Information

Principal Office: Guildford Baptist Church
Millmead
Guildford, GU2 4BE

Elders (*all of whom served throughout the year except where stated*)

Martin Brunet
Karen Case-Green (*Assistant Pastor*)
Elizabeth Hodgkinson
Lance Redman
Ian Stackhouse (*Senior Pastor*)
David Subadha
David White
Nigel Mansfield (*appointed 1/1/22*)

Pastors

Children and Families: Lydia Birmingham
Youth: Chris Toms (*resigned April 2021*)

Deacons

Catering Deacon: Emma Brackley
Community Outreach Deacon: Anna Cheah (*appointed November 2020*)
Finance Deacon: Andrew Hodgetts
Mission Deacon: Mike Stubbs (*appointed March 2021*)
Prayer Ministry Deacons: Isobel Anderson and Ruth Salisbury
Property Deacon: Des Donovan

Operations Manager: Duncan Stonehouse (*appointed January 2021*)

Advisors

Auditors: Bennewith 2018 Ltd, 3 Wey Court, Mary Road, Guildford GU1 4QU
Solicitors: No fixed appointment
Bankers: National Westminster Bank, 151 High Street, Guildford, GU1 3AH

Structure, Governance and Management

Guildford Baptist Church is a registered charitable unincorporated association, (charity number 1135695), governed by a Constitution. The Elders are the trustees of the charity. The Eldership comprises the Senior Pastor and other members of the pastoral staff and fellowship, as elected by the church members in Special Church Meetings. Elders on the pastoral staff are elected for the period of their staff appointment; other Elders are elected for periods of five years.

The Eldership is responsible for the oversight of the church and strategic planning. It meets every two weeks for prayer and business, and monthly for prayer. Training and induction of new Elders is incorporated in these meetings. The Deacons oversee the work in their respective areas, and meet with the Eldership periodically, as required.

All major decisions are taken to a full meeting of church members, which are held at least five times a year.

The Elders have considered the major risks to which the church is exposed and are satisfied that appropriate systems and actions are in place to mitigate these risks.

Objectives and Activities

The principal purpose of the church is the advancement of the Christian faith, according to the principles of the Baptist denomination. The church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

The Elders seek to fulfil the principal purpose by carrying out activities in the following main areas:

- Regular services of worship and teaching;
- A wide variety of groups to support and develop both members of the congregation and those in the local community;
- Mission activities to spread the good news of the Christian Gospel.

The church is heavily reliant upon the volunteer involvement of its members and in most areas the staff or members of the congregation are involved in the charitable activities. However the church also chooses to give grants to selected partner organisations with similar aims (see note 4).

The principal activities and achievements within the year are set out below. The Elders have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission with respect to public benefit.

Achievements and performance

As a national lockdown persisted, we continued to broadcast weekly worship services online. As restrictions allowed, we moved beyond livestreaming from the Chapel with just three people present to streamed services from the Riverside Rooms, with a small 'studio audience' present. The final stage of the building project neared completion by the summer of August 2020, enabling both our morning and evening services to return to the Auditorium at the Millmead Centre by the time

worship services were permitted once again by the government in September 2020 (excluding November lockdown).

Since September 2020 we have followed a 're-emerging and re-connecting' roadmap put together by the church elders and leaders to facilitate re-gathering in person, both on Sundays and for midweek activities. We will continue to livestream our services and some midweek gatherings as we adapt to this new 'hybrid' in-person and virtual community.

Despite disruptions and restrictions, our church programme has continued to thrive over this period of national lockdown. Many Pastorates met weekly/fortnightly over Zoom - and later in gardens once restrictions allowed - remaining the first port of call for pastoral care, particularly at this time. Whilst some of our regular midweek activities were put on hold, a number of new ministries emerged, including a monthly Hymn Singalong and a 'Speak to your Soul' page on the website.

Outreach in the local community developed in tandem with the growing needs caused by lockdown. Millmead Food Connection was set up by Anna and Ruth Cheah, a support service offering grocery shopping and prescription collections, run by a small team of volunteers within the congregation. A food bank collection point was opened at the Millmead Centre, delivering on an alternate weekly basis to the Salvation Army Food Bank and the North Guildford Food Bank.

Open Grounds Café opened in December 2020, with Ruth Cheah as Café Manager. Despite varying levels of restrictions within the hospitality industry over the course of this past year, the Café has adapted and thrived throughout this period, providing a takeaway service, and indoor and outdoor table service, in line with government regulations. Café events have included a Chinese New Year celebration, bespoke Tea Party boxes, Mother's Day cream teas, an Easter Outreach, and Father's Day curry. A 12-week Barista Training Programme was started in April 2020 for a small number of trainees, providing an opportunity for them to learn key barista skills and thus to act as a bridge to employment, aided by the opening of a Tuesday afternoon training café. Open Grounds Café is now open Wednesday-Saturday, 10.00am-4.00pm.

We also held Alpha Courses in both English and Cantonese, online and in person, a John's Gospel Bible study group, the Bible Course, CAP Job Club, and the Kintsugi Hope Wellbeing Course.

Prayer continued to play a vital role in church life. Midweek prayer gatherings moved onto Zoom in March 2020 and remained online until the late spring/summer of 2021. Midday Prayer has continued on Zoom, with the addition of 'in person' prayer in the Chapel on a Friday. In November 2020 we held a Day of Prayer and embarked on a 'Season of Prayer', opening up the Chapel for private prayer (Monday-Saturday), with volunteers overseeing visitors to the Centre until the end of December.

Providing opportunities for genuine and diverse hospitality remained a focus for our community, despite the restrictions imposed on social gatherings. We held a 'Garden Hospitality Sunday' in July 2020, encouraging congregation members to gather in groups of 6s/two households in gardens or public spaces.

Both our children's and youth ministries have flourished, developing new approaches and activities both online and offline. Some highlights from the youth department include: two Virtual Youth

Weekends Away in May 2020, socially distanced gatherings throughout the summer, a prom in September 2020, and weekly Sunday groups, both on Zoom and in person. Some highlights from the children's department include The Family Zone in the Hall (October 2020 – June 2021, excluding the November lockdown) and Family Zone Live (November 2020 – June 2021), an online family service held at 9.00am before morning worship at 10.00am.

Special events in the church this year included a series of Easter Reflections during Holy Week, focusing on a different feature of the Chapel; an all-age quiz night held on Zoom; Millmead Mariners; an Open-Air Service in August; a Nativity performance; a Women's Breakfast on Zoom; weddings and baptisms.

Preaching series this year included Acts, Revelation, The Gospel, Hebrews and Isaiah 40 (morning services), and The Lord's Prayer, 1 Samuel, Mark, Isaiah and the Sermon on the Mount (evening services).

Membership on 31st March 2021 stood at 455.

Financial Review

The church is funded mainly by donations from members. Total income in the year was £1,364,725 (2020 - £1,491,698), including £486,296 (2020 - £650,181) specifically for the Millmead Centre Building redevelopment project. The church's total funds rose during the year from £5,628,986 to £5,999,409. This increase arose primarily due to completion of the Building project, and the value of being applied in capital expenditure on the Millmead Centre.

The reserves policy set by the Elders takes into account the generally stable nature of the church's regular income.

From the total unrestricted funds of £5,910,588 at the balance sheet date, the Elders have designated funds totalling £5,750,917 under the heading "Property Reserve". This reflects the net book value of amounts tied up for the longer term in the form of buildings and contents, net of associated loan funding.

The balance of the unrestricted funds at 31 March 2021, being the true general funds available for unrestricted use, was £152,927. The policy of the church is to maintain a minimum of £75,000 (being broadly equivalent to one month's expenditure), in unrestricted general reserve.

Pay & Remuneration of Key Management Personnel

As part of the annual budgeting process the Finance Deacon and the Elders review general levels of wage inflation, and where appropriate consider comparisons with equivalent roles. Based on this work a detailed list of proposed increases is prepared and subsequently approved by the Elders.

These salary increases form part of the overall church budget approved by the members at the start of the financial year.

Plans for Future Periods

The church will continue to pursue its Objectives and Activities through its current programmes and ministries.

With the gradual easing of restrictions since mid-July 2021, the church continues to 're-emerge and re-connect' in line with a roadmap offered by the Eldership. Over the past 18 months since lockdown first began, we have seen many newcomers through our doors, both on a Sunday and during the week. As such, we continue to plan how to thrive as a growing community and in a changing environment.

Many of our 'lockdown ministries' will continue for the foreseeable future, including the weekly food bank collection for the Salvation Army and the North Guildford food banks, and midday prayer via Zoom.

Since the building was re-opened in the autumn of 2020, we have seen a wealth of new ministries emerge. Efforts are now underway to repay the £1,6m loan given by the Baptist Union, led by Arthur Childs. Encouraged to use their 'time, talents and treasure' in whatever way they feel able, the congregation has now begun to repay this loan, both through one-off initiatives and through regular giving.

Related Charities

The Custodian Trustee of the church is the Baptist Union Corporation Ltd (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 South Eastern Baptist Association.

Included within Grants given (note 20) are £6,600 for the Baptist Missionary Society and £9,100 for the Baptist Home Mission Scheme.

The Millmead Financial Lifeboat Trust, a separate registered charity (No: 1124247), was established to provide financial help for members and regular attendees of Guildford Baptist Church who fall into financial difficulty. The Trustees of this trust are all Elders of Guildford Baptist Church.

The Open Grounds Café is the trading name of Millmead Trading Limited. It is held in trust on behalf of Guildford Baptist Church by one of the Elders (Lance Redman). Millmead Trading Limited started trading in November 2020, and will file the first accounts for period ending 31/3/2022.

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report 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 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 judgments 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Elders



David White – Elder



Ian Stackhouse – Elder

Date: 20 Jan 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF GUILDFORD BAPTIST CHURCH

YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Guildford Baptist Church (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the *Charities Act 2011*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the *Charities (Accounts and Reports) Regulations 2008* requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the *Charities Act 2011*, s. 145 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined the most significant are those that relate to FRS 102, the Charities SORP (FRS102) and the Charities Act 2011.

We assessed the risks of material misstatement in respect of fraud as follows:

- Enquiries were made of management and those charged with governance
- Analytical procedures were used to identify if there were any unusual or unexpected relationships
- Discussions were held with management to identify any fraud risk factors of related party relationships and transactions

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

Enquiries were made of management and those charged with governance. We corroborated our enquiries through the review of Trustees' minutes and other papers provided. There was no contradictory evidence.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach. We tested year end journals as well as journal entries throughout the year. There were no transactions identified outside the normal course of business.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud. We incorporated an element of unpredictability in the selection of the nature, timing, and extent of audit procedures.

Where transaction meeting risk criteria were identified, we carried out further work such as additional testing to source information.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

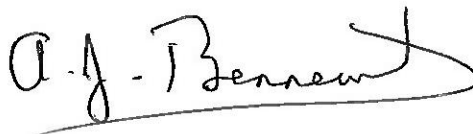
Use of my report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the *Charities (Accounts and Reports) Regulations 2008*. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A J Bennewith FCA, FCPA, FFA, FFTA, FIPA, DChA, FRSA (Senior Statutory Auditor)

for and on behalf of:

Bennewith 2018 Limited (Statutory Auditors)
3 Wey Court,
Mary Road,
Guildford,
Surrey, GU1 4QU

A handwritten signature in black ink that reads "A. J. Bennewith". The signature is written in a cursive style with a long horizontal stroke at the end.

Date: 4 April 2022

GUILDFORD BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

		2021			2020
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
INCOME & ENDOWMENTS FROM :					
Donations & Legacies	2	689,794	623,725	1,313,519	1,412,734
Charitable Activities	2	25,410	0	25,410	39,579
Other Trading Activities	2	25,591	0	25,591	38,433
Investments		205	0	205	952
Other Income		0	0	0	0
TOTAL		741,000	623,725	1,364,725	1,491,698
EXPENDITURE ON :					
Raising Funds		0	0	0	496
Charitable Activities	3	878,360	131,643	1,010,003	914,610
TOTAL		878,360	131,643	1,010,003	915,106
NET INCOME / (EXPENDITURE)		(137,360)	492,082	354,722	576,592
Transfers between funds		597,916	(597,916)	0	0
NET MOVEMENT IN FUNDS		460,556	(105,834)	354,722	576,592
Actuarial gains/(losses) on defined benefit pension schemes	14	15,701	0	15,701	(495)
RECONCILIATION OF FUNDS :					
Total Funds Brought Forward		5,434,331	194,655	5,628,986	5,052,889
Total Funds Carried Forward	15	5,910,588	88,821	5,999,409	5,628,986

CONTINUING OPERATIONS


All income and expenditure above arose from continuing operations.

GUILDFORD BAPTIST CHURCH

BALANCE SHEET
as at 31 March 2021

		2021		2020
		Unrestricted	Restricted	Total
		Funds	Funds	Funds
Note	£	£	£	Total Funds £
FIXED ASSETS				
Tangible assets	9	7,543,061	0	7,543,061
Investments	10	12,195	0	12,195
CURRENT ASSETS				
Debtors	11	60,640	24,920	85,560
Cash at bank & in hand		173,587	141,659	315,246
		234,227	166,579	400,806
CREDITORS				
Amounts falling due within one year	12	(265,237)	(77,758)	(342,995)
NET CURRENT ASSETS / (LIABILITIES)				
		(31,010)	88,821	57,811
Total assets less current liabilities				
		7,524,246	88,821	7,613,067
CREDITORS				
Amounts falling due after one year	13	(1,580,597)	0	(1,580,597)
Provisions	14	(33,061)	0	(33,061)
NET ASSETS				
		5,910,588	88,821	5,999,409
FUNDS				
Unrestricted Funds	15	5,910,588	0	5,910,588
Restricted Funds	15	0	88,821	88,821
TOTAL FUNDS				
		5,910,588	88,821	5,999,409

These Financial Statements were approved by the Trustees on and were signed on behalf of the charity by :


.....
I Stackhouse

20 Mar 2022
.....
Date


.....
D White

20 March 2022
.....
Date

The notes form part of these Financial Statements

GUILDFORD BAPTIST CHURCH
CASH FLOW STATEMENT
for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by / (used in) operations	A	324,742	533,816
Tax (paid) / recovered		185,291	190,414
Net cash provided by / (used in) operating activities		<u>510,033</u>	<u>724,230</u>
Cash flows from investing activities			
Dividends interest & rent from investments		205	952
Proceeds from the sale of property plant & equipment		0	0
Purchase of property plant & equipment		(1,499,247)	(1,664,203)
Investment in subsidiary		(12,195)	0
Net cash provided by / (used in) investing activities		<u>(1,511,237)</u>	<u>(1,663,251)</u>
Cash flows from financing activities			
Interest paid		(50,759)	(15,688)
Repayments of borrowing		(168,965)	(127,649)
Cash inflows from new borrowing		1,078,590	546,939
Net cash provided by / (used in) financing activities		<u>858,866</u>	<u>403,602</u>
Change in cash and cash equivalents in the reporting period		(142,338)	(535,419)
Cash and cash equivalents at the beginning of the reporting period		457,584	993,003
Cash and cash equivalents at the end of the reporting period		<u>315,246</u>	<u>457,584</u>

A. Reconciliation of net income / (expenditure) to net cash flow from operating activities

Net income / (expenditure) for the reporting period as per the Statement of Financial Activities (& including pension movements)	370,423	576,097
Adjustments for :		
Depreciation charges	140,842	34,606
Loss / (Profit) on disposal of fixed assets	0	0
Interest received	(205)	(952)
Interest paid	50,759	15,688
Tax recovered	(185,239)	(194,485)
Movements in pension provision	(18,996)	(3,971)
(Increase) / decrease in debtors	303,848	(324,174)
Increase / (decrease) in creditors	(336,690)	431,007
Net cash provided by / (used in) operating activities	<u>324,742</u>	<u>533,816</u>

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS102 have been prepared in accordance with the Charities SORP (FRS102) "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 (FRS102) (effective 1st January 2015)", 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.

1.2 Income

Donation income is recognised in the SoFA when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Tax reclaimable in respect of gift aid is recognised when receivable.

Investment income represents interest received on surplus balances and is accounted for on an accruals basis.

Room hire is recognised when invoiced.

1.3 Grants paid

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.

1.4 Resources expended

These are recognised when the expenditure is incurred. All costs have been directly attributed to one of the functional classifications in the SoFA. Staff costs, including employer NI and pension costs, are split on the basis of the estimated level of time spent in the respective areas of activity, for both direct charitable and support costs.

1.5 Support costs

Non staff support costs are spread across the direct charitable activities in the following ratios:

	Facilities	Gen. Admin
Ministry/Worship	60%	70%
Outreach & mission	0%	0%
Christian Education, Youth & Children's Work	20%	15%
Outreach via other organisations	20%	15%

1.6 Governance costs

These comprise expenditure relating to compliance with constitutional and statutory requirements.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

1.7 Pension costs

The church pays pension contributions for its eligible ministerial staff to the Baptist Pension Trust Ltd, a final salary defined benefit scheme which is not contracted out for State Pension purposes.

The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the church. In accordance with SORP (FRS102) the scheme is therefore accounted for as a defined contribution scheme (see also note 17).

The church also contributes to defined contribution schemes for members of staff not eligible for the above Baptist Pension Trust Ltd scheme.

1.8 Tangible Fixed assets

Additions to tangible fixed assets are recognised at cost.

Borrowing costs attributable to the Building Project have been charged to the SoFA.

The church holds two classes of freehold property, being

- a) The Millmead Centre, its main church building, and
- b) Whole or partial interests in 4 (2020 : 4) residential properties used by staff members

Depreciation is charged so as to write off the difference between the cost of the properties and their estimated residual values on a straight line basis over their expected useful economic lives.

Following the completion of the Building Development Project the trustees have reassessed the residual value of the site, resulting in a depreciation charge on the building with effect from 1st April 2020.

The expected useful economic life of the refurbished Millmead Centre is 50 years.

No depreciation has been charged on residential property on the grounds that the estimated residual value of each property is such that any charge would be negligible.

Expenditure on fixtures, fittings and equipment is written off on a straight line basis over their estimated useful lives of either 4 or 10 years. Expenditure on motor vehicles is written off over 5 years.

1.9 Fixed Asset Investments

The church is the ultimate controlling party of Millmead Trading Ltd, a company set up to run the Café and certain other catering activities within the church. The investment by the church is stated at cost less any impairment provision, if considered appropriate.

1.10 Consolidation

These financial statements reflect only the activities of Guildford Baptist Church and do not include the activity and balances of its subsidiary Millmead trading Ltd. That company was incorporated on 2nd October 2020 and commenced trading in November 2020. The level of activity in the period to 31 March 2021 is considered immaterial in relation to the overall financial statements of the church and therefore full consolidated accounts have not been prepared. Further details of the result, net assets, and balances between the two entities are given in note 19.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

1.11 Fund accounting

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

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

2 ANALYSIS OF INCOME

	2021 £	2020 £
Donations & legacies		
Pledge Giving	474,676	472,311
Other Giving	100,019	129,301
Designated Gifts	118,164	36,722
Building Development Fund	435,421	579,915
Income Tax Recovered	185,239	194,485
	<u>1,313,519</u>	<u>1,412,734</u>
Charitable activities		
Events & activities	4,372	33,411
Recharges & recoveries	38	1,997
CJRS	21,000	4,171
	<u>25,410</u>	<u>39,579</u>
Other trading activities		
Room rental & other lettings	<u>25,591</u>	<u>38,433</u>

3 CHARITABLE ACTIVITIES

	Direct costs £	Grants (Note 4) £	Support (Note 5) £	Total 2021 £	2020 £
Ministry & worship	205,245	0	300,024	505,269	488,576
Outreach & missionary work	184,983	15,700	0	200,683	198,237
Education, Youth & Children	6,105	6,000	74,917	87,022	86,604
Outreach via other organisations	0	12,825	72,561	85,386	68,564
Subtotal General Funds	<u>396,333</u>	<u>34,525</u>	<u>447,502</u>	<u>878,360</u>	<u>841,981</u>
Ministry & worship	8,637	3,561	24,381	36,579	29,487
Outreach & missionary work	0	73,035	0	73,035	24,204
Christian Education, Youth & Children	2,879	0	8,127	11,006	5,780
Outreach via other organisations	2,879	17	8,127	11,023	13,158
Subtotal Restricted Funds	<u>14,395</u>	<u>76,613</u>	<u>40,635</u>	<u>131,643</u>	<u>72,629</u>

4 GRANTS GIVEN

	Unrestricted £	Restricted £	2021 £	2020 £
Ministry & worship	0	3,561	3,561	12,147
Outreach & missionary work	15,700	73,035	88,735	39,904
Christian Education, Youth & Children	6,000	0	6,000	6,000
Outreach via other organisations	12,825	17	12,842	21,728
	<u>34,525</u>	<u>76,613</u>	<u>111,138</u>	<u>79,779</u>

Further details of grants made are shown in Note 20.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 March 2021**

5 SUPPORT COSTS

	Restricted Funds		General Funds		Total	2020
	Staff costs	Other costs	Staff costs	Other costs	2021	
	£	£	£	£	£	£
Ministry & worship	0	24,381	133,132	166,892	324,405	220,896
Outreach & missionary work	0	0	0	0	0	0
Education, Youth & Children	0	8,127	34,939	39,978	83,044	57,904
Outreach via other organisations	0	8,127	32,583	39,978	80,688	55,340
	<u>0</u>	<u>40,635</u>	<u>200,654</u>	<u>246,848</u>	<u>488,137</u>	<u>334,140</u>

Depreciation included within Other support costs above	<u>140,842</u>	<u>34,607</u>
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Minimum lease payments under non cancellable operating leases fall due as follows:

Within one year	4,249	4,249
Between one and five years	<u>1,063</u>	<u>5,311</u>
	<u>5,312</u>	<u>9,560</u>

Governance costs included within Other support costs above

Audit fee	<u>9,600</u>	<u>7,560</u>
	<u>9,600</u>	<u>7,560</u>

6 STAFF COSTS

	2021	2020
	£	£
Salaries	319,706	354,160
Employer's National Insurance	18,046	21,065
Employer's pension contributions	27,276	27,314
Other staff costs	<u>27,326</u>	<u>27,561</u>
	<u>392,354</u>	<u>430,100</u>

The average monthly number of employees was 16 (2020 : 18), 6 full-time and 12 part-time (2020 : 6 full time and 17 part-time). The estimated equivalent number of full time staff was 11.6 (2020 : 11.8).

No employees were paid £60,000 or more except as identified in note 7.

The total remuneration of Key Management was £195,083 (2020 : £190,165).

7 TRUSTEES' REMUNERATION AND EXPENSES

The following trustees received remuneration in their roles as ministers of the church, as authorised by the church constitution.

	2021	2020
	£	£
<u>Pastoral Leader (Dr I Stackhouse)</u>		
Stipend	43,727	42,661
Pension contributions	2,998	2,914
Other benefits	16,067	16,438
Expenses*	<u>2,140</u>	<u>3,183</u>
	<u>64,932</u>	<u>65,196</u>

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

7 TRUSTEES' REMUNERATION AND EXPENSES (continued)	2021	2020
	£	£
<u>Assistant Minister (K Case-Green from October 19)</u>		
Stipend	24,036	18,923
Pension contributions	2,318	2,468
Other benefits	17,531	6,016
Expenses*	218	291
	<u>44,103</u>	<u>27,698</u>
 <u>Assistant Minister (T Judson to October 19)</u>		
Stipend	0	17,738
Pension contributions	0	1,270
Other benefits	0	6,735
Expenses*	0	901
	<u>0</u>	<u>26,644</u>

The above individuals are employed by the church in a ministerial role. As part of their remuneration they are provided with either an accommodation allowance or they reside in a property wholly or partly owned by the church, for which a rental adjustment is made to their stipend reflecting the proportionate ownership. This amount is included above under "Other benefits".

The above trustees received reimbursement of expenses* for the costs of travel, courses, books, hospitality and telephone incurred in their ministerial role, but not in connection with their position as a trustee. No other trustees received any remuneration or reimbursement of expenses.

8 PRIOR YEAR ANALYSIS OF ACTIVITIES BY FUND TYPE

Included within the previous period's figures in the SoFA on page 10 are the following amounts in respect of restricted income and expenditure:

	£
Donation income - Building Fund	579,915
Designated Gifts	36,722
Tax recoverable	77,142
Fundraising	0
<i>Total restricted income</i>	<u>693,779</u>
 Fundraising	496
Ministry & worship	29,487
Outreach & missionary work	24,204
Christian Education, Youth & Children's work	5,780
Outreach via other organisations	13,158
<i>Total restricted expenditure</i>	<u>73,125</u>

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

9 TANGIBLE FIXED ASSETS

	Freehold property £	Fixt/ fitt. & equip. £	Motor vehicles £	2021 Total £	2020 Total £
COST:					
At 1 April 2020	6,155,803	254,525	11,100	6,421,428	4,805,774
Additions	775,723	723,524	0	1,499,247	1,664,203
Disposals	0	0	0	0	(48,549)
At 31 March 2021	<u>6,931,526</u>	<u>978,049</u>	<u>11,100</u>	<u>7,920,675</u>	<u>6,421,428</u>
DEPRECIATION:					
At 1 April 2020	0	232,332	4,440	236,772	250,715
Charge for the year	53,297	85,325	2,220	140,842	34,606
Disposals	0	0	0	0	(48,549)
At 31 March 2021	<u>53,297</u>	<u>317,657</u>	<u>6,660</u>	<u>377,614</u>	<u>236,772</u>
NET BOOK VALUE					
At 31 March 2021	<u>6,878,229</u>	<u>660,392</u>	<u>4,440</u>	<u>7,543,061</u>	<u>6,184,656</u>
At 31 March 2020	<u>6,155,803</u>	<u>22,193</u>	<u>6,660</u>	<u>6,184,656</u>	<u>4,555,059</u>

The Church has an interest in the following freehold properties:

The Millmead Centre	wholly owned by the church
10 Queen Eleanor's Road	wholly owned by the church
5 Badger Close	100% owned by the church
63 Ardmore Avenue	100% owned by the church
2 Perry Hill Cottages	22.18% owned by the church

All of the church's freehold properties are held for charitable use.

The Elders are unable to give a market value of the Millmead Centre at 31 March 2021 as it has limited planning consent and it is not known whether the local authority would grant any change of use should the property be sold.

In the opinion of the Elders, the market value of the Church's interest in the remaining properties at 31 March 2021 is approximately £1,922,000 (2020 - £1,850,000).

The historic cost of these properties was £1,266,652.

10 INVESTMENTS

	2021 £	2020 £
Investment in subsidiary	<u>12,195</u>	<u>0</u>

Further details in relation to the investment are given in note 19 below.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

11 DEBTORS	2021	2020
	£	£
Tax Recoverable	42,590	42,642
Missionary support in advance	3,333	5,263
Prepaid expenses	7,187	7,631
Lettings & rent etc	2,308	3,055
Building Fund prepayments etc	0	320,901
Other debtors	16,669	9,968
Due from subsidiary undertakings	13,473	0
	<u>85,560</u>	<u>389,460</u>

12 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

BU Loan (Building Fund)	113,835	113,805
Members' Loans (Building Fund)	75,000	120,000
Bank loans	18,272	18,178
Building Contract	77,758	430,808
Tax & social security	5,895	5,439
Other creditors and accruals	52,235	36,331
	<u>342,995</u>	<u>724,561</u>

13 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

Baptist Union Corporation Loan (Building Fund)	1,341,619	308,123
Members' Loans (Building Fund)	0	75,000
Bank loans	238,978	242,973
	<u>1,580,597</u>	<u>626,096</u>
Payable after 5 years by instalments (bank loans)	<u>165,890</u>	<u>170,261</u>

The church has the following loan arrangements in relation to the purchase of housing used by ministers or other members of the staff team, and for the refurbishment of the main church centre.

Loan 1 BUC : re the Building Project on the main church centre

The church has obtained an updated loan facility of £1.6m from the BU, to be drawn down as required.

The Baptist Union is Holding Trustee for the church's property which is the security for the loan.

The loan is repayable in equal monthly instalments over 20 years starting in April 2019.

Interest is charged at a variable rate, currently 3.1%.

Loan 2 NatWest bank : Minister's accommodation

The church took out a loan of £290,000 to fund the purchase of accommodation for a minister.

The loan is secured by a legal charge over the property. The loan is repayable over 25 years to 2041.

Interest rate: in July 19 a new fixed interest rate of 4.02% was agreed for a further 35 months until July 2022 after which it will revert to variable 3.67% above base.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

13 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR (Continued)

Members' Loans

The church also has loan arrangements with various members who have provided funding in support of the Building Project. All the loans are interest free and unsecured and are repayable over varying dates to January 2022.

14 PROVISIONS

	2021 £	2020 £
Defined benefit pension scheme liability		
Brought forward	52,057	56,028
Payments to the scheme	(4,392)	(5,727)
Interest charge	1,097	1,261
Movement arising from actuarial valuation	(15,701)	495
Carried forward	<u>33,061</u>	<u>52,057</u>

15 FUNDS

		1.4.20 £	Income £	Expenses £	Transfers £	Balance 31.3.21 £
<u>Unrestricted funds</u>						
Property reserve	a	5,277,724	0	0	473,193	5,750,917
General fund	b	149,863	756,701	(878,360)	124,723	152,927
Building maintenance	c	6,744	0	0	0	6,744
		<u>5,434,331</u>	<u>756,701</u>	<u>(878,360)</u>	<u>597,916</u>	<u>5,910,588</u>
<u>Restricted funds</u>						
Building Fund	d	185,806	486,296	(53,848)	(585,721)	32,533
Designated giving	e	4,431	137,419	(77,795)	(12,195)	51,860
Missionary legacy	f	4,418	10	0	0	4,428
		<u>194,655</u>	<u>623,725</u>	<u>(131,643)</u>	<u>(597,916)</u>	<u>88,821</u>

- a The property reserve is intended to reflect that part of the charity's funds which are tied up in freehold property, including fixtures and contents, and therefore not readily available for distribution.
- b The general fund reflects free reserves available to support the work of the church. It is the policy of the trustees to target a permanent reserve equivalent to c 2 months of running costs within this fund.
- c The building maintenance fund is intended to set aside money to provide for future maintenance costs.
- d The Building Fund is a restricted fund to be applied in the completion of the building project for the renovation and extension of the Millmead Centre.
- e The designated giving fund reflects amounts received by the church where the donor has expressed a preference in relation to the use of the funds. Whilst the trustees generally retain the right to choose how the funds are applied, such amounts are separately recorded and commonly expended as requested.
- f These funds reflect a legacy received for the support of missionary activity.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

16 ANALYSIS OF NET ASSETS BY FUND TYPE

	Fixed assets £	Net current assets £	Loans & Provisions £	2021 Total £
Freehold Property Reserve	7,538,621	(207,107)	(1,580,597)	5,750,917
General Fund	16,635	169,353	(33,061)	152,927
Building maintenance		6,744		6,744
Building Development Fund		32,533		32,533
Missionary Legacy Fund		4,428		4,428
Designated Gifts Fund		51,860		51,860
	<u>7,555,256</u>	<u>57,811</u>	<u>(1,613,658)</u>	<u>5,999,409</u>

17 PENSIONS

Background to the disclosure

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 Ministers 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 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 Avivia 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.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

17 PENSIONS (Continued)

Background to the disclosure (Continued)

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 assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (RPI)	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 Scheme is due to take place not later than as at 31 December 2022.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 March 2021**

17 PENSIONS (continued)

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

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 note 14 above.

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:

	31-Mar-21	31-Mar-20	31-Mar-19
Discount rate	0.90%	2.20%	2.30%
Future increases to Minimum Pensionable Income	3.50%	2.80%	3.20%

The Church has been advised that its estimated share of the employer debt at 31 March 2021 was approximately £97,600 (2020 : £133,500).

18 RELATED CHARITIES

The custodian Trustee of the church is the Baptist Union Corporation Ltd which is charity no: 249635, and which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain, and the South Eastern Baptist Association.

The church made the following donations to activities related to the Baptist Union:

BU Home Mission Fund	£9,100 (2020 : £9,100)
Baptist Missionary Society	£6,600 (2020 : £6,600)

The Millmead Financial Lifeboat Trust

The Trust was established to provide financial help for members and regular attenders of Guildford Baptist Church who fall into financial difficulty. The Trustees of this Trust are all Elders of Guildford Baptist Church. The Trust's charity number is 1124247.

GUILDFORD BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2021

19 RELATED PARTY TRANSACTIONS

Trustees

Lance Redman, who is an Elder of the church, is a shareholder and director of HPCA Ltd, the company which administers the church's payroll. The total cost for payroll services during the year including VAT was £2,619 (2020 - £2,322).

The total aggregate donations from Trustees in the year was £81,009 (2020: £97,975).

The following loans made by trustees to the church were outstanding at the balance sheet date:

D White £nil (2020 : £25,000)

M Brunet £20,000 (2020 : £20,000)

Millmead Trading Ltd

Millmead Trading Ltd was incorporated on 2nd October 2020 in order to operate a Café from the church premises at the Millmead Centre. Charges made between the two entities during the period were as follows:

By the church to the company for the recharge of costs - £13,473

By the company to the church for catering services - £501

At 31 March 2021 there was a balance payable from the company to the church of £13,473.

At 31 March 2021 the net assets of the company were £4,742 and its result for the period then ended was a loss of £7,454.

20 GRANTS MADE

	Unrestricted		Restricted	
	<u>Institutions</u>	<u>Individuals</u>	<u>Institutions</u>	<u>Individuals</u>
	£	£	£	£
Church fellowship & work			986	2,575
Baptist Union Home Mission Fund	9,100			
Church missionaries				
& general mission			6,020	10,175
Schools	6,000			
Baptist Missionary Society	6,600			
Friends International	5,000			
8 local organisations (Social Concern)	2,825			
Guildford Besom	1,500			
Guildford Town Centre Chaplaincy	1,500			
Starfish Asia	1,000			
Guildford CAP Debt Office	1,000			
Uganda Projects & Partnership			0	
Guatemala Project (Latin Link)			11	
Christ's College Wellbeing Project			6	
Covid Relief Fund			31,096	2,113
Beirut - RCB Church			20,053	
Christmas - BMS Nepal			3,578	
	34,525	0	61,750	14,863