

Charity Registration No. 1129069

AVENUE BAPTIST CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

AVENUE BAPTIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S. Ekins (Secretary) P. Thompson C Dungey B Williams J. Guest P Potter J Dickenson L Smith	(Appointed 1 July 2022) (Appointed 20 March 2022) (Appointed 20 March 2022) (Appointed 12 February 2023)
Charity number	1129069	
Principal address	14 Avenue Terrace Westcliff on Sea Essex SS0 7PL	
Independent examiner	P A Stafford FCCA 457 Southchurch Road Southend on Sea Essex SS1 2PH	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Metro Bank One Southampton Row London WC1B 5HA	
Property Trustees	The Baptist Union Corporation Baptist House 129 Broadway Didcot Oxon OX11 8RT	

AVENUE BAPTIST CHURCH

CONTENTS

	Page
Trustees' report	1 - 6
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 23

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Charity is governed by an Approved Governing Document which states that the principal purpose of the charity is the advancement of the Christian faith according to the principles of the Baptist denomination, including the advancement of education, community service and other such general charitable purposes in such parts of the UK and the world as the church shall determine.

The Church occupies premises which are held by the Baptist Union Corporation Ltd, on Trusts which are entirely compatible with the above.

To achieve the principal objective, which is set out above, the church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with him as living Lord.

Central to the work and witness of the church is the provision of regular public services of Christian worship. These take place each Sunday at 10.30 a.m. with most services being livestreamed via Churchonline platform. Worship is led by Rev Jane Guest or Rev Kilpin supported by a variety of visiting preachers and preachers from within the church congregation. We have All Age Worship once a month.

We celebrate the major Christian festivals with special services and activities. We see these – especially at Christmas time – as an opportunity to involve the local community. These events are advertised locally and on the website at www.avenuebaptist.com. Links with the local community is an area we will be focussing on as we seek to spread the word of God throughout Southend.

The Church hosts a Playgroup, run daily from 9.15a.m. to 12.15 p.m. during school term times. This is subject to registration and inspection by Ofsted. In addition, trustees meet regularly with the playgroup manager to ensure effective oversight. The playgroup is run as a separate ministry of the church and is funded by childcare vouchers with a few parents opting to pay directly for the care offered. The playgroup keeps its own accounts and has been very well run for a number of years having built up a surplus to cover salaries and costs in the event it needs to close down. Numbers at the playgroup have rebounded and are now at pre Covid levels with a waiting list.

Church members also run "Little Pebbles" an all ability baby and toddler group which includes fathers and grandparents as well as mothers.

There is a popular group called "Seekers" serving adults with learning difficulties which meet regularly. Seekers provides support and discipleship to about 25 adults. It is run by volunteers with support from Rev Kilpin. They meet regularly for social events and organise annual holidays and trips. They also aim to contribute to our regular worship once or twice a year. They are an integral part of the church family and bring a lot of joy to the wider membership. This group of people is not really specifically catered for in many other churches, so we are pleased to be able to provide a spiritual home for them offering support and encouragement.

A church member also runs a bereavement support group for parents who have lost children. This is a group open to all the community and has seen numbers grow steadily. We have seen some members of this group become part of our regular worship. It again demonstrates the positive effect we are having on people's lives.

The church also operates a Women's House of Prayer group. This has continued with women praying for each other, their families, friends and acquaintances via WhatsApp.

The church runs groups for young people weekly during term time. We cater for ages from 5 to 18 divided into 3 groups that meets on Tuesdays.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our church building is also hired out or made available to outside groups ranging from the local National Trust branch, a local Family History group, to a Child Contact Centre. The hiring is partly to raise funds for the church, but we also host groups that are in accord with our values. One example would be the Avenue Child Contact Centre. Although a separately registered and run charity we are pleased to host it as it is the only such organisation in the county and has seen referrals increase. With its aim of fostering/repairing relationships between children and their non-resident parent it very much accords with our mission of transforming lives.

The church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted via DBS, using the services of Due Diligence Checking Ltd. This is supported by safeguarding training run by the Eastern Baptist Association.

The trustees have read the Charity Commission guidance on Public Benefit and are satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

Achievements and performance

The end of 2021 and the first part of 2022 was focussed very much on the continuing search for a new full-time minister. During this period, we were blessed with a number of visiting preachers supported by Rev Kilpin.

After a process of careful discernment Rev Jane Guest was called to be the new full-time minister at Avenue by a Special Church Meeting in May. She started in post on 1 July 2022 and was formally inducted at a special service on 31 July 2022.

The arrival of Rev Guest galvanised many areas of church life and coupled with the end of all Covid restrictions meant that 2022 was a welcome return to pre-pandemic normality. Attendances grew steadily and although not above pre-Covid levels are healthy. The church continues to attract new worshippers – some stay and some move on as is usual - but the fact that new people still want to attend is encouraging.

We had 2 baptisms in 2022 – both for relatively new attenders. One was an asylum seeker – a persecuted Christian - and we were able to celebrate him being given leave to remain in the UK soon after the baptismal service. The church leaders were involved with the Home Office in helping to assess the asylum claim.

We organised some very successful "Fun Days" – community events held at the church. The first was for the Queens Jubilee. We had over 100 people visit the church with entertainment for the children and then held a similar Christmas event in December. Attendance was again well over 100 from the local community. In addition, we held two concerts to raise funds for external charities both were well received and attended by members of the local community.

We were able to run all of our groups in person. This included the Children and Youth work on Tuesdays, the Bereaved Parents Support Group, the Seekers group, and the Avenue Ladies group.

One important initiative launched by Rev Guest was to ensure that there was a Sunday School option running every Sunday for children. Previously we had struggled with volunteers so were only able to offer Sunday school on 1 Sunday a month. Rev Guest put a structure in place so that we were able to offer something every Sunday – this has made the church more attractive to parents with younger children.

We returned to in person church meetings and held 7 in the year including an AGM. Member engagement in running the church could be better but every meeting was always quorate. We have seen new members confirming Avenue Baptist as their spiritual home which has been most welcome.

2022 saw a great deal of change at Avenue but welcome change as, with Rev Guest joining us as our new full-time minister, we were able to rebuild our church after 2 years of disruption. We continue to provide a real service to the community with the various activities and groups and look forward to growing and serving under the leadership of Rev Guest in 2023.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The management of Avenue finances continued with the existing Finance Team which was strengthened to 4 people at the beginning of 2022. The Finance team continued to improve their knowledge of QuickBooks and manage church finances using that software platform.

The Charity has posted a deficit in 2022 of £39k (2021: £31K) before losses on investments, despite increased income of £141k compared to £117k in 2021. We were expecting this for two main reasons. We commenced the employment of Rev Jane Guest from 1 July 2022 on the full-time minister's stipend. Related to this we had to extensively refurbish the accommodation provided to Rev Guest and her family – the church manse. As a church we took the decision to set aside an initial £25,000 from the deposit account to cover this. Work started in early 2022 and was completed in early October. The overall cost was just over £25,000 including replacement of all carpets. We used local tradespeople and tendered wherever practical for the work. So, although this hit cash flow and reserves, it was a necessary investment in what is an old property to make sure it is suitable for Rev Guest and her family. Again, this was included in our budget for 2022; so was not a surprise.

In addition, we honoured a long-standing commitment to gift of just over £5,000 to Winter Gardens Baptist Church on Canvey. This was a tithe we set aside as part of blessing others as we were blessed during our own redevelopment project.

As mentioned earlier in the report, the leadership of a full-time minister has led to an increase in giving which rose by 19% in 2022. We did not receive any additional grants, but we received an extra £8,000 in rental income.

We did not receive any grants relating to Covid as we did in 2021. This accounted for about £20,000 of cash flow in 2021. We have reclaimed gift aid of £4,400 in 2023 which will accrue to the 2022 year improving the year end income figure.

The other big factors in 2022 were mentioned in our last report. The invasion of Ukraine and its aftermath have affected us. The cost-of-living crisis has no doubt affected what people feel able to give to the church. We have also had to pay increased costs due to inflation. This was seen in everything from the cost of paint to use on the manse refurb to the amount we pay for coffee. As a result, our expenditure in 2022 increased by £32,965. Half of that was due to the investment in the manse, £5000 due to our one-off gift to Winter Gardens and the rest can be attributed to general rising costs and Rev Guest's salary.

The overall economic situation also decreased the value of our investments with Rathbones, which suffered an unrealised loss of £91k this year, compared to a gain of £48k in 2021. We had a 3-yearly statutory review with Rathbones in 2022 – an FCA requirement – and agreed to continue with them as our portfolio managers. We pay around £7,000 annually for their services. All the investments are ethical and in accord with church beliefs.

This was partly offset by the surprising but welcome removal of the Pension Deficit contribution. The Baptist Union reached agreement with an insurer to effectively insure away the deficit which saves £1,300 per month for Avenue.

Taking all these factors into account we saw the charity funds reduce by £131k compared to the previous year. Our cash position was also worse by nearly £44k. As mentioned in the last report £50k was transferred to the Baptist Union Corporation Deposit fund. The interest on this will increase significantly in 2023 in line with other institutions. The remaining reduction is due to transfers from the CAF Gold account to cover the manse refurb and at other points to ease cash flow and pay invoices and salaries.

We could have been looking forward to a "steady" 2023 but a further financial challenge is waiting. Our energy costs – especially for electricity will increase substantially as our current contract ends. We currently pay around £5,000 for our winter electricity- (Q4 and Q1 combined) This will increase on current usage to £15k in 2023/24. To combat this, we are working with Utility Aid to look at ways of reducing usage and improving our buildings. This will inevitably involve more investment in buildings, and we may even reinstall gas boilers to replace the infra-red panels we have been using which are now set to cost a huge amount to use.

Having been elected in March 2023, the Treasurer has looked at the results with the other trustees and we are happy that the church continues to be a going concern. We have £50,000 on deposit with the Baptist Union to effectively use as a reserve should the charity need to close down. We have £450,000 with Rathbones that even with deficit budgets will ensure the charity can continue to provide public benefit for many years to come. Financial sustainability is still the medium-term aim and once the latest challenges have been overcome, we will be able to focus on achieving that.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

It is the policy of the trustees consider that maintaining a balance of £55,500 in the reserve account is a sufficient reserves policy as this represents approximately three months of salaries, including redundancy payments, and operating costs for the church. This policy would not include cash reserves for restricted funds. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Avenue Baptist Church has short to medium term investments and cash as set out in the balance sheet. The investment policy is to invest in short to medium term investments at institutional investment managers and banks with ethical products and where the risk and returns are acceptable to the membership.

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees are ultimately responsible for the system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve the church's objectives and can only provide reasonable and not absolute assurance against material misstatement of loss. The trustees are responsible for the identification and evaluation of significant risks applicable to all areas of the church together with the design and operation of suitable controls. These risks are assessed on a continuing basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, natural catastrophe and regulatory requirements. The Church property is covered by specialist church insurance underwritten by Aviva to mitigate some of these risks.

Plans for future periods

It is the church's wish to continue to serve as a place of worship for the spiritual benefit of its congregation and as a place to support community efforts that are in line with its objectives. The church will continue to carry out current activities that support its mission and objectives.

Structure, governance and management

The charity is an unincorporated association.

The trustees who served during the year and up to the date of signature of the financial statements were:

S. Ekins (Secretary)	
D. Causton	(Resigned 20 March 2022)
M. Adams	(Resigned 11 May 2023)
P. Gaff	(Resigned 20 March 2022)
P. Thompson	
J. Kilpin	(Resigned 11 May 2023)
P. Mulligan	(Resigned 14 June 2023)
J. Rooke	(Resigned 11 May 2023)
T. Wheeler	(Resigned 20 March 2022)
C Dungey	
B Williams	
J. Guest	(Appointed 1 July 2022)
P Potter	(Appointed 20 March 2022)
J Dickenson	(Appointed 20 March 2022)
L Smith	(Appointed 12 February 2023)

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Members of the church are accepted in accordance with the constitution which requires them to make a public profession of faith in Jesus Christ, preferably but not compulsorily through baptism by immersion.

The members' Meeting normally takes place 6 times a year including 1 Annual General Meeting and has the responsibility for the overall policy of the church. In accordance with the Constitution the members appoint up to 13 Trustees, including the Secretary and the Treasurer, who together with the Minister(s), are collectively known as the Diaconate. They are responsible for the day to day running of the church's work and witness and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Trustees are elected at the AGM of the Church. The Treasurer and Secretary are appointed annually, and Deacons are appointed from within the membership for a 3 year term. The Deacons are required to stand down for at least one year following 9 years of continuous service. Ministers are trustees by virtue of their position and remain trustees as long as they are employed by the church.

Prior to standing for the position new trustees must be nominated and seconded by church members of good standing. They are spoken to by the Minister who will underline the legal as well as spiritual side of serving in Church. New trustees are given access to Charity Commission and BUGB material to help them understand the responsibilities and expectations of the position.

All Trustees are required to pass a DBS check which is maintained up to date throughout their tenure.

The Diaconate meet monthly and the agenda is varied depending on issues that arise but also has fixed items covering Finance, Health & Safety and Safeguarding. Any matters that need urgent discussion between meetings are coordinated by the Secretary usually by email or Video Conference. There are separate committees for Finance, Premises and Safeguarding who have responsibility for day to day issues. They refer any matters of wider concern e.g. major fabric spend to the Diaconate and/or wider membership as appropriate.

The Diaconate refers any matters of policy or items of large expenditure to the bimonthly members meetings. The church members have the ultimate say in all but day to day/low budget matters.

No current trustees receive any remuneration from the church other than the Ministers which they receive as a function of their employment. Their remuneration is based on the annual stipend increases published by the Baptist Union of Great Britain. Trustees other than the ministers decide if and by how much their annual stipend should increase by, using the BU figures as a guide. Stipends are set taking into account the general financial situation of the church also.

The Trustees maintain a register of related parties and The Avenue Trust is the only related party that the church has transacted with as it received income to support our mission work.

As part of the Baptist Union of Great Britain we are able to access support and practical help with all aspects of running the charity. We adopt BU policies on all matters such as GDPR, Employment and Safeguarding as a church. This ensures we are adopting best practice at all times.

We outsource very little at present. Outsourcing is limited to payroll functions where we do not have the resource or expertise in house to manage this function.


The Baptist Union Corporation is noted above as a trustee. They hold title to the church buildings – as they do for many Baptist churches in the UK. They have no role in the running of the church but are there in the event the charity ceases to exist. In that event they would step in and oversee closure of the church and disposal of assets. They would also be involved if the church decided to sell any of its properties.

AVENUE BAPTIST CHURCH

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees' report was approved by the Board of Trustees.



S. Ekins (Secretary)

Trustee

Date: 05 09 2023

AVENUE BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF AVENUE BAPTIST CHURCH

I report to the trustees on my examination of the financial statements of Avenue Baptist Church (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

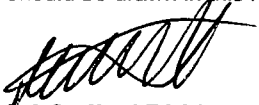
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



P A Stafford FCCA

457 Southchurch Road
Southend on Sea
Essex
SS1 2PH

Dated: 21/01/22

AVENUE BAPTIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	91,707	10,000	101,707	75,260	11,029	86,289
Charitable activities	4	13,956	125	14,081	5,902	204	6,106
Investments	5	25,121	-	25,121	19,351	-	19,351
Other income	6	-	-	-	5,178	-	5,178
Total income		<u>130,784</u>	<u>10,125</u>	<u>140,909</u>	<u>105,691</u>	<u>11,233</u>	<u>116,924</u>
<u>Expenditure on:</u>							
Charitable activities	7	<u>170,926</u>	<u>9,946</u>	<u>180,872</u>	<u>139,924</u>	<u>7,983</u>	<u>147,907</u>
Net gains/(losses) on investments	11	<u>(91,055)</u>	<u>-</u>	<u>(91,055)</u>	<u>48,774</u>	<u>-</u>	<u>48,774</u>
Net movement in funds		<u>(131,197)</u>	<u>179</u>	<u>(131,018)</u>	<u>14,541</u>	<u>3,250</u>	<u>17,791</u>
Fund balances at 1 January 2022		<u>587,784</u>	<u>134,884</u>	<u>722,668</u>	<u>573,243</u>	<u>131,634</u>	<u>704,877</u>
Fund balances at 31 December 2022		<u><u>456,587</u></u>	<u><u>135,063</u></u>	<u><u>591,650</u></u>	<u><u>587,784</u></u>	<u><u>134,884</u></u>	<u><u>722,668</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

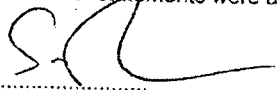
AVENUE BAPTIST CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	12		6,282		8,738
Investments	13		447,273		539,602
			<u>453,555</u>		<u>548,340</u>
Current assets					
Debtors	15	13,160		13,632	
Cash at bank and in hand		133,400		176,817	
		<u>146,560</u>		<u>190,449</u>	
Creditors: amounts falling due within one year	16	<u>(8,465)</u>		<u>(16,121)</u>	
Net current assets			<u>138,095</u>		<u>174,328</u>
Total assets less current liabilities			<u>591,650</u>		<u>722,668</u>
Income funds					
Restricted funds	18		135,063		134,884
<u>Unrestricted funds</u>					
Designated funds	19	122,772		120,257	
General unrestricted funds		333,815		467,527	
			<u>456,587</u>		<u>587,784</u>
			<u>591,650</u>		<u>722,668</u>

The financial statements were approved by the Trustees on 05 09 2023


 S. Ekins (Secretary)
 Trustee

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Avenue Baptist Church is a charitable unincorporated association which is governed by its constitution dated 26th July 2015. This entity is a public benefit entity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used or as specially designated by the trustees. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Gift Aid is recognised in the accounting year the relevant donation is recognised.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% Reducing Balance
Computers	40% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	83,539	-	83,539	69,718	265	69,983
Legacies receivable	8,168	-	8,168	5,542	-	5,542
General grants receivable	-	10,000	10,000	-	10,764	10,764
	<u>91,707</u>	<u>10,000</u>	<u>101,707</u>	<u>75,260</u>	<u>11,029</u>	<u>86,289</u>

4 Charitable activities

	2022	2021
	£	£
Donations received for other organisations	125	204
Charitable rental income	13,956	5,902
	<u>14,081</u>	<u>6,106</u>
Analysis by fund		
Unrestricted funds	13,956	5,902
Restricted funds	125	204
	<u>14,081</u>	<u>6,106</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	10,200	6,998
Income from listed investments	13,689	12,338
Interest receivable	1,232	15
	<u>25,121</u>	<u>19,351</u>

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Other income

	Total	Unrestricted funds
	2022	2021
	£	£
Government grants	-	5,178

7 Charitable activities

	2022	2021
	£	£
Staff costs	71,905	62,786
Depreciation and impairment	2,456	3,516
Premises costs	62,605	46,039
Events, organisations and missions	5,849	2,857
Administration expenditure	9,865	4,661
Legal and professional	7,751	9,158
Accountancy fees	2,850	4,385
	<u>163,281</u>	<u>133,402</u>
Grant funding of activities (see note 8)	17,591	14,505
	<u>180,872</u>	<u>147,907</u>
Analysis by fund		
Unrestricted funds	170,926	139,924
Restricted funds	9,946	7,983
	<u>180,872</u>	<u>147,907</u>

Charitable expenditure is allocated between restricted and unrestricted funds based the direct relation of the expenditure to the purpose of the fund. As salaries and employment benefits relate to the general running of the charitable activities these are funded through unrestricted funds.

As the entity pursues a single charitable activity, expenditure does not need to be allocated between activities

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Grants payable

	2022	2021
	£	£
Grants to institutions:		
Baptist Home Mission - mission support	4,800	4,900
Baptist Missionary Society - mission support	6,000	5,500
Church From Scratch Support	-	1,000
DEC Afganistan appeal	501	-
Avenue Contact Centre - Mission support	-	2,000
Winter Gardens - Mission support	5,290	-
Other	1,000	1,105
	<u>17,591</u>	<u>14,505</u>

The charity has made significant grants to institutions in the year in order to support missions or to pass on gifts received by the church and passed on to institutions.

9 Trustees

None of the trustees received any remuneration or expenses for their role as a trustee.

The following trustees are employed as ministers of the church, as well as having a role in the day to day running of the church and therefore form part of key management. Their remuneration is governed by the charity's constitution.

	2022		Total
	Remuneration	Pension Contribution	
J Guest	13,267	1,338	14,605
J Kilpin	15,095	660	15,755
	2021		Total
	Remuneration	Pension Contribution	
A Picton	3,518	4,563	8,081
J Kilpin	15,450	2,661	18,111

10 Employees

The average monthly number of employees during the year was:

2022	2021
Number	Number
6	4
<u>6</u>	<u>4</u>

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Employees	(Continued)	
Employment costs	2022	2021
	£	£
Wages and salaries	63,670	54,749
Social security costs	-	526
Other pension costs	8,235	7,511
	<u>71,905</u>	<u>62,786</u>

There were no employees whose annual remuneration was more than £60,000.

11 Net gains/(losses) on investments	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	(84,147)	46,116
Gain/(loss) on sale of investments	(6,908)	2,658
	<u>(91,055)</u>	<u>48,774</u>

12 Tangible fixed assets	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2022	10,773	4,063	14,836
At 31 December 2022	<u>10,773</u>	<u>4,063</u>	<u>14,836</u>
Depreciation and impairment			
At 1 January 2022	3,847	2,251	6,098
Depreciation charged in the year	1,731	725	2,456
At 31 December 2022	<u>5,578</u>	<u>2,976</u>	<u>8,554</u>
Carrying amount			
At 31 December 2022	<u>5,195</u>	<u>1,087</u>	<u>6,282</u>
At 31 December 2021	<u>6,926</u>	<u>1,812</u>	<u>8,738</u>

13 Fixed asset investments

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments	(Continued)	
	Unlisted investments	
	£	
Cost or valuation		
At 1 January 2022		539,602
Additions		45,848
Valuation changes		(91,055)
Disposals		(47,122)
		<u>447,273</u>
At 31 December 2022		447,273
Carrying amount		
At 31 December 2022		<u>447,273</u>
At 31 December 2021		<u>539,602</u>
	2022	2021
	£	£
Investments at fair value comprise:		
Listed Investments	<u>497,742</u>	<u>(539,602)</u>
The book value of investments held at the year end is £427,152 (2021: £429,211)		
14 Financial instruments	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>447,273</u>	<u>539,602</u>
15 Debtors	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	100	4,356
Other debtors	3,653	8,939
Prepayments and accrued income	9,407	337
	<u>13,160</u>	<u>13,632</u>

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	173	6,330
Other creditors	123	51
Accruals and deferred income	8,169	9,740
	<hr/>	<hr/>
	8,465	16,121
	<hr/>	<hr/>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £8,235 (2021 - £7,511).

Defined Benefit Scheme

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

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

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. Since 1 January 2012, benefits have been provided through a Defined Contribution (DC) Plan.

A formal valuation of the DB Plan as at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit. The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

Under the Schedule of Contributions the church makes a monthly payment in respect of the DB scheme deficit, the annual value of these payments is £3,358 in 2021, which will increase in line with increases in Minimum Pensionable Income. The Trustees have designated £130,000 from legacy income to the Pension Deficit Fund in order to fund these ongoing payments and any potential liability.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 December 2022
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Mission Fund	12,365	10,764	(6,709)	16,420	10,000	(9,831)	16,589
Special Purpose Fund	116,842	-	-	116,842	-	-	116,842
Donations to External Organisations	2,427	469	(1,274)	1,622	125	(115)	1,632
	<u>131,634</u>	<u>11,233</u>	<u>(7,983)</u>	<u>134,884</u>	<u>10,125</u>	<u>(9,946)</u>	<u>135,063</u>

The Mission Fund is restricted to use for outreach and mission within the community and is funded by a grant from an external organisation: The Avenue Trust. This fund is used to contribute to the salary of the minister and fund outreach events and resources.

The Special Purpose restricted fund is used to separate funds for specific one-off events from the general church funds and so is only used to fund the specific event in question.

The church collects donations for other causes which have similar or complementary objectives and this fund is used to collate those donations and ensure they are paid out to those organisations.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 December 2022
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Pension deficit fund	120,379	-	(5,664)	114,715	-	(3,358)	111,357
Designated Legacy Fund	-	5,542	-	5,542	8,168	(2,295)	11,415
	<u>120,379</u>	<u>5,542</u>	<u>(5,664)</u>	<u>120,257</u>	<u>8,168</u>	<u>(5,653)</u>	<u>122,772</u>

Pension deficit fund - this fund is held as designated in anticipation of the total pension deficit due to the Baptist Union in relation to ministers and employees pensions.

Designated Legacy Fund- this fund constitutes legacies given the Avenue Baptist Church which no specific restrictions imposed upon them by the donor. The Trustees wish to use this fund on specific future projects so a visible return can be seen on the legacies given to the church.

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:						
Tangible assets	6,282	-	6,282	8,738	-	8,738
Investments	347,273	100,000	447,273	439,602	100,000	539,602
Current assets/(liabilities)	103,032	35,063	138,095	139,444	34,884	174,328
	<u>456,587</u>	<u>135,063</u>	<u>591,650</u>	<u>587,784</u>	<u>134,884</u>	<u>722,668</u>

21 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The church received a grant of £10,000 (2021: £10,000) from The Avenue Trust to support its mission work. The Avenue Trust is connected to the Church due to its common trustees.

AVENUE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22	Cash generated from operations	2022	2021
		£	£
	(Deficit)/surplus for the year	(131,018)	17,791
	Adjustments for:		
	Investment income recognised in statement of financial activities	(25,121)	(19,351)
	Loss/(gain) on disposal of investments	6,908	(2,658)
	Fair value gains and losses on investments	84,147	(46,116)
	Depreciation and impairment of tangible fixed assets	2,456	3,516
	Movements in working capital:		
	Decrease in debtors	472	18,774
	(Decrease)/increase in creditors	(7,656)	4,385
	Cash absorbed by operations	(69,812)	(23,659)
23	Analysis of changes in net funds		
	The charity had no debt during the year.		
