

Rosyth Baptist Church

Trustees' Report and Financial Statements

For year ended 31 May 2018



Rosyth Baptist Church

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Rosyth Baptist Church

Report of the Trustees for the year ended 31 May 2018

The Trustees are pleased to present their report together with the financial statements of the Church for the year ended 31 May 2018.

Status of Charity and Governing document

Rosyth Baptist Church is established by Constitution and is a registered Scottish Charity (No. SC018391).

Aims and affiliation

The aims of the Church are in line with its Mission Statement – *Learning to show the Father's love*. The Church is affiliated to the Baptist Union of Scotland.

Trustees and Office bearers

The Church is congregational in policy and its day to day running is undertaken by the elected leadership team, pastor and community pastor (who are all trustees). The Office Bearers who served during the year and to the date of this report were as follows:

Rev A G Lilly	(Pastor)
P Lilly	(Community Pastor)
P Smith	(Treasurer)
S Aitchison	
A Hampson	
N Heasman	
I McKelvie	

Appointment of Trustees

The appointment of trustees is in line with our new Constitution adopted in October 2015. This requires the church to have at least four active Trustees not including Pastoral staff. Trustees are now referred to as the Leadership Team. The membership of the Leadership Team was unchanged during the year, though Mr I McKelvie having been originally elected as a Deacon was re-elected to the Leadership team in May 2017.

New Trustees are nominated for appointment by the Members. Pastor and Community Pastor are Trustees ex officio. Other Trustees are elected for a three-year term which is renewable once. Prior to their appointment, new Trustees would have served the church for some time in various roles and would be familiar with the church's values, its aims and objectives as well as its day-to-day operations.

The title deeds to the property owned by the church are held in the names of the active Trustees.

Achievements and performance

During the year, the church met regularly for worship, including praise evenings most months and carried out various activities including small groups in pursuit of our stated aims.

Events and developments of note in the year include the following:

Challenges

During the year, we have faced a number of challenges: a couple transferred their membership to another local church. We have had to consider our response to difficulties meeting our budget figures. Personal commitments have continued to affect the number of people available to help with "Lighthouse Kids", our children's work and as a result children are in Church through our services more often. We value having Children present and recognise that this presents an opportunity to be creative in how we work. We also know we are not alone in facing this challenge. The Ladies' Meeting, struggling to recruit leaders, has reached a point where it is no longer viable in its present form. Attendance at Gateway Coffee Shop has dropped and the team remains small. We as Leaders recognise our need to respond creatively and with faith, to these challenges.

Rosyth Baptist Church

Report of the Trustees for the year ended 31 May 2018

Achievements and performance (continued)

Two anniversaries

Our 2017 Anniversary in June had Martin Hodson of the Baptist Union of Scotland as guest speaker. Then our 2018 Anniversary was brought forward slightly to May, to accommodate our guest speaker Kent Anderson of European Christian Mission. Both anniversaries included a family lunch together.

Special events

We formed a choir to lead our praise at Harvest. At Christmas, we focussed our energies on an outreach service on Christmas Eve (which fell on Sunday). A smaller Morning service (held in the Lounge) was filled to capacity. We were not able to be represented this year at the Rosyth Centenary Gala in May. Occasional meals in secular venues continue, though their impact needs to be kept under review.

We support the local Foodbank with collections of appropriate food. Our partnership with Bridgehead Healing Rooms continues.

Our premises are also used by Fife Chinese Christian Fellowship, by a local Brass Band and a club for adults with learning disabilities.

We continue to support overseas mission and have active connections with Worldwide Evangelisation Crusade, the Baptist Missionary Society and European Christian Mission.

Pastoral

Beyond the local Church, our Pastor has continued along with Student Assemblies at Inverkeithing High School. Sadly, Fife Council took the step of closing Rosyth Resource Centre during this year. He meets regularly with local colleagues and Baptist and other leaders nationally. He is continuing with training in Pastoral Supervision. Both Gil and Pam were grateful for time away on Sabbatical through the month of September 2017

It was a joy during the year to commend Chris Demetriou to the Baptist Union's Board of Ministry. Our prayer team continues to function well. Both our Pastor and the Prayer team seek to give compassionate support to those in the fellowship and beyond who are experiencing illness, bereavement and other crises.

Financial review

Principal sources of funding

The church receives its funding from church members by way of weekly offerings and Gift Aid donations.

Reserves

Results for the year

As a result of a deficit for the year of £1,946 (2017: £1,150), total reserves at 31 May 2018 amounted to £10,154 (2017: £12,100).

The Trustees monitor the Church's financial position closely throughout the year. We do not believe action is needed beyond encouraging careful use of our resources and faithfulness in giving.

Reference and administrative details

Principal office

Rosyth Baptist Church
Queensferry Road
Rosyth
KY11 2PP

Bankers

Clydesdale Bank PLC
64 High Street
Dunfermline
KY12 7DF

Rosyth Baptist Church

Report of the Trustees for the year ended 31 May 2018

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'Peter Smith', with a small dot at the end.

Peter Smith
Trustee/Treasurer

Dated: 2nd August 2018

Rosyth Baptist Church

Report of the Independent Examiner to the Trustees for the year ended 31 May 2018

I report on the accounts of the church for the year ended 31 May 2018 which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Charity's Trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

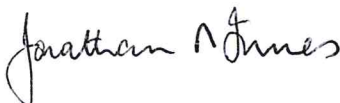
Independent Examiner's Statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations (as amended)

have not been met, or

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



Jonathan N Innes FCCA

Managing Director

Innes & Partners Limited
Chartered Certified Accountants

Innes House
18 Shairps Business Park
Houstoun Road
Livingston
EH54 5FD

Date: ~~22~~ August 2018

Rosyth Baptist Church

Receipts and Payments Account for the year ended 31 May 2018

	Notes	Unrestricted		Restricted	2018 Total £	2017 Total £
		General fund £	Designated funds £	Funds Total £		
Receipts						
Gift Aid donations		19,523	540	-	20,063	18,764
Collections		13,651	200	497	14,348	14,837
Gift Aid received		6,470	-	-	6,470	5,918
Collections for outside charities		1,521	-	-	1,521	3,189
Legacy		-	-	-	-	3,535
Miscellaneous		269	-	80	349	2,841
Interest		-	3	-	3	11
<i>Activities for generating funds</i>						
Hall rental income		3,780	-	-	3,780	3,700
Coffee shop income		-	-	1,896	1,896	2,257
Total receipts		45,214	743	2,473	48,430	55,052
Payments						
Staff costs	3	31,392	-	-	31,392	30,421
Charitable donations	4	6,784	-	50	6,834	7,841
Church running costs		4,507	-	-	4,507	5,070
Manse running costs		2,354	-	-	2,354	2,318
Other ministry costs		346	-	-	346	348
Cleaning costs		1,725	-	-	1,725	1,260
Repairs and maintenance		-	522	-	522	6,561
Speaker fee		310	-	135	445	243
Affiliation and subscription fees		-	-	65	65	68
Cafe expenses		-	-	153	153	210
Stationary		-	-	-	-	77
Independent examiner's fee		780	-	-	780	720
Miscellaneous		180	-	572	752	678
Professional fees		501	-	-	501	387
Total payments		48,879	522	975	50,376	56,202
(Deficit)/surplus for the year before transfers		(3,665)	221	1,498	(1,946)	(1,150)
Transfer between funds		2,808	(1,363)	(1,445)	-	-
(Deficit)/surplus for the year after transfers		(857)	(1,142)	53	(1,946)	(1,150)
Total funds brought forward		6,449	2,039	3,612	12,100	13,250
Total funds carried forward		5,592	897	3,665	10,154	12,100
		<i>(Note 5)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>		

Rosyth Baptist Church

Statement of Balances as at 31 May 2018

	Opening balance £	2018 (Deficit) for year £	Closing balance £	Opening balance £	2017 (Deficit) for year £	Closing balance £
Bank and cash in hand	12,100	(1,946)	10,154	13,250	(1,150)	12,100
Total assets held	12,100	(1,946)	10,154	13,250	(1,150)	12,100

Represented by:

<i>General fund</i>	5	5,592	6,449
<i>Designated funds</i>	5	897	2,039
<i>Restricted funds</i>	6	3,665	3,612
		10,154	12,100

Statement of assets at 31 May 2018

Rosyth Baptist Church owns the church building on Queensferry Road, which includes a sanctuary with an adjoining hall and rooms. The church also owns a manse which is situated on Woodside Avenue.

Gift aid due	8,240	6,470
	8,240	6,470

Statement of liabilities at 31 May 2018

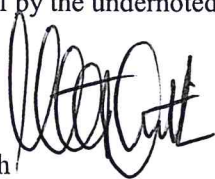
Tax and NI due	-	153
Independent examiner's fees	780	780
	780	933

Contingent liability

Baptist Pension Fund	51,100	59,900
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The financial statements on pages 5 to 10 were approved by the Trustees on 21 August 2018 and signed on their behalf by the undernoted:

Peter Smith
Treasurer/Trustee



Rosyth Baptist Church

Notes to the Financial Statements *for the year ended 31 May 2018*

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of financial statements

The financial statements have been prepared on a receipts and payments basis.

Receipts & Payments Account

For the purpose of the Receipts and Payments Account as shown on page 5, funds are defined as follows:

Unrestricted funds comprise donations and other income received for the objects of the church without further specified purpose and are available as general funds.

Designated funds represent unrestricted funds which have been earmarked by the Trustees for particular purposes.

Restricted funds comprise income which has been received for the objects of the church and specified for a restricted purpose within these objects by the donor.

Rosyth Baptist Church

Notes to the financial statements for the year ended 31 May 2018

2. Transactions with Trustees

There were no transactions with the Trustees during the year ending 31 May 2018 (2017: nil), other than with the Pastor who is also a trustee. His remuneration is disclosed below and was in connection with his pastoral work, not his role as a Trustee.

3. Staff costs and numbers

	2018	2017
	£	£
Pastor's gross salary	22,275	23,862
Pension contributions	3,073	2,986
Pension deficit payments	6,044	3,573
	31,392	30,421

No Trustee received remuneration in excess of £60,000.

The average number of employees during the year was 1 (2017: 1).

4. Charitable donations	Unrestricted	Designated	Restricted	2018	2017
	fund	funds	funds	Total	Total
	£	£	£	£	£
WEC	3,339	-	-	3,339	2,800
Baptist Union of Scotland	2,000	-	-	2,000	2,000
ECM	1,145	-	-	1,145	1,656
Child Sponsor	300	-	-	300	300
BMS	-	-	50	50	-
Tearfund	-	-	-	-	525
Refugees	-	-	-	-	410
CHAS	-	-	-	-	150
	6,784	-	50	6,834	7,841

5. Unrestricted funds	Balance at	Receipts	Payments	Transfers	Balance at
	01.06.17				31.05.18
	£	£	£	£	£
General fund	6,449	45,214	(48,879)	2,808	5,592
Designated funds					
Fabric fund	1,632	741	(522)	(1,363)	488
Reserve fund	407	2	-	-	409
Total unrestricted funds	8,488	45,957	(49,401)	1,445	6,489

Explanation of funds

The General fund represents all income and expenditure relating to the primary focus activities of the church, other than those for which funding is designated or restricted.

The Fabric fund represents all income and expenditure designated by the trustees for the repairs or maintenance of property held by the church.

The Reserve fund represents contingency funds that have been put aside and held in a savings account.

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Notes to the financial statements for the year ended 31 May 2018

6. Restricted funds	Balance at				Balance at
	01.06.17	Receipts	Payments	Transfers	31.05.18
	£	£	£	£	£
Gateway Coffee Shop	3,142	1,896	(402)	(1,245)	3,391
Womens' Fellowship	470	577	(573)	(200)	274
Total restricted funds	3,612	2,473	(975)	(1,445)	3,665

Explanation of funds

The Gateway Coffee Shop fund represents all income and expenditure relating to the day to day running of the coffee shop. The transfers are donations to the general funds of the church.

The Womens' Fellowship fund represents all collection income and expenditure which is used at the group's discretion. The transfers are donations to the general funds of the church.

7. Pension obligations

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme ("the Scheme"). The Scheme is a separate legal entity which is adPastored by the Pension Trustee (Baptist Pension Trust Limited).

The Pastor is eligible to join the Scheme, which is not contracted out of the State Second Pension.

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 longterm incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

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 Pastors' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

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Notes to the financial statements for the year ended 31 May 2018

7. Pension obligations (cont'd)

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2013 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £162 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £84 million (equivalent to a past service funding level of 66%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it has been agreed to increase the standard rate of deficiency contributions from churches and other employers involved in the DB Plan from 11% of Pensionable Income / Minimum Pensionable Income to be based on a 12% rate from 1 January 2016. The contributions will be based on each church's or other employer's position at March 2015. Some churches and other employers that were only involved in the DB Plan for a short period will pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.

The key financial assumptions underlying the valuation were as follows:	% pa
RPI price inflation assumption	3.60%
CPI price inflation assumption	2.85%
Minimum Pensionable Income increases (CPI plus 1.0% pa)	3.85%
Assumed investment returns	
- Pre-retirement	5.10%
- Post retirement	3.95%
Deferred pension increases	
- Pre April 2009	3.60%
- Post April 2009	2.50%
Pension increases	
- Main Scheme pension Pre April 2006	3.40%
- Main Scheme pension Post April 2006	2.30%

The next actuarial valuation of the DB Plan within the Scheme, showing the position at 31 December 2016 is currently underway.

The total pension cost for the Church as per note 3 is £9,117 (2017: £6,559).

8. Contingent liability

The Trustees have been provided with an estimated valuation of their pension liability from the Baptist Pension Scheme which is noted as a contingent liability. As at 25 April 2018, the estimated employer debt amounted to £51,100. Following the receipt of this, the Trustees have taken the decision to continue to pay the annual deficit payments at this time.