



Trustees' Report and Financial Statements
Year Ended 31 December 2016

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EAST HILL BAPTIST CHURCH

FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANY INFORMATION

Directors/Trustees

Holding Trustee of the church property:

The London Baptist Property Board

Managing Trustees (Church Leaders serving when the accounts were approved):

Pastor: Rev'd Ray Pountney
Elders: Mr Richard Lane (Treasurer)
Mrs Susan Lansley
Ms Pari Sailo
Mr Lennox Moore
Deacons: Mr Frank Joseph
Mrs Radhika Lane
Mrs Donna Moore-Atkinson
Mrs Helen Morgan-Geary
Mrs Isilma Niccolls
Life Deacon: Mrs Mary Moore

Key staff

Pastor: Rev'd Ray Pountney

Governing Document

Trust Deed dated 12th December 1864

Company/Charity Registration Numbers

Unregistered.

Address:

182 East Hill
Wandsworth
London SW18 2HD

Independent Examiner

Florence Johnson FCCA
Blessed Accountants
238 Merton High Street
Wimbledon London SW19 1AU

Bankers

Barclays Bank PLC
Business Banking
Octagon House
Gadbrook Park
Northwich Cheshire CW9 7RB

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EAST HILL BAPTIST CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Church Leaders have pleasure in submitting the Report and Accounts for the year.

East Hill Baptist Church is an unincorporated association. It is also an unregistered charity excepted from the requirement to register as its property is held in trust by the London Baptist Property Board and its annual income is under £100,000. The Church is a member of the Baptist Union of Great Britain.

Objects of the charity

The Church was established on the basis of a Trust Deed dated 1864. The latest Church Constitution was adopted in 1989. Neither document states the objects of the Charity. Nevertheless, the Church subscribes to the objects and purposes contained in the model governing document produced by the Baptist Union of Great Britain and agreed with the Charity Commission:

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.

Governance

The policy and operating decisions of the charity rest with the charity's Trustees listed on the previous page (Church Leadership - Pastor, Elders and Deacons - and for matters concerning property the London Baptist Property Board) and through any specific direction of the Church Members' Meeting. The Church Leadership meet regularly to monitor the activities of the Company. The Constitution adopted in 1989 specifies the procedure for the election of Elders and Deacons, the Pastor, Treasurer and Secretary by the Church Members' Meeting, their roles and how Church Members' Meetings are run.

At the end of 2016 the Church had 56 members (2015: 41).

Review of Activities

Regular services and other meetings: The Church has a full programme of regular services and other meetings during the week. Attendance at Sunday services usually exceeds 75. Tuesday Fellowship has grown in popularity and is often attended by more than 25. Weekly Bible studies and meetings of the Youth Group and Bible College also continue to be well supported. Underpinning weekly meetings, the ministries of the worship team, Sunday School and intercessory prayer team remain strong. Less frequent activities include an annual holiday, outings and quarterly breakfasts.

Outreach: The Church remained active in reaching out to the community during the year. Street outreach takes place every Saturday and the Minnies and Minders toddler group runs on 4 mornings a week.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Mission: The Church continues to support mission work both in the UK and overseas. Former Church Youth Pastor Armond Anderyassian-Aznawoole is currently in Peru with Pioneers Peru and Jenny Hensman's work with Mind the Gap Africa, providing a home and family for orphaned Zimbabwean children, continues to prosper. Support is also provided to Wandsworth Street Pastors and range of other causes including The BU's Home Mission Fund, BMS Baptist World Mission, Tear Fund, Open Doors, Christian Solidarity Worldwide and Barnabas Fund.

Partnerships: Fe e Vida, a Brazillian church, uses the church building on Sunday evenings and during the week and every few months a joint service is held. In May a licence agreement was signed with Fe e Vida permitting them to run a cafe on the ground floor of the church building. Following building alterations, the cafe opened in August and rent became payable from January 2017. The Church also supported a number of joint events with other Baptist churches in southwest London and other churches of different denominations in Wandsworth. Events with other Wandsworth churches included an annual free barbeque and carol singing at Christmas.

Regularity: In planning the activities the Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Plans for Future Periods

The Church continues to seek opportunities to encourage members and friends in their walk with Jesus Christ and to reach out to our community with the gospel message. To this end we hope to establish the café and achieve synergies with other uses of the building. We also aim to establish and develop new house groups.

Principal Sources of Funding

The church receives its funding from church members by way of weekly offerings, Gift Aid donations and income from renting the premises to organisations in sympathy with the aims of the Church and from Toddler Group users.

Financial Review

Total receipts increased by £9,620 compared with 2015. In 2016 income was £63,748 (2015: £54,128). This was largely due to the receipt of a backdated Gift Aid claim although donations and regular giving also increased by 4% to £34,017 (2015: £32,702) for which we give thanks. Generated Funds (Fees and Other) fell by £4,082 to £7,821 (2015:£11,903) mainly because the toddler group could not run while café building works were taking place.

Payments reduced by £8,876 to £78,035 (2015: £86,911). This was mainly due to lower expenditure on course fees and on pastoral assistance.

Overall, payments exceeded receipts for the year by £14,287 (2015: £32,783).

Current assets (including the gift aid debtor) have fallen from £137,947 to £116,302 mainly due to the excess of payments on church running costs over receipts from donations.

EAST HILL BAPTIST CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Policy on Reserves

The Church Leaders have recognised that reserves have been falling and that, if this trend is not addressed then the continuation of the ministry could be put at risk. The Church Leaders have adopted a policy of trying to maintain reserves of at least £100,000 as a buffer against unexpected expenses and that, should the level fall below this figure then economy measures would need to be implemented.

Grant Making Policy

The Church makes grants and donations from its income to individuals and organisations that are generally known to the Trustees and the Church. The beneficiaries are involved in activities or ministries compatible with the Church's objectives.

Risk Statement

The Church Leaders have reviewed the risks to which a small charity operating with few employees are exposed. Appropriate procedures are in place to identify, monitor and review these risks on a regular basis.

Trustees' Responsibilities

Charity law requires the Church Leaders as Trustees/Directors to prepare financial statements for each accounting year which give a true and fair view of the state of the charity and of its income and expenditure for the year.

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
4. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

We are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

Approval

This report was approved by the Trustees on 17th June 2017 and signed on their behalf by:

Richard Lane, Trustee

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF**

EAST HILL BAPTIST CHURCH

I have examined the accounts for the year ended 31 December 2016 on pages 6 to 9 following which have been prepared on the basis of the accounting policies set out on page 8.

Respective Responsibilities of Directors/Trustees and Examiner

The directors/trustees of the company are responsible for the preparation of accounts; they consider that the audit requirements under section 144 of the Charities Act 2011 do not apply but that an independent examination is needed. I have been appointed to conduct an Independent Examination required by section 145 of the Charities Act 2011 and to report in accordance with the regulations made under section 145 of that Act. It is my responsibility to examine the accounts, without performing an audit, and to report to the trustees.

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (1) examine the accounts under section 145 of the Charities Act 2011;
- (2) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011;
- (3) state whether particular matters have come to my attention.

The charity's gross income did not exceed £250,000 and I am qualified to undertake the examination.

Basis of Examiner's Statement

This report is in respect of an examination carried out under section 145 of the Charities Act 2011, and in accordance with the general directions given by the Charity Commissioners. 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 a review of the accounts and making such enquiries as are necessary for the purpose of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Examiner's Statement

Based on my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect, accounting records have not been kept in accordance with section 386 of the Companies Act 2006, or that the accounts presented do not accord with those records, or comply with the accounting requirements of section 396 of the Companies Act 2006. No matter has come to my notice in connection with my examination to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts.

Florence Johnson FCCA
Blessed Accountants
238 Merton High Street
Wimbledon
London SW19 1AU

17 June 2017

**EAST HILL BAPTIST CHURCH
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Unrestricted Funds £s	Designated Funds £s	Restricted Funds £s	Total Funds 2016 £s	Total Funds 2015 £s
Receipts						
Voluntary Receipts						
	Donations and Regular Giving	33,178	839	-	34,017	32,702
	Raised for Mission Partners	-	-	135	135	52
	Tax Refunds (Gift Aid)	11,949	-	-	11,949	-
Generated Funds	Hall Hire/Property Rent	8,243	-	-	8,243	8,578
	Fees and Other	-	7,821	-	7,821	11,903
Interest on Deposits		444	-	-	444	628
Other incoming resources		1,139	-	-	1,139	265
	Total Receipts	54,953	8,661	135	63,748	54,128
Payments						
Church Activities						
Costs of the Ministry	Minister's Stipend, Pension and NIC	5	35,562	-	-	35,562
	Pastoral Assistance & Visiting Preachers		3,890	-	-	3,890
	Ministry Expenses		2,228	-	-	2,228
	Missions		3,485	-	135	3,620
	Other	4	4,220	597	-	4,818
Premises Costs	Church Premises Costs		17,281	-	-	17,281
	Manse costs		2,459	-	-	2,459
Costs of Generating Funds		5	-	8,178	-	8,178
	Total Payments	69,125	8,775	135	78,035	86,911
	Net Receipts/(Payments)	(14,173)	(115)	-	(14,287)	(32,783)
	Transfers between funds	-	-	-	-	-
	Net after transfers	(14,173)	(115)	-	(14,287)	(32,783)
	Balances brought forward 1 January 2016	123,752	2,295	-	126,047	158,830
	Balances carried forward 31 December 2016	109,579	2,180	-	111,760	126,047

The notes on pages 8 and 9 form part of these statements

**EAST HILL BAPTIST CHURCH
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Unrestricted Funds £s	Designated Funds £s	Restricted Funds £s	Total Funds 2016 £s	Total Funds 2015 £s
Assets					
Cash Funds					
Cash Balances	119	-	-	119	119
Bank Current Accounts	7,626	2,180	-	9,806	25,672
Other Monetary Assets					
London Baptist Property Board Deposit	100,700	-	-	100,700	100,256
Cash advance to Rev'd Pountney	1,135	-	-	1,135	-
Subtotal of Fund balances on the Receipts and Payments Account	109,580	2,180	-	111,760	126,047
Debtor					
Her Majesty's Revenue & Customs (Gift Aid)	4,543	-	-	4,543	11,900
Total Assets including Debtor	114,122	2,180	-	116,302	137,947

Assets Retained for Church Use

East Hill Baptist Church, 182 East Hill, SW18 2HD. The building was constructed in 1997 as part of a development involving demolition of a previous building and disposal of land. At the time the value of the new building was estimated to be £500,000 and the value of the land was also estimated to be £500,000.

63a Aslett Street, SW18 2BE. The property was purchased in 2004 for £447,000.

Unrestricted Funds £s	Designated Funds £s	Restricted Funds £s	Total Funds 2016 £s	Total Funds 2015 £s
1,200	-	-	1,200	1,200

Liabilities

Contingent Liabilities

London Baptist Association Loan

In common with many other Baptist churches, East Hill's Minister is a member of the Baptist Pension Scheme. The continued viability of the Defined Benefit Scheme came under severe pressure due to low investment returns and increased life expectancy and in 2012, the defined benefit scheme was closed and a defined contribution scheme was opened in its place. It has been estimated that, at 31st December 2015, the Defined Benefit Scheme was in deficit by £105m or, put another way, assets were in place to meet 63% of liabilities. Employers contributions have been increased to eliminate the inherited deficit on the Defined Benefit Scheme by 2035. Should the Minister of the Church leave and not be replaced within three years (the period of grace) the church would be legally required to pay in full it's share of the inherited deficit. It is likely this would amount to tens of thousands of pounds should it arise.

Approved by the Trustees at a Meeting on 17th June 2017 and signed on its behalf by

Richard Lane, Trustee

Lennox Moore, Trustee

The notes on pages 8 and 9 form part of these statements

**EAST HILL BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1 Accounting Policies

Basis of preparation of accounts

In accordance with the Charities Act 2011 (section 133 applying to charities with gross annual income of less than £250,000) the charity trustees have elected to prepare accounts on a Receipts and Payments basis, and also prepare a statement of assets and liabilities. The format adopted follows guidance issued by the Association of Church Accountants and Treasurers. The accounts include the results of East Hill Baptist Church's operations which are described in the Trustee's Report and all of which are continuing.

Income

Voluntary income, legacies, Gift Aid and donations are accounted for as received by the charity.

Value Added Tax

Value added tax is not recoverable by East Hill Baptist Church and as such is included in the relevant costs in the Receipts and Payments Account.

Pensions

The Church offers the Minister membership of the Baptist Pension Scheme. Other staff are invited to request support with pension scheme membership.

2 Analysis of Fund Movements for the Year

- i) Unrestricted Funds may be used by the Church for any of its general purposes. The movements in the fund are shown in the Receipts and Payments Account.
- ii) Designated Funds represent sums set aside, out of general unrestricted funds, for specific designated purposes, but they can be transferred back into general unrestricted funds at any time.

Fund Name	Fund Purpose	Balance 1 January £s	Receipts £s	Payments £s	Transfers £s	Balance 31 December £s
Sunday School	To meet Sunday School expenses	118	-	(97)	-	20
Tuesday Fellowship	To meet Tuesday fellowship expenses	2,177	672	(500)	-	2,349
Toddler Group	To separately account for Toddler Group finances	-	7,989	(8,178)	-	(189)
Totals (per Receipts and Payments Account)		2,295	8,661	(8,775)	-	2,180

Notes: For the Toddler Group, payments exceeded receipts in the year so a deficit balance is carried forward to 2017.

- iii) Restricted Funds represent either income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, or donations or grants received or invited for a specific purpose. The funds may only be spent on the specific purpose for which they were given. Any balance remaining unspent must be carried forward as a balance on that fund and cannot be absorbed into general funds.

Fund Name	Fund Purpose	Balance 1 January £s	Receipts £s	Payments £s	Transfers £s	Balance 31 December £s
Home Mission Fund	To support the Home Mission Fund	-	25	(25)	-	-
Zimbabwe mission work	To support mission work in Zimbabwe	-	110	(110)	-	-
Totals (per Receipts and Payments Account)		-	135	(135)	-	-

Notes: Donations to other causes amounted to £3,620 in total (2015: £2,650). Most of these donations were made from unrestricted funds.

- iv) Reasons for any transfers between funds: There were no transfers between funds this year.

**EAST HILL BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3 Assets for Church Purposes

The Church's premises and a manse are owned by the Church. In managing these assets the Church is assisted by the London Baptist Property Board. A reliable valuation is not available for these assets.

4 Analysis of Receipts and Payments Items

	Unrestricted Funds £s	Designated Funds £s	Restricted Funds £s	Total 2016 £s	Total 2015 £s
Other costs of ministry included					
Copyright licence	468			468	463
Independent examination fees	840			840	0
Subscriptions to Baptist bodies	371			371	428
Donations to Mission organisations included					
Wandsworth Street Pastors	930			930	500
Home Mission	30			30	500
Mind the Gap Africa	530			530	500
Pioneers Peru	530			530	500

5 Staff and Transactions with Trustees

	2016	2015
Average number of employees in the year	7.3	6.8

	Total 2016 £s	Total 2015 £s
Gross wages and salaries	43,687	44,451
Employer's National Insurance costs	2,724	2,370
Pension contributions	6,854	6,444
Total Staff Costs	53,265	53,265

No staff received salaries exceeding £60,000 per annum.

Owing to the nature of the Church's activities and the composition of the Trustees being drawn from the congregation it is inevitable that transactions will take place with the Trustees themselves or with organisations in which Trustees have an interest. During the year, all Trustees made donations to the Church. Rev'd Ray Pountney received a ministerial stipend of £25,864 (2015: £25,283) and benefited from the rent free use of 63a Aslet St. Rev'd Pountney has received an interest-free cash advance from the Church for the purchase of a vehicle. The outstanding balance at 31 December 2016 was £1,135. Premises expenses of £298 (2015: nil) were reimbursed to an organisation for which Rev'd Pountney is a trustee: Wandsworth Youth for Christ. Mrs Radhika Lane received wages as a Toddler Group helper of £2,289 (2015: £1,396). Richard Lane (Treasurer) was reimbursed for business expenses totalling £1,440 (2015: £2,591), Susan Lansley was reimbursed for business expenses totalling £255 (2015: £407) and Pari Sailo was reimbursed for business expenses totalling £97 (2015: nil). Trustees were also involved in collecting funds passed on to third parties for outings/holidays and in support of mission/charitable work.