

Castlehill Baptist Church

Report and Financial Statements

Year ended: 31 March 2023

Scottish Charity Number: SC016697

Castlehill Baptist Church

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Castlehill Baptist Church

Report of the trustees for the year ended 31 March 2023

The trustees present their annual report and financial statements of the Church for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014.

Objectives and activities

The purpose of the Church is the advancement of the Christian Faith and the relief of poverty and other social needs. The aims of the Church are in line with its Mission Statement – “*Serving Christ, One Another and the Community*”. The Church is affiliated to the Baptist Union of Scotland. The Church furthers its charitable purposes through its grant-making policy which aims to make grants from its voluntary 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.

Grant making policy

As stated above, the Church has established its grant making policy for the public benefit to achieve its objectives enshrined in the three-part Mission Statement and to bring the love of God to the community, both here and abroad.

A review of our achievements and performance

The trustees are pleased to have been able to continue the level of support to Missions Fund and to the Special causes. Significant highlights, events and developments in the year included the following:

- a. The continuation of twice monthly prayer times on Sunday evenings to encourage vision and community engagement.
- b. The church has employed of a Family Worker from February 2023 to further enhance our work among young people and families in our neighbourhood.

Future Plans

The church will continue to reflect on appropriate ways of contributing to our local Community through regular activities and new opportunities as they arise.

Financial review

The Church’s work is entirely reliant on income from regular voluntary offerings from members, from gift aid donations and from modest returns from its savings accounts.

Total voluntary offerings increased compared to the previous year but the Trustees don’t consider the increase to be material.

The financial statements for the year are set out on pages 6 to 13. The Statement of Financial Activity, incorporating the Income and Expenditure account, on page 6, reflects net expenditure over income in Unrestricted Funds, before transfers, of £(3,255) (2022 £6,305 surplus). This amount includes a charge for depreciation on the manse of £6,434 (2022 £6,434) which is required to comply with financial accounting standards.

Special offerings made by the congregation during the year totalled £857 (2022 £1,962). The analysis of special offerings is set out in note 13 to the accounts. Investment income from bank deposits was £915 (2022 £466). The trustees have endeavoured to maintain controllable expenditure and costs but the cost of carrying out charitable activities, excluding stipend costs, increased in the year by £10,391 from £15,160 in 2022 to £25,551 in 2023. The main increases were in Hall Rental as the Church met again in Castlehill Primary School for worship, maintenance costs for the Manse and the recruitment of a Children & Family Worker for outreach to the local community. The analysis of the movements within each of the constituent categories is set out in note 4 to the accounts. The total cost of charitable activities during the year was £54,711 (2022 £43,420).

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The year-end financial position is strong with £99,071 in the bank accounts, a decrease of £3,471 from 2022.

Key performance indicators

As a small charity the trustees do not monitor performance through the use of financial or non-financial KPIs.

Investment policy and performance

The investment policy is simple. The trustees do not invest directly in stocks and shares and our ethical criteria would prohibit investment in companies that manufacture armaments, alcohol or tobacco. The trustees have a low appetite for investment risk and have resolved to maintain the Church's funds in interest bearing savings account with stable banks. The reduction in the general level of interest rates in the UK has resulted in the Church's savings earning little interest.

Risk management

The principal risks faced by the Church lie in the decline in membership numbers and an aging membership. Although attendance remains strong, the number of committed members has reduced. This could reduce the number of potential members willing to serve as a Deacon and that in turn could reduce the number and frequency of church activities.

The trustees assess the major risks to which the charity is exposed on an on-going basis and endeavour to mitigate those that are identified as a result of these reviews.

Reserves policy

It is the policy of the Church to maintain Unrestricted Funds, i.e. funds not committed or invested in fixed assets, at a level which equates to at least three months unrestricted expenditure. This allows sufficient funds to enable the ongoing work of the Church to be maintained. This policy will be reviewed whenever any major financial commitments are agreed. Net current assets i.e. uncommitted cash at 31 March 2023 amounted to £95,290 (2022 £99,525) which was equivalent to over 12 months average cost of charitable activities. This satisfies the above requirements.

Total reserves, including the net book value of fixed assets and balances on restricted funds amounted to £342,380 (2022 £353,295).

Plans for the future

The Church's activities, especially as regards outreach into the community, have been the focus of continual review and special meetings of the Deacons' Court. The Church will continue to develop links with the community by on-going work with local schools and other community organisations.

The Deacons proposed, and the church membership approved, that the church should change its legal status from an Unincorporated Voluntary Association to a Scottish Charitable Incorporated Organisation. This was based on a recommendation from the Baptist Union of Scotland as the SCIO status provides more legal protection for the church's trustees and simplifies the holding of property by the church. The change process is underway and is expected to complete by 31 August 2023.

Structure, governance and management

Castlehill Baptist Church is established by Constitution. The Church is a Scottish Charity (No.SC016697) and is recognised by the Office of the Scottish Charity Regulator ("OSCR").

History of the Church

Castlehill Baptist Church began as an outreach of Bearsden Baptist Church in the summer of 1975. Following a children's Holiday Summer Bible Club, a weekly children's work and monthly family services were started in the autumn of that year. By February 1976, these monthly Sunday morning services had become weekly. There had also been additional involvement in the community with the setting up of a Boys' Brigade section - the 4th Bearsden.

By 1989, the Castlehill Fellowship of Bearsden Baptist Church, as it was then known, had developed its own witness in the North West corner of the town and it was decided that the fellowship should constitute as a Baptist Church in its own right, with affiliation to the Baptist Union of Scotland. Castlehill Baptist Church was constituted on 15 April 1989 with [REDACTED] as its first pastor. [REDACTED]

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█████ remained pastor until 1997 when he and his wife returned to Japan with the Overseas Missionary Fellowship. █████ came in August 1999 and was pastor until July 2007. Following a two and a half year vacancy, █████ was appointed as pastor with effect from 7 December 2009. During 2019 the Church celebrated its 30th anniversary of being formally constituted as a separate congregation.

Key management personnel remuneration

The Church is congregational in policy and its day to day running is undertaken by the Office Bearers (the trustees) and the Deacons' Court. Deacons are elected by the Church membership and hold office for three years but are eligible for re-election thereafter. The Office Bearers who served during the year and to the date of this report are set out in the reference and administration information below.

The trustees are the Secretary, Treasurer and Minute Secretary to the Deacons' Court, and any other deacon elected at a Church meeting to serve in this way. Appropriate training is given to trustees in the management of a charity.

The board of trustees, the deaconate and the pastor comprise the key management personnel of the charity. The deaconate and pastor have collective responsibility for directing, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the year. Only the Pastor receives remuneration as set out in note 10 below.

Trustees are required to disclose all relevant interests and register them with the Church in accordance with the Church's policy to withdraw from decisions where a conflict of interest arises. The trustees consider that there are no related party transactions which require separate disclosure.

The stipend of the Church's pastor is reviewed periodically and increased as appropriate. The remuneration is benchmarked with other Churches in the Baptist Union of Scotland to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Reference and administrative information

Bankers

Bank of Scotland, 2 Station Road, Milngavie, Glasgow, G62 8AB

Solicitors

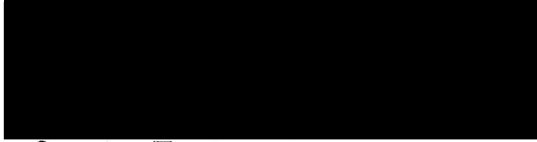
█████ (solicitor for Baptist Union of Scotland)
Diakoneo Legal Services Limited, 48 Speirs Wharf, Glasgow G4 9TH

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Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Approved by the trustees on 17 September 2023 and signed on their behalf by:



Secretary/Trustee
17 September 2023

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Independent Examiner's Report

To the members of Castlehill Baptist Church. Charity No SC016697

Respective responsibilities of trustees and examiner

The church trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulations 2006. The church 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

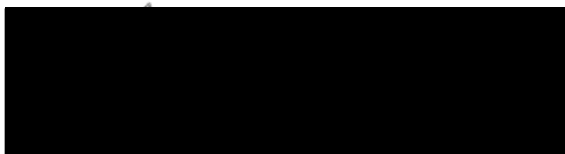
My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any 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 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, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulationshave not been met
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Date

25 August 2023.

Associate Member of the Chartered Institute of Management Accountants



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Financial Statements for the year ended 31 March 2023

Statement of Financial Activity incorporating the Income and expenditure account for the year ended 31 March 2023

		Unrestricted Funds £	Restricted Funds £	Total Funds £	Prior year Total Funds £
	Note				
Income					
Donations - Voluntary offerings	2	53,591	997	54,588	53,909
Investment income	3	915	-	915	466
Total income		54,506	997	55,503	54,375
Expenditure					
Charitable activities - Church	4	54,711	-	54,711	43,420
Grants and donations - external	5	3,050	8,657	11,707	11,450
Total expenditure		57,761	8,657	66,418	54,870
Net Income/ Expenditure before transfers		(3,255)	(7,660)	(10,915)	(495)
Transfers					
Net transfers between funds	9	(7,500)	7,500	-	-
Net Income/ Expenditure before other recognised gains/(losses)		(10,755)	(160)	(10,915)	(495)
Net movement in funds		(10,755)	(160)	(10,915)	(495)
Reconciliation of funds					
Total funds brought forward		350,622	2,673	353,295	353,790
Total funds carried forward		339,867	2,513	342,380	353,295

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Balance Sheet as at 31 March 2023

		Unrestricted Funds	Restricted Funds	2023 Total Funds	2022 Total Funds
	Note	£	£	£	£
Fixed assets	6	244,577	-	244,577	251,097
Current assets					
Savings account		72,023		72,023	46,108
Current account		24,535	2,513	27,048	56,246
Gift aid due on special offerings		-	-	-	188
Total current assets		96,558	2,513	99,071	102,542
Creditors					
Amounts falling due within one year	7	(1,268)	-	(1,268)	(344)
Net current assets		95,290	2,513	97,803	102,198
Total assets less current liabilities		339,867	2,513	342,380	353,295
Represented by:					
Unrestricted Funds	8	339,867	-	339,867	350,622
Restricted funds	9	-	2,513	2,513	2,673
		339,867	2,513	342,380	353,295

The notes on pages 8 to 13 form part of these financial statements

Approved by the trustees and signed on their behalf by:



Secretary/Trustee
17 September 2023

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Financial Statements for the year ended 31 March 2023

Notes to the financial statements

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Incoming Resources

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Resources Expended

Resources Expended are included in the Statement of Financial Activities on an accruals basis and allocated to the appropriate headings in the accounts.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise

Recognition of Liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Tangible Assets and Depreciation

Tangible assets are stated at cost. Depreciation is charged on land and buildings at 2% of cost on a straight line basis to write off the value of property over a fifty year period. Depreciation is also charged on equipment at 20% of cost on a straight line basis to write off the value of equipment assets over a five year period. A full year's depreciation is charged in the year of acquisition.

It should be noted that the legislation, which charities are subject to, requires the church to provide for depreciation on the manse. Housing in the Bearsden area is expected to actually increase in value each year and the manse is not considered to be an exception especially as the church maintains it in excellent order.

Taxation

Castlehill Baptist Church has charitable status for UK tax purposes and is exempt from tax on income and gains to the extent that they are applied to its charitable activities.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

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2 Voluntary offerings

Voluntary offerings have been received during the year as follows:

	Note	2023 £	2022 £
Unrestricted Funds			
Voluntary offerings		42,969	41,977
Tax refund on offerings		9,622	9,970
Legacy from Margaret Soutar		1,000	-
		53,591	51,947
Restricted Funds			
Fellowship fund	9	140	-
Special offerings	9	857	1,962
		997	1,962
Total voluntary offerings		54,588	53,909

3 Investment income

Investment income comprises interest earned on funds on deposit at banks.

4 Charitable activities - Church

Costs incurred in carrying out the charitable activities of the Church were as follows:

	Note	2023 £	2022 £
Unrestricted Funds			
Accounting and payroll fees		587	614
Audio-visual expenses		291	258
Council tax		3,438	3,329
Depreciation	6	6,520	6,520
Hall rental		6,124	-
Insurance		593	603
Junior Church		305	139
Maintenance		3,154	1,213
Miscellaneous		356	615
Outreach		809	1,054
Pulpit supply		60	-
Social events		191	-
Stationery		9	15
Stipend and Salaries	10	31,743	28,260
Teaching and training		51	320
Telephone and internet		480	480
Total charitable activities - Church		54,711	43,420

The trustees consider that the governance costs of the charity are £nil (2022 £nil). In the 2022 accounts the Accounting and Payroll fees were included in the Miscellaneous costs category but the comparatives have been restated in this year's accounts.

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5 Grants and donations

The grants and donations made by the Church during the year were as follows:

	Note	2023 £	2022 £
Unrestricted Funds			
Baptist Fund	11	1,700	1,638
Gifts to others		350	1,050
Missions		1,000	-
		3,050	2,688
Restricted Funds			
Fellowship fund	9	1,300	300
Missions fund	9	6,500	6,500
Special offerings	9	857	1,962
		8,657	8,762
Total grants and donations		11,707	11,450

The £1,000 additional Missions payment was made to Scripture Union in respect of their Lendrickmuir rebuilding appeal.

Grants and donations, payments to the Baptist Fund, other Missionary organisations and Special Offerings, of £11,707 made during the year represent 21.4% of the total voluntary income of the Church. If 2023 spend on outreach is included the total is £12,516 i.e. 22.9%. The 2022 total of £10,100 was 18.6%. If the 2022 spend on Outreach is included in the expenditure it would total £11,154 i.e. 20.5% of Income.

6 Fixed assets and depreciation

An analysis of the fixed assets and depreciation charge is set out in the following tables

-----Cost-----				
	Opening balance at 1 April 2022	Additions during the year	Write down	Closing balance at 31 March 2023
	£	£	£	£
Land and buildings	321,743	-	-	321,743
Equipment	6,671	-	-	6,671
	328,414	-	-	328,414
-----Depreciation-----				
	Opening balance at 1 April 2022	Charge in year	Write down	Closing balance at 31 March 2023
	£	£	£	£
Land and buildings	70,817	6,434	-	77,251
Equipment	6,500	86	-	6,586
	77,317	6,520		83,837
				244,577

Fixed assets are stated at cost less accumulated depreciation.

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The equipment assets are mainly audio-visual items. These have a limited life span due to obsolescence of the technology and wear from handling every week. Most of the equipment is fully depreciated.

7 Creditors falling due within one year

	2023	2022
	£	£
East Dunbartonshire Council (Hall Rental)	893	344
Payroll Processing services	228	-
Pension contributions	147	-
	1,268	344

8 Unrestricted Funds

	2023	2022
	£	£
At 1 April 2022	350,622	351,117
(Deficit)/Surplus of income over expenditure	(3,255)	6,305
Transfer to Missions Fund	(6,500)	(6,500)
Transfer to Fellowship Fund	(1,000)	(300)
At 31 March 2023	339,867	350,622

The Unrestricted Funds represent the accumulated funds within the Church that have not been allocated to any defined purposes.

9 Restricted funds

Restricted funds represent funds within the Church that have been allocated to certain specific purposes. There have been movements in the restricted funds operated by the Church and an analysis of these movements is set out in the following tables.

	Note	Opening balance at 1 April 2022 £	Transfers from Unrestrict ed Funds £	Transfers from Restricted Funds £	Increase in the fund £	Payments from the fund £	Closing balance at 31 March 2023 £
Fellowship fund		173	1,000	-	140	1,300	13
Missions fund	12	200	6,500	-	-	6,500	200
Sabbatical fund		2,300	-	-	-	-	2,300
Special offerings	13	-	-	-	857	857	-
		2,673	7,500	-	997	8,657	2,513

The balance on total restricted funds decreased by £160 during 2023 but did not change during 2022.

The church received a bequest of £1,000 from the estate of Margaret Soutar in October 2022 that the Deacons decided to allocate to the Fellowship fund to assist specific families suffering from the increased cost of living.

The purpose of each restricted fund is as follows:

Fellowship fund	This is a discretionary fund controlled by the pastor and is used to alleviate financial suffering within the Church.
Missions fund	The Church aims to tithe its income and this fund is used to receive transfers from Unrestricted Funds and make payments to missionary

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Sabbatical fund

organisations. An analysis of the payments made from this fund is set out in note 12 to the accounts.

This fund has been set up to finance the Sabbatical leave of the Pastor.

Special offerings

Offerings for special purposes are held and paid out from this fund. An analysis of the donations made to this fund is set out in note 13 to the accounts.

10 *Stipend and Salaries*

The Pastor and the Children & Family Worker receive remuneration from the Church. The amounts are as follows:

	2023	2022
	£	£
Stipend	29,160	28,260
Children & Family Worker	2,583	-
	31,743	28,260

11 *Baptist fund*

The Church is affiliated to the Baptist Union of Scotland and as such pays an annual contribution to this organisation based on the number of members at a rate suggested by the Baptist Union of Scotland for its ongoing operations.

12 *Mission fund*

Payments from the Mission fund during the year were made to the following individuals and organisations:

	2023	2022
	£	£
OMF (for the support of Bee and Blaise)	800	500
Glasgow City Mission	300	400
MAF (for the support of the Cools Family)	1,000	1,000
Uganda mission for the Katwe families	2,400	2,400
Scripture Union Scotland	720	1,100
Scripture Union Ukraine	300	-
Message Trust (for the support of Andy Wells)	600	600
Steadfast Global	300	300
Wycliffe Bible Translators	80	-
Asia Link	-	200
	6,500	6,500

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13 Special offerings

	2023 £	2022 £
BMS Harvest Offering	360	-
OMF (for the support of Bee and Blaise)	235	670
MAF	115	-
Scripture Union	70	-
Glasgow City Mission	77	-
Uganda mission for the Katwe families	-	646
Message Trust (for the support of Andy Wells)	-	646
	<u>857</u>	<u>1,962</u>

14 Cash flow

The following analysis reconciles the closing bank and cash balances to the opening bank and cash balances by showing the flow of cash funds for the year.

	£	£
Bank and cash balances at 1 April 2022		102,354
Deficit for the year	(10,915)	
Accounting transactions not involving the movement of funds:		
Depreciation charge	<u>6,520</u>	
	(4,395)	
Other Movements in Working Capital:		
Decrease in Current assets	188	
Increase in Creditors	<u>924</u>	
	1,112	
Bank and cash balances at 31 March 2023		(3,283)
		<u>99,071</u>