

SOUTHBOROUGH LANE BAPTIST CHURCH

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS



FOR THE YEAR ENDED 30 SEPTEMBER 2021

SOUTHBOROUGH LANE BAPTIST CHURCH

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 23

SOUTHBOROUGH LANE BAPTIST CHURCH

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Trustees

Rev. B R A Marlowe, Chairman
Mr. S Fox, Trustee
Miss J Edwards, Trustee
Mr P R Willans, Treasurer
Mr P Wallach, Trustee
Mrs J Hirst, Trustee
Mr F P Hills, Trustee
Mr B Hughes, Trustee

Charity registered number

1129360

Principal office

Southborough Lane, Petts Wood

Independent Examiner

Paul Baker FFA. FAIA, Applied Accountancy Limited, 50A Clifford Way, Maidstone, ME16 8GD

SOUTHBOROUGH LANE BAPTIST CHURCH

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees present their annual report together with the financial statements of the charity Southborough Lane Baptist Church for the year 1 October 2020 to 30 September 2021.

OBJECTIVES AND ACTIVITIES

a. Policies and Objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit and in particular to its supplementary public benefit guidance on places of worship.

Our objective is to engage with all people of all ages, in our community, on an emotional, spiritual and educational basis.

b. Activities for achieving objectives and main activities undertaken to further the Charity's purposes for Public Benefit

We have sought, despite the continued disruption that COVID-19 has brought, to achieve our objectives through maintaining a connection with our various groups and members socially, educationally, pastorally and spiritually.

ACHIEVEMENTS AND PERFORMANCE

a. Key financial performance indicators

The key financial performance indicators identified relate to the comparison of donations received to amounts expended in meeting the church's stated objectives as well as maintaining the integrity of the various funds that are maintained.

b. Review of Activities

During the last twelve months we have continued to endeavour to be a church for all people of all ages, providing spiritual, emotional, physical and educational support, to both those in the church as well as to those from our wider community.

Because of the COVID pandemic we finally reopened properly during January and February 2022.

We have two important groups for mums or dads and their toddlers both of which are flourishing again. Likewise, the range of activities for adults which include Bowls Mornings, Badminton Evenings, Craft Groups and Coffee Mornings have successfully reopened.

We also have a range of small groups who meet for study and discussion, which have helped people to develop in a variety of ways. Some continue to meet via Zoom while others now meet in person again. We have not been able to welcome visitors on Sundays or to our Quiz nights and Community Fun Days, all of which have been curtailed.

In the summer of 2019 we began a sizeable Building Redevelopment Project. This, despite undergoing numerous delays, as a result of COVID, is now complete though the completion certificate was issued on 15 March 2022. It is providing us with additional space to run existing activities and also to instigate some exciting new ventures.

SOUTHBOROUGH LANE BAPTIST CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Petts Wood Mandarin-English Bi-lingual Pre-School that operates out of our premises has recommenced activities and continues to go from strength to strength. The relationship that we have with the school's proprietors suggests that we will be able to engage in a number of joint ventures for children and families as we move forward.

c. Investment policy and performance

The Church has a long term policy for the investment of funds. Any surplus funds arising from time to time will be held on deposit with either a High-Street Bank Deposit or the London Baptist Property Fund, both of which allow easy access to the funds if required.

FINANCIAL REVIEW

a. Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The Trustees continue to monitor the impact of Coronavirus on the charity as a whole. Since the cessation of church services in March 2020 the accounts show that there has not been a material reduction in church income. This is because the majority of income arises from regular giving through bank transfers and not through service collections. Cost saving through the closure of church premises or the restriction of activities more than covers any loss of income.

b. Results for the year

Unrestricted

This year Southborough Lane Baptist Church generated a surplus, before transfers, of £9,977 which compared to the previous year's surplus of £11,073, showing a reduction of £1,096. Essentially income has fallen by £5,324 attributable to a fall in donations received which is partially compensated for by an increase in rental income. This overall reduction in income is almost matched by a fall in expenditure of £4,228 when 2021 is compared to 2020. Legal fees incurred in 2020 in respect of leases granted account for almost the entire reduction in expenditure.

Transfers made between funds were primarily in respect of the financing of the Building Refurbishment and Development held in the Building Development Fund. A smaller transfer to Designated Fund was made to enable separate disclosure of funds held within Ministry Support activities.

Restricted

Donations for 2021 totaled £29,478 (2020 - £24,294) of which £29,478 (2020 - £23,889) was in respect of pledges made for the Building Development Fund. There was no fundraising in 2021 (2020 - £405) in respect of the building works which had commenced during the year ended 30 September 2019.

During December 2019 and January 2020 we made full use of a loan facility made available to us for £100,000 from the London Baptist Property Board. This facility was awarded to us August 2019 prior to commencing building work in the main church buildings.

SOUTHBOROUGH LANE BAPTIST CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Expenditure totaled £36,458 which comprised mainly depreciation in respect of those buildings which are now complete and brought into usage and comprised the church offices, the rear hall now used by the Petts Wood Mandarin English Bi-lingual Pre School and the refurbished front hall and entrance.

c. RESERVES POLICY

The trustees endeavour to retain sufficient unrestricted funds to cover approximately three month's running costs. This latter sum amounts to £25,441 excluding depreciation (2020 - £26,629). The unrestricted funds, classified as General Funds, excluding the cost of property, both cost and revaluation reserve, at the end of the year amounted to £89,742 (2020 - £75,797) which exceeds the trustees' target for reserves. The level of reserves will continue to be kept under close review.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The charity is an unincorporated charity governed by a constitution adopted on 28 January 2009.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision making

The charity is governed by a committee of management comprising the Trustees, the Minister, the Elders and the Deacons who are elected by the membership of Southborough Lane Baptist Church. These leaders meet on a regular basis to discuss issues affecting the church and its work and witness and make appropriate authorised decisions themselves or recommendations to the Church membership for decisions in general meeting.

d. Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Coronavirus

The trustees have assessed the various risks arising on the easing of Lockdown leading to recommencement of church services. The areas of concern included; Singing during services, social distancing, working surfaces such as door handles, cleaning between services, the dispersal of the congregation after church services as well as other matters.

SOUTHBOROUGH LANE BAPTIST CHURCH

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2021

PLANS FOR FUTURE PERIODS

a. Future Developments

The next twelve months, we hope, will be a time when we are able to press on with our vision to make Southborough Lane Baptist Church a place of welcome and blessing for people of all ages in the Petts Wood community.

We now have a building that is a wonderful resource for staging a variety of events, teaching and support program, thereby allowing us to engage with our community in new and meaningful ways.

This will also make it easier for us to respond to people's specific needs and offer spiritual, emotional, physical and educational support, as required.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 11 July 2022 and signed on their behalf by:

Rev. B R A Marlowe, Chairman

SOUTHBOROUGH LANE BAPTIST CHURCH

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTHBOROUGH LANE BAPTIST CHURCH (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 30 September 2021.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and 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 the accounts 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 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 been withdrawn.

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

I have completed my examination. I can 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 accounts do not accord with those records; or
3. the accounts 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 accounts to be reached.

Signed:

Dated: 11 July 2022

Paul Baker FFA FAIA

SOUTHBOROUGH LANE BAPTIST CHURCH

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	2	99,573	29,478	129,051	130,011
Church activities:					
Fundraising	3	-	-	-	405
Church activities		277	-	277	3,328
Investments	4	109	-	109	577
Other income - Rents		12,443	-	12,443	7,699
TOTAL INCOME		112,402	29,478	141,880	142,020
EXPENDITURE ON:					
Raising funds	5	-	-	-	155
Charitable activities	8	102,425	36,458	138,883	131,309
TOTAL EXPENDITURE	9	102,425	36,458	138,883	131,464
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	19	9,977 8,779	(6,980) (8,779)	2,997 -	10,556 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		18,756	(15,759)	2,997	10,556
NET MOVEMENT IN FUNDS		18,756	(15,759)	2,997	10,556
RECONCILIATION OF FUNDS:					
Total funds brought forward		648,297	1,309,585	1,957,882	1,947,326
TOTAL FUNDS CARRIED FORWARD		667,053	1,293,826	1,960,879	1,957,882

The notes on pages 9 to 23 form part of these financial statements.

SOUTHBOROUGH LANE BAPTIST CHURCH

**BALANCE SHEET
AS AT 30 SEPTEMBER 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	14		1,937,654		1,969,802
CURRENT ASSETS					
Debtors	15	24,151		27,442	
Cash at bank and in hand		95,771		69,257	
			119,922		96,699
CREDITORS: amounts falling due within one year	16	(19,197)		(21,119)	
NET CURRENT ASSETS			100,725		75,580
TOTAL ASSETS LESS CURRENT LIABILITIES			2,038,379		2,045,382
CREDITORS: amounts falling due after more than one year	17		(77,500)		(87,500)
NET ASSETS			1,960,879		1,957,882
CHARITY FUNDS					
Restricted funds	19		1,293,826		1,309,585
Unrestricted funds	19		667,053		648,297
TOTAL FUNDS			1,960,879		1,957,882

The financial statements were approved by the Trustees on 11 July 2022 and signed on their behalf, by:

Mr P R Willans, Treasurer

Rev. B R A Marlowe, Chairman

The notes on pages 9 to 23 form part of these financial statements.

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Southborough Lane Baptist Church is an unincorporated organisation, registered as a charity with The Charity Commission with the The Charity Commission number 1129360.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) (effective 1 January 2019) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Southborough Lane Baptist Church meets the definition of a public benefit entity as defined by FRS 102.

1.2 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the friends of the church is not recognised.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.3 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 allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.4 Tangible fixed assets and depreciation

All assets costing more than £750 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Building refurbishment and redevelopment costs are not depreciated until the work on the building is complete and the building has been brought into use.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight Line over the life of the Property
Plant and machinery	-	25% Reducing Balance
Fixtures and fittings	-	25% Reducing Balance

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (continued)

The Manse is a semi-detached property where the land and the buildings are inseparable. In addition, there is a ready market for the sale of the property. Consequently, no depreciation has been charged on this property as it is considered that the increase in the value of land will more than outweigh any decrease in value of the building through usage.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (continued)

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	99,573	29,478	129,051	128,011
Legacies	-	-	-	2,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	99,573	29,478	129,051	130,011
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2020	106,122	23,889	130,011	
	<hr/>	<hr/>	<hr/>	

3. FUNDRAISING INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising	-	-	-	405
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2020	-	405	405	
	<hr/>	<hr/>	<hr/>	

SOUTHBOROUGH LANE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

4. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income - Deposit Accounts	14	-	14	472
HMRC Repayment Supplement	95	-	95	105
	<u>109</u>	<u>-</u>	<u>109</u>	<u>577</u>
<i>Total 2020</i>	<u>577</u>	<u>-</u>	<u>577</u>	

5. COSTS OF RAISING FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Building Development Fund	-	-	-	155
<i>Total 2020</i>	<u>-</u>	<u>155</u>	<u>155</u>	

6. DIRECT COSTS

	Church activities £	Total 2021 £	Total 2020 £
Ministry activities	18,498	18,498	17,255
Wages and salaries	46,213	46,213	47,334
National insurance	130	130	527
Pension cost	7,408	7,408	7,279
	<u>72,249</u>	<u>72,249</u>	<u>72,395</u>
<i>Total 2020</i>	<u>72,395</u>	<u>72,395</u>	

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

7. SUPPORT COSTS

	Church support £	Church property £	Total 2021 £	Total 2020 £
Office costs	2,462	-	2,462	2,708
Computer costs	442	-	442	398
Support costs	4,397	-	4,397	4,362
Maintenance repairs	3,345	-	3,345	3,498
Legal & Professional	-	-	-	4,656
Grantmaking	14,461	-	14,461	15,310
Depreciation	662	36,458	37,120	24,794
	<u>25,769</u>	<u>36,458</u>	<u>62,227</u>	<u>55,726</u>
<i>Total 2020</i>	<u>33,766</u>	<u>21,960</u>	<u>55,726</u>	

Included in the 2020 Church property comparative is £4,656 in respect of Pre-School legal cost on the granting of a lease to the Church property.

GRANTMAKING

	2021 £	2020 £
Overseas Mission	3,350	4,000
The Michael Project	4,500	4,500
Samara's Aid	1,875	2,000
LBA/Home Mission	4,560	4,560
Food Bank	176	-
Spurgeon's College	-	250
Total	<u>14,461</u>	<u>15,310</u>

Grants to individuals totaled £997, (2020 - £684) and because they live locally these grants are included in ministry activities.

8. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Independent examiners fees	1,380	-	1,380	1,320
Payroll Bureau Services	312	-	312	-
Loan interest (LBPB)	2,715	-	2,715	1,868
	<u>4,407</u>	<u>-</u>	<u>4,407</u>	<u>3,188</u>

SOUTHBOROUGH LANE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Expenditure on raising voluntary income	-	-	-	-	155
Costs of raising funds	-	-	-	-	155
Ministry activities and support	53,751	662	43,605	98,018	110,817
Building Maintenance	-	36,458	-	36,458	17,304
Charitable activities	53,751	37,120	43,605	134,476	128,121
Expenditure on governance	-	-	4,407	4,407	3,188
	53,751	37,120	48,012	138,883	131,464
<i>Total 2020</i>	<i>55,140</i>	<i>24,794</i>	<i>51,530</i>	<i>131,464</i>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	37,120	24,795
Payroll Bureau Services	312	-

During the year, one Trustee received remuneration totalling £36,960 (2020- £36,775).
During the year, one Trustee received benefits in kind of £5,091 (2020 - £4,901).
During the year, no Trustees received any reimbursement of personal expenses (2020 - £NIL).

The trustee concerned is the Rev. Ben Marlowe who has served as minister since his appointment in May 2016. The benefits-in-kind include the running expenses of the manse which is provided for his work as well as £3,841 (2020 - £3,787) in respect of pension contributions paid on his behalf.

11. INDEPENDENT EXAMINER'S FEES

The Independent Examiner's fees amounts to an Independent Examination fee of £1,380 (2020 - £1,320), and other services of £ - (2020 - £ -).

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

12. STAFF COSTS

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	46,213	47,334
Social security costs	130	527
Other pension costs	7,408	7,279
	<u>53,751</u>	<u>55,140</u>

The average number of persons employed by the charity during the year was as follows:

	2021 No.	2020 No.
Minister	1	1
Office and Ministry Support Staff	2	2
	<u>3</u>	<u>3</u>

No employee received remuneration amounting to more than £60,000 in either year.

13. TRUSTEES' REMUNERATION

During the year retirement benefits were accruing to 1 Trustee (2020 - 1) in respect of defined contribution pension schemes.

SOUTHBOROUGH LANE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Audio Visual Equipment £	Fixtures and fittings £	Total £
Cost				
At 1 October 2020	2,047,769	32,594	66,752	2,147,115
Additions	2,734	-	2,238	4,972
At 30 September 2021	<u>2,050,503</u>	<u>32,594</u>	<u>68,990</u>	<u>2,152,087</u>
Depreciation				
At 1 October 2020	102,825	8,148	66,340	177,313
Charge for the year	30,347	6,111	662	37,120
At 30 September 2021	<u>133,172</u>	<u>14,259</u>	<u>67,002</u>	<u>214,433</u>
Net book value				
At 30 September 2021	<u>1,917,331</u>	<u>18,335</u>	<u>1,988</u>	<u>1,937,654</u>
At 30 September 2020	<u>1,944,944</u>	<u>24,446</u>	<u>412</u>	<u>1,969,802</u>

In accordance with FRS102 the church buildings have been revalued by the trustees and where appropriate the surplus arising has been taken to a Revaluation Reserve, refer to note 18.

Building works as part of the Refurbishment and Development of the Church Site relating to the new church offices, the refurbishment of the front and rear hall and the Audio Visual system have now been depreciated as work on them has now been completed and they have been brought into use.

It has been decided that the costs and related depreciation of the Audio Visual system be disclosed separately even though they are an integral part of the building. This is to show clarity as well as the impact of the shorter life of these assets when compared to the building.

15. DEBTORS

	2021 £	2020 £
Income Tax recoverable	21,719	22,324
Other debtors	980	42
Prepayments and accrued income	1,452	5,076
	<u>24,151</u>	<u>27,442</u>

SOUTHBOROUGH LANE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

16. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Other loans (see note 17)	10,000	12,500
Other taxation and social security	-	802
Other creditors	9,197	7,817
	<u>19,197</u>	<u>21,119</u>

The current portion of the loan described in note 17 is £10,000 comprising four quarterly installments of £2,500 which will be repaid during the year ended 30 September 2022.

Included in Other Creditors is an amount of £3,000 in respect of a Rent deposit given by a Mandarin-English Bi-Lingual Pre-school prior to commencing activities in the church's newly refurbished rear hall

17. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>77,500</u>	<u>87,500</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between two and five years		
Other loans	<u>40,000</u>	<u>40,000</u>
Over five years		
Other loans	<u>37,500</u>	<u>47,500</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2021 £	2020 £
Repayable by instalments	<u>37,500</u>	<u>47,500</u>

During the year ended 30 September 2020 the church was awarded a ten year loan facility of £100,000 from the London Baptist Property Board to provide funds to complete the property refurbishment and development works which were currently under way. The Loan is to be repaid in equal quarterly installments of £2,500. Interest is charged quarterly at a variable rate the current level being 2.75% and the loan is secured on the property.

SOUTHBOROUGH LANE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure	95,771	69,257

Financial assets measured at fair value through income and expenditure comprise a number of bank accounts held within High Street Banks and the London Baptist Property Board.

19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 Sept 2020 £
Designated funds					
Designated Funds - Manse (cost)	110,000	-	-	-	110,000
Designated Fund Manse - Revaluation Reserve	462,500	-	-	-	462,500
Ministry Support Activities	-	2,855	(2,853)	4,809	4,811
	572,500	2,855	(2,853)	4,809	577,311
General funds					
General Funds - all funds	75,797	109,547	(99,572)	3,970	89,742
Total Unrestricted funds	648,297	112,402	(102,425)	8,779	667,053
Restricted funds					
Church Site	532,091	-	(7,560)	-	524,531
Church Site Revaluation	518,169	-	(7,340)	-	510,829
Church Site Redevelopment	62,596	-	(21,558)	215,651	256,689
Church Car Park	3	-	-	(3)	-
Building Development Fund	194,949	29,478	-	(224,427)	-
Website Development Fund	1,777	-	-	-	1,777
	1,309,585	29,478	(36,458)	(8,779)	1,293,826
Total of funds	1,957,882	141,880	(138,883)	-	1,960,879

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

19. STATEMENT OF FUNDS (continued)

Church Properties

The properties, which had already been revalued a number of years ago, were subjected to a detailed review by the trustees when preparing the accounts for the year ended 30 September 2017. Any adjustments made to produce a Fair Value were included in the Accounts and a revaluation reserve was created to disclose the extent of this revaluation in the accounts.

The land that the buildings stand on is owned by the London Baptist Property Board and which Southborough Lane Baptist Church holds on trust. The Main Church Site by a Trust Deed dated 5 June 1974 and the Manse by a Trust Deed dated 14 February 1977.

Under the terms of the Trust Deeds, the Main Church Site can only be used for a place of worship so that all buildings erected will be classed as Restricted Fund Assets and for the Manse the eventual proceeds can be used for any charitable purpose consistent with the Baptist Denomination, consequently it is disclosed as a Designated Fund Asset.

Church Property Redevelopment

The Building Redevelopment Fund is a restricted fund that receives funds to finance the redevelopment of several buildings on the Church Site. Once work is completed and the building brought into use the costs are transferred to the Church Site Redevelopment Fund, which is also a restricted fund. Depreciation of the redevelopment costs of the building is charged to this fund. £224,427 of building costs were transferred during the year ended 30 September 2021 on completion of the project.

Website Development Fund

This fund comprises a single gift received to cover the cost of redeveloping the Church's website following completion of the building works. Initially these funds were included in the General Fund in error but have now been transferred to a restricted fund created for the gift's intended purpose.

General Fund

During the year ended 30 September 2021 a transfer of £8,779. was made to the General Fund from the Building Development Fund and the Church Site Redevelopment Fund in respect of the overall costs of the redevelopment of the Church Site.

Designated Fund

This year the church's Ministry Support Activities have been shown separately within Designated Funds, previously they had been shown as included in the General Fund. This change of presentation is for greater clarity and to recognise the work of these support activities.

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 October 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 Sept 2020 £
Designated funds					
Designated Funds - Manse (cost)	110,000	-	-	-	110,000
Designated Fund Manse - Revaluation Reserve	462,500	-	-	-	462,500
General funds					
General Funds - all funds	176,501	117,726	(106,653)	(111,777)	75,797
Total Unrestricted funds	749,001	117,726	(106,653)	(111,777)	648,297
Restricted funds					
Church Site	539,651	-	(7,560)	-	532,091
Church Site Revaluation	525,509	-	(7,340)	-	518,169
Church Site Redevelopment	-	-	(9,757)	72,353	62,596
Church Car Park	3	-	-	-	3
Building Development Fund	133,162	24,294	(154)	37,647	194,949
Website Development Fund	-	-	-	1,777	1,777
	1,198,325	24,294	(24,811)	111,777	1,309,585
Total of funds	1,947,326	142,020	(131,464)	-	1,957,882

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 October 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 Sept 2020 £
Designated funds	572,500	2,855	(2,853)	4,809	577,311
General funds	75,797	109,547	(99,572)	3,970	89,742
	648,297	112,402	(102,425)	8,779	667,053
Restricted funds	1,309,585	29,478	(36,458)	(8,779)	1,293,826
	1,957,882	141,880	(138,883)	-	1,960,879

SOUTHBOROUGH LANE BAPTIST CHURCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

19. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 October 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 30 Sept 2019 £</i>
Designated funds	572,500	-	-	-	572,500
General funds	176,501	117,726	(106,653)	(111,777)	75,797
	<u>749,001</u>	<u>117,726</u>	<u>(106,653)</u>	<u>(111,777)</u>	<u>648,297</u>
Restricted funds	1,198,325	24,294	(24,811)	111,777	1,309,585
	<u>1,947,326</u>	<u>142,020</u>	<u>(131,464)</u>	<u>-</u>	<u>1,957,882</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	574,488	1,363,166	1,937,654
Current assets	101,762	18,160	119,922
Creditors due within one year	(9,197)	(10,000)	(19,197)
Creditors due in more than one year	-	(77,500)	(77,500)
	<u>667,053</u>	<u>1,293,826</u>	<u>1,960,879</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	572,912	1,396,890	1,969,802
Current assets	84,004	12,695	96,699
Creditors due within one year	(8,619)	(12,500)	(21,119)
Creditors due in more than one year	-	(87,500)	(87,500)
	<u>648,297</u>	<u>1,309,585</u>	<u>1,957,882</u>

SOUTHBOROUGH LANE BAPTIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

21. CAPITAL COMMITMENTS

During the year ended 30 September 2021 Southborough Lane Baptist Church completed the re-development of its buildings. This project which started in June 2019 consisted of the refurbishment of the rear hall and the development and refurbishment of the front hall. In addition, a new Audio-visual system was installed as well as a new church frontage which included the landscaping of the front of the church site.

The objective of the building works is to develop and enhance our children's work as well as the work of our general ministry by making the buildings more accessible and community friendly.

At the date of signing the accounts outstanding commitments under the contract to re-develop the buildings totaled £6,468. Building works were signed off on 15 March 2022 when this final invoice was issued.

22. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund operated by the Baptist Union. The pension cost charge represents contributions payable by the charity to the fund and amounted to £4,183. (2020 - £4,122). There were arrears of contributions at the year end of £120 (2020 - £120) which has now been cleared.

In addition to the present scheme contributions were made to an existing scheme referred to as The Defined Benefit Plan (The DB Plan) for employees in employment up to the plan's closure on 31 December 2011. Actuarial review indicates that the pension scheme is in deficit and deficiency payments are due from those churches who are in the scheme. The present level of payment is 12% of the employees' salary. During the year ended 30 September 2021 a total of £3,225 (2020 - £3,158) was paid into the closed scheme. Under arrangements entered into by the pension scheme trustees the employers deficit contributions will be cleared by 2028. Under present arrangements the annual deficiency payments payable during the year ended 30 September 2022 will be £3,695..