

# **Carshalton Beeches Baptist Free Church**

## **Trustees' Annual Report**

**Year ended: 31 December 2020**



**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Charity registration number: 1130318**

Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

CARSHALTON BEECHES BAPTIST FREE CHURCH  
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YEAR ENDED 31 DECEMBER 2020

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**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**SIGNIFICANT CHARITY INFORMATION**  
**YEAR ENDED 31 DECEMBER 2020**

The name of the Charity is Carshalton Beeches Baptist Free Church.

The church is affiliated to the Baptist Union of Great Britain and Ireland and to the London Baptist Association and until 24 June 2009 was an excepted charity. The church registered with the Charity Commission on 24 June 2009 with charity number 1130318.

The principal address of the church is Banstead Road, Carshalton, Surrey SM5 3NL

The trustees of the church are the elected deacons, the officers and the ministers. The trustees from 1 January 2020 until the date of the signing of this report were:

		Start	End
Mr R Beales	Elected deacon	1 November 2020	
Mr A Blackburn	Elected deacon	1 June 2014	31 October 2020
Mr J Durbin	Elected deacon	1 June 2014	31 October 2020
Mr T Gore	Elected deacon	1 June 2014	31 October 2020
Mr Y S Hsu	Elected deacon	1 June 2019	
Mr I Knowles	Elected deacon	1 June 2015	
Mr S Larcombe	Elected deacon	1 June 2016	31 October 2020
Mrs C Mossor	Elected deacon	1 June 2016	
Miss S Opanubi	Elected deacon	1 June 2018	
Mrs B Osiyale	Elected deacon	1 June 2016	
Mr P Scott-Evans	Treasurer	1 June 2008	
Rev P Hornsey	Minister	1 September 2005	
Rev J M Kendall	Minister	1 May 2011	31 October 2020

The trustees are considered to be the Key Management Personnel of the church.

Statutory Auditor: Jacob Cavenagh & Skeet  
5 Robin Hood Lane  
Sutton  
Surrey SM1 2SW

Banks: Charities Aid Foundation  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent ME19 4TA

London Baptist Property Board  
235 Shaftesbury Avenue  
London WC2H 8EP



## CARSHALTON BEECHES BAPTIST FREE CHURCH

### REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

#### Structure, governance and management

The Church is an unincorporated association and is affiliated to the Baptist Union of Great Britain and Ireland and to the London Baptist Association. The Church occupies premises which are held by the London Baptist Property Board, on Trust.

The Church is governed by its "Constitution and Rules" document. The Church is autonomous and the Church Meeting makes the final decision on all matters, after taking into consideration any advice given by the trustees.

Trustees are appointed by the Church Meeting in one of three ways. Deacons are elected for a period of three years, from within the membership, at a Special Church Meeting (quorum: 40% of membership roll), on obtaining votes from at least 50% of those present. After 6 years of continuous service, deacons are not eligible for re-election for one year. Officers and ministers are trustees by virtue of holding office. Officers are appointed by the Church Meeting every 3 years. Ministers are invited to the pastorate by a Special Church Meeting.

The trustees meet together regularly as the Church's leadership team. They bring reports and recommendations on all significant aspects of the Church's affairs to the Church Meeting. The Church Meeting usually meets six times a year and receives the leadership's reports and recommendations. All recommendations are voted on by the Church Meeting.

The trustees are inducted by the senior deacon and the ministers and receive training during their term of office by attending meetings and by making use of the publications produced by the Baptist Union of Great Britain and the Charity Commission.

The trustees delegate oversight of certain matters to groups appointed by the trustees with the approval of the Church Meeting. At present, the main committees are the Finance and Fabric Committees. These committees report to the trustees and the Church Meeting on a regular basis.

#### Objectives and activities

The principal purpose of Carshalton Beeches Baptist Free Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The charity exists to serve the community of Carshalton Beeches. Our aim is to make wholehearted disciples of the Lord Jesus, not just to create a congregation of passive believers. This is summed up in our mission statement: Jesus Christ, to know Him, to grow in Him, to bring others to Him.

In June Rev Jeannie Kendall advised the trustees of her intention to step down from the joint pastorate to, in her words, 'Go freelance' pursuing her writing and teaching at Spurgeon's College. We praise God for Jeannie's service to the Kingdom here at the church and wish her well in her new role.

The membership as at 31 December 2020 was 145. Approximately 100 to 115 adults plus 20 to 25 children and young people attend on Sunday mornings, and 15 to 25 adults and young people in the evenings. The age range is quite well-balanced with families forming the core of the congregation. Our worship services are open to all.

Serving the local community is a vital part of the church's mission. This objective is worked out in a number of ways among children and young people, adults and families, senior citizens and those with disabilities. The church buildings are exceptionally well-used throughout the week. This is not only for church-led activities but various rooms in the building are hired by a wide range of other organisations or individuals. This has resulted in attracting large numbers of people from the local community onto the church premises. 2020 has seen many of the usual activities cease to meet due to the restrictions imposed as a result of the Covid-19 Pandemic.

In March children's activities were halted but our Children and Families Worker maintained contact with families through online activities and a toy swap. Sunday morning Jam sessions for children were conducted via Zoom. The church Cafe, Spill the Beans, was forced to close from the March Lockdown and re-opened with very reduced hours at the end of September only to face the second lockdown in November.

The Wednesday Luncheon Club has been unable to meet since March but contact has been maintained with the older folk in our community during this time. Other regular meetings such as the Monday social evening and Conquest Art Class for people with disabilities have not met since March. The church Alcoholics Anonymous group has met occasionally during the period.

The Guiding and Scouting groups which have met for over 80 years have, for the first time in their history at the church, been unable to meet due to the Pandemic.

Organisations which hire the church premises were also unable to meet during the first Lockdown. Subsequently, some have been able to re-start such as The Ark (a Montessori nursery), a group of family mediation practitioners and counselling sessions Pilates classes, and ABRSM music examinations. 2020 has been a difficult year resulting in the community events centred in and around the church premises such as Holiday at Home, Summer Sunday and Yulefest having to be cancelled.

However, through the use of Social Media and its website, Sunday services were made accessible and more recently, services have been live-streamed.

## **CARSHALTON BEECHES BAPTIST FREE CHURCH**

### **REPORT OF THE TRUSTEES (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

Following the death of George Floyd in the USA the trustees began a Listening and Learning consultation to see what lessons we needed to learn to overcome any racial injustice and prejudice in our church membership and congregation. A number of responses were received and a report produced. It is now essential that action is taken to make Beeches Baptist an inclusive and welcoming church for all.

In spite of Covid-19 the church seeks to serve the community and none of it would be possible without the generosity of individuals with their time, their talent and their financial support.

#### **Plans for the future**

Following the resignation of Rev Jeannie Kendall, the trustees considered it would not be possible in the current situation to seek a replacement for Jeannie and Rev Phil Hornsey agreed to continue in sole pastorate. We praise God for their joint ministry and the example they set over the 10 years of their joint ministry. The church's vision remains to be a 'Church on a Mission' following the command of Jesus to go and make disciples of all nations. The strategy is to be a community of disciple-making disciples; a family, united in our love for the Lord Jesus Christ, grateful to God for his love for us, and reaching out to share His love with those who live and work in our community. We want to be a community where everyone is welcomed, everyone is valued and everyone has the opportunity to be involved. The Bible is the rule and guide for our life with prayer central to all we do, whilst seeking to be open to the leading of the Holy Spirit.

This strategy has been somewhat hampered during 2020 but, as already mentioned, our Children and Families Worker, Emma Shaw, has worked creatively among children and parents and carers. She has proved a valuable and effective member of the staff team as has our Youth and Schools Worker, Beca McKay. Beca has continued to build up her contacts in the local schools as well as making creative use of Social Media to keep in touch with young people connected directly and indirectly with the church. In 2021 Emma and Beca hope to re-establish face-to-face contact with children, young people and families resulting in the activities so enjoyed during 2019 and the early part of 2020 to function fully again.

The contacts made by both the Rev Phil Hornsey and Rev Jeannie Kendall in previous years will be built on in 2021 with the objective to hold once again community events such as the Summer Fun Day. It is hoped these contacts will result in people being drawn into the church leading to them hearing the gospel and committing their lives to Jesus. These are vital aspects of our strategy to be a 'Church on a Mission'.

During the difficult year our receptionist, Malc Kendall, continued to maintain contact with the local community especially those who make use of our premises and we are confident this relationship will bring dividends in 2021.

#### **Achievements**

**Pastoral** – as already mentioned the equal partnership of Rev Phil Hornsey and Rev Jeannie Kendall as ministers of the church has proved a great success and their gracious, sensitive approach to their leadership is reflected in the pastoral care given to people in need during this unprecedented year. Jeannie's ministry will be missed. Through the use of technology groups have been able to meet virtually throughout the year.

**Mission** – during 2020 the church was unable to hold its usual events to demonstrate God's grace to the community and to encourage members in mission. Even church services were curtailed for many months and now continue with social distancing reducing the number able to attend Sunday services.

#### **Financial review**

**Outcome for 2020** – clearly the church's finances have been badly affected by the Pandemic especially with regard to Lettings Income. It was necessary during the year to draw down some of the deposit with the London Baptist Property Board but the generosity of our members and congregation is a means of praise to our faithful God.

**Grant making policy** – As part of its commitment to the wider Baptist family the church gives financially to BMS World Mission and the Baptist Union Home Mission Fund. The church also donates to the Sutton Schools Workers Trust. In addition, the church gives grants to individuals working overseas who have a close connection with the membership. These are reviewed annually by the church meeting. Over and above these regular commitments the church also makes grants by special appeals to organisations at Harvest and Christmas again decided upon by the church meeting.

# CARSHALTON BEECHES BAPTIST FREE CHURCH

## REPORT OF THE TRUSTEES (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

**Reserves Policy** – It is the policy of the trustees to aim at maintaining reserves representing 25% of the donation income, which the trustees consider sufficient to be able to cover support and governance costs. The unrestricted reserves at the end of the year were £3,198,514 of which £3,117,115 is held in a designated fixed asset fund. The total restricted funds held at the year-end were £7,513. The total funds available for use at the year-end were £101,803..

#### **Key Management personnel**

The remuneration of key management personnel is decided annually by the trustees.

#### **Statement on risks**

The trustees confirm that they have given consideration to the major risks to which the charity is exposed and that systems have been designed and established to mitigate those risks.

The trustees consider the principal risks facing the church and their plans and strategies for managing these risks to be:

- Income and Expenditure – Reserves reduced; Staff redundancies; Loss of local reputation; Costs spiral out of control. Mitigated by regular budget reviews; Trustees monitoring adequacy of financial information; Ensuring proper authorisation for expenditure
- Pensions – Underfunded defined benefit scheme; Impact of future cash flow; Failure to meet due dates of payment; Regulatory action. Mitigated by use of actuarial valuation however, a liability of £24,234 has been included in the accounts (see notes 5 and 9); Review pension scheme arrangements; Review procedures for admission to schemes and control over pension administration; Ensure compliance with Work Place Pension regulations.

#### **Regard to Charity Commission public benefit guidance**

The trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have regard to the guidance published by the Commission.

#### **Statement of trustees (leadership team) responsibilities**

The charity's trustees are responsible for preparing a trustees' annual report and 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 and Wales requires the charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities' SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of the financial statements.

Signed on behalf of the trustees



Christine Mossor (Trustee)



Paul Scott-Evans (Treasurer)

Approved at a meeting of the Leadership Team, held on 20 April 2021





## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CARSHALTON BEECHES BAPTIST FREE CHURCH

#### Opinion

We have audited the financial statements of Carshalton Beeches Baptist Free Church (the "Charity") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF CARSHALTON BEECHES BAPTIST FREE CHURCH (continued)

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment, financial reporting legislation and health & safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team

We determined that the principal risks were related to the disclosure of related party transactions, furlough claim income and management override of controls.

In response to the risks identified we designed procedures which included but were not limited to: reviewing declarations from related parties, testing the calculation of claims made under the Coronavirus Job Retention Scheme and identifying and testing journal entries.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE TRUSTEES OF CARSHALTON BEECHES BAPTIST FREE CHURCH (continued)**

**Use of our report**

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Jacob, Cavenagh + Skeet*

**Jacob Cavenagh & Skeet**  
**Statutory Auditor**  
**Chartered Accountants**

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Dated: 23/7/21

*Jacob Cavenagh & Skeet is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.*

**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2020 £</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2019 £</b>
<b>Income from:</b>							
Donations and legacies							
<i>Donations</i>		203,038	15,932	218,970	197,585	10,051	207,636
<i>Grants</i>		-	2,000	2,000	-	4,558	4,558
Charitable activities							
<i>Spill The Beans Cafe</i>		4,159	-	4,159	16,542	-	16,542
<i>Lettings</i>		42,700	-	42,700	74,263	-	74,263
Other income							
<i>Coronavirus Job Retention Scheme</i>		10,103	-	10,103	-	-	-
<b>Total income</b>		<b>260,000</b>	<b>17,932</b>	<b>277,932</b>	<b>288,390</b>	<b>14,609</b>	<b>302,999</b>
<b>Expenditure on:</b>							
Charitable activities							
Activities organised by the church	2	292,115	1,110	293,225	316,662	8,120	324,782
Donations to support activities by others	3	28,470	13,312	41,782	36,074	4,983	41,057
<b>Total expenditure</b>		<b>320,585</b>	<b>14,422</b>	<b>335,007</b>	<b>352,736</b>	<b>13,103</b>	<b>365,839</b>
<b>Net income/(expenditure)</b>		<b>(60,585)</b>	<b>3,510</b>	<b>(57,075)</b>	<b>(64,346)</b>	<b>1,506</b>	<b>(62,840)</b>
<b>Gross transfers between funds</b>							
<b>Net movement in funds</b>		<b>(60,585)</b>	<b>3,510</b>	<b>(57,075)</b>	<b>(64,346)</b>	<b>1,506</b>	<b>(62,840)</b>
<b>Reconciliation of funds</b>							
Funds brought forward at 1 January 2020		3,259,099	4,003	3,263,102	3,323,445	2,497	3,325,942
<b>Funds carried forward at 31 December 2020</b>		<b>3,198,514</b>	<b>7,513</b>	<b>3,206,027</b>	<b>3,259,099</b>	<b>4,003</b>	<b>3,363,102</b>



CARSHALTON BEECHES BAPTIST FREE CHURCH  
BALANCE SHEET  
AS AT 31 DECEMBER 2020

	Note	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	6		3,120,945		3,183,748
<b>Current assets</b>					
Debtors	7	10,444		10,024	
Cash at bank and in hand		<u>107,964</u>		<u>116,332</u>	
		118,408		126,356	
<b>Creditors: Amounts falling due within one year</b>	8	<u>9,092</u>		<u>8,217</u>	
<b>Net current assets</b>			<u>109,316</u>		<u>118,139</u>
<b>Total assets less current liabilities</b>			3,230,261		3,301,887
<b>Provisions</b>	9		<u>24,234</u>		<u>38,785</u>
<b>Net assets</b>			<u>3,206,027</u>		<u>3,263,102</u>
<b>Funds</b>					
Restricted	10		7,513		4,003
Unrestricted	11		<u>3,198,514</u>		<u>3,259,099</u>
			<u>3,206,027</u>		<u>3,263,102</u>

Approved by the trustees on 20 April 2021 and signed on their behalf by:



Christine Mossor

**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

*a) Basis of preparation*

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 financial statements. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

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

The Society meets the definition of a public benefit entity under FRS 102.

*b) Going concern*

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

*c) Funds*

- i. Restricted funds are defined as those used for specified purposes laid down by the donor, or where an appeal limits the use of the funds.
- ii. Unrestricted general funds represent donations and other incomes received for any of the purposes of the church and are available for use.

*d) Income*

Donations and other income (including legacies) are included in the Statement of Financial Activities (SOFA) when the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

No amounts are included in the financial statements for services donated by volunteers as this is difficult to quantify.

*Job Retention Scheme government grant income*

For JRS grant income, the income is recognised in the period to which the underlying furloughed staff costs relate to.

*e) Expenditure*

All expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities and has been classified under headings that aggregate all costs related to the category.

- i. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- ii. Governance costs are those costs associated with meeting the constitutional and statutory requirements of the charity and include accountants' fees and costs linked to the strategic management of the charity. These have been allocated directly to charitable expenditure.

*f) Payments to missionaries*

The church supports various missionaries, as detailed in note 3 below. The trustees assess missionary funding on an annual basis and are confident that, although some missionaries have been supported by the church for a number of years, the missionaries would not view their support as an open-ended obligation on the part of the church. Accordingly these arrangements are not viewed as constituting constructive obligations as defined by FRS 102 and thus no liability for future years' support is accounted for in these accounts. The final payment of £8,000 under the designated Tithe Fund was made in 2019 to the Deeper Life Church, Tanzania. In 2020 a further gift of £5,163 was made to Deeper Life Church from donations by members of the church and congregation.

**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

*g) Tangible fixed assets*

Tangible fixed assets costing more than £1,000 are capitalised and included at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	2% on value of buildings (land is not depreciated)
Church equipment	25% on cost

*h) Debtors*

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

*i) 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 the opening of the deposit.

*j) Creditors and provisions*

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount. Provisions have been calculated at the best estimate of the settlement amount and then discounted back to present value at the reporting date.

*k) Financial instruments*

The charity only has financial assets and 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.

*l) Pension schemes*

The church makes contributions into pension schemes which are accounted for as they are paid. The church also makes contributions towards the deficit on the Baptist Pension Scheme under the deficit reduction plan. A provision has been made for the total contributions due. This is detailed in note 5.

**2. Activities organised by the Church**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employment and accommodation (note 4)	175,229	-	175,229	176,064
Public property maintenance and care	30,996	-	30,996	38,952
Kingdom Growth	3,020	-	3,020	9,741
Spill the Beans	1,472	-	1,472	5,332
Administration, office and corporate expenses	13,675	-	13,675	17,845
Governance costs: audit fee	4,920	-	4,920	4,860
YuleFest	-	1,110	1,110	8,120
Depreciation on land and buildings	61,845	-	61,845	61,845
Depreciation on other equipment	958	-	958	2,023
<b>Total</b>	<b>292,115</b>	<b>1,110</b>	<b>293,225</b>	<b>324,782</b>

**CARSHALTON BEECHES BAPTIST CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Donations to support activities by others	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total 2020 £</i>	<i>Total 2019 £</i>
Baptist Missionary Society (BMS)	8,964	-	8,964	8,745
Baptist Union – Home Mission	7,107	-	7,107	6,933
Deeper Life Church, Tanzania	-	5,163	5,163	8,000
Harper-Jones (Frontiers)	2,106	-	2,106	2,055
Lozadas (La Gran Commission)	807	-	807	786
Sutton Schools' Christian Workers' Trust	3,168	-	3,168	3,090
Special appeals	-	2,807	2,807	4,983
Fundatia Regen, Romania	2,106	-	2,106	2,055
Operation Agri (Harvest Appeal)	-	2,010	2,010	-
Archers	2,106	-	2,106	2,055
The Forge	-	-	-	300
Onside Soccer*	2,106	*1,666	3,772	2,055
Open Doors*	-	*1,666	1,666	-
	28,470	13,312	41,782	41,057

\* Restricted Funds of £1,666 from the Christmas Appeal

	<i>2020 £</i>	<i>2019 £</i>
<b>4. Employment and accommodation</b>		
Gross salaries	161,488	148,878
Employer's National Insurance	10,045	9,731
Pension contributions	8,861	9,361
Change in pension provision	(11,485)	1,490
	168,909	169,460
Rates and utilities (manse and church house flat)	6,320	6,604
	175,229	176,064

During the year there was an average of 7 (2019: 6) employees. None of them earned more than £60,000.

The ministers are also trustees of the church and constitute the key management personnel. As permitted by the Trust Deed, notwithstanding the fact any Minister or Ministers appointed by the Church are Charity Trustees they will be entitled to be paid an agreed and reasonable remuneration out of the funds of the Church. They were provided with accommodation and received remuneration as follows:

	<i>2020</i>				<i>2019</i>			
	<i>Salary £</i>	<i>Ers NI £</i>	<i>Pension £</i>	<i>Utilities £</i>	<i>Salary £</i>	<i>Ers NI £</i>	<i>Pension £</i>	<i>Utilities £</i>
Rev P Hornsey	32,955	3,341	3,920	2,534	33,880	3,253	3,797	2,434
Rev J Kendall	33,302	3,591	1,614	2,227	39,715	4,036	1,458	3,092

The church provides each of its co-ministers with an equal level of support. The differences in the figures above are due to different pension contribution levels together with additional remuneration to Rev J Kendall following her move from church-owned premises to her own property.

**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Pension schemes**

The Baptist Pension Scheme

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

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers are eligible to join the Scheme. 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 long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva plc.

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

*Actuarial valuation as at 31 December 2019*

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
- Pre-retirement	2.95
- Post retirement	1.70
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases	
- Main Scheme pension	2.70



**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Pension schemes (continued)**

*Actuarial valuation as at 31 December 2019 (continued)*

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2022.

*Recovery Plan*

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and 31 December 2020.

*Movement in Balance Sheet liability*

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in note 9.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

Accounting date	2020	2019	2018
Discount rate	0.4%	1.7%	2.4%
Future increases to Minimum Pensionable Income	3.0%	3.2%	3.3%

Other pension schemes

The church also made contributions to employees defined contribution schemes. The amount contributed in the year was £12,317 (2019: £10,655).

**6. Tangible fixed assets**

	<i>Freehold land and buildings</i>	<i>Church premises</i>	<i>Other equipment</i>	<i>Total</i>
	<i>Manses</i>			
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2020	855,000	3,087,271	118,888	4,061,159
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2020	855,000	3,087,271	118,888	4,061,159
<b>Accumulated depreciation</b>				
At 1 January 2020	225,600	536,196	115,615	877,411
Provision for the year	13,100	48,745	958	62,803
Eliminated on disposals	-	-	-	-
At 31 December 2020	238,700	584,941	116,573	940,214
<b>Net book value</b>				
At 31 December 2020	616,300	2,502,330	2,315	3,120,945
At 31 December 2019	629,400	2,551,075	3,273	3,183,748

The insurance value of the main church building and youth centre at 31 December 2005 was £1.1million. To this has been added the cost of redevelopment and rebuilding since 2008.

All buildings (but not the underlying land) have been depreciated over estimated useful lives of 50 years.

**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>7. Debtors</b>		
Gift aid recoverable	9,377	8,978
Prepayments	1,067	1,046
	<u>10,444</u>	<u>10,024</u>
	2020 £	2019 £
<b>8. Creditors</b>		
Social Security and Other Taxes	2,602	3,357
Other Creditors	1,570	-
Accruals and Deferred Income	4,920	4,860
	<u>9,092</u>	<u>8,217</u>
	2020 £	2019 £
<b>9. Provisions</b>		
Balance brought forward	38,785	41,295
Payments made in year	(3,066)	(4,000)
Increase/(decrease) in provision	(11,485)	1,490
Balance carried forward	<u>24,234</u>	<u>38,785</u>

A provision has been included for deficit contributions due to the Baptist Pension Scheme. The current deficit reduction plan requires contributions to be made until December 2028. The provision has been calculated based on the current contributions, assuming that they will increase by 3.0% and the total liability has been discounted to present value using a bond rate of 0.4%.

**10. Restricted funds**

	<i>Balance at 1 January 2020</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> £	<i>Balance at 31 December 2020</i> £
Special appeals	1,328	15,382	(13,312)	-	3,398
Holiday at Home	-	2,000	-	-	2,000
Yulefest fund	2,675	550	(1,110)	-	2,115
	<u>4,003</u>	<u>17,932</u>	<u>(14,422)</u>	<u>-</u>	<u>7,513</u>
	<i>Balance at 1 January 2019</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> £	<i>Balance at 31 December 2019</i> £
Special appeals	967	5,344	(4,983)	-	1,328
Yulefest fund	1,530	9,265	(8,120)	-	2,675
	<u>2,497</u>	<u>14,609</u>	<u>(13,103)</u>	<u>-</u>	<u>4,003</u>

Special appeals are held during the year for various different purposes typically at Christmas and Harvest. The funds are then remitted to the appropriate charity.

Yulefest was a community event held before Christmas. The surplus funds will be carried forward to support next year's event.

The Holiday at Home event was postponed until August 2021 and the grants received towards it have been carried forward.

**CARSHALTON BEECHES BAPTIST FREE CHURCH**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. Unrestricted funds**

	<i>Balance at 1 January 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance at 31 December 2020</i>
	£	£	£	£	£
General fund	114,136	260,000	(257,782)	(14,551)	101,803
Pension provision fund	(38,785)	-	-	14,551	(24,234)
Designated fixed assets fund	3,183,748	-	(62,803)	-	3,120,945
	<u>3,259,099</u>	<u>260,000</u>	<u>(320,585)</u>	<u>-</u>	<u>3,198,514</u>

  

	<i>Balance at 1 January 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance at 31 December 2019</i>
	£	£	£	£	£
General fund	112,955	288,390	(280,869)	(6,340)	114,136
Pension provision fund	(41,295)	-	-	2,510	(38,785)
Designated Tithe fund	8,000	-	(8,000)	-	-
Designated fixed assets fund	3,243,785	-	(63,867)	3,830	3,183,748
	<u>3,323,445</u>	<u>288,390</u>	<u>(352,736)</u>	<u>-</u>	<u>3,259,099</u>

**12. Analysis of net assets between funds**

<b>2020</b>	<i>Fixed assets</i>	<i>Net current assets</i>	<i>Long term liabilities</i>	<i>Total</i>
	£	£	£	£
Restricted funds	-	7,513	-	7,513
Unrestricted funds	<u>3,120,945</u>	<u>101,803</u>	<u>(24,234)</u>	<u>3,198,514</u>
	<u>3,120,945</u>	<u>109,316</u>	<u>(24,234)</u>	<u>3,206,027</u>

  

<b>2019</b>	<i>Fixed assets</i>	<i>Net current assets</i>	<i>Long term liabilities</i>	<i>Total</i>
	£	£	£	£
Restricted funds	-	4,003	-	4,003
Unrestricted funds	<u>3,183,748</u>	<u>114,136</u>	<u>(38,785)</u>	<u>3,259,099</u>
	<u>3,183,748</u>	<u>118,139</u>	<u>(38,785)</u>	<u>3,263,102</u>

**13. Related party transactions**

The Church paid £nil (2019: £nil) for a trustee to attend a sabbatical retreat in the year.

Trustees were reimbursed £nil (2019: £980) for the purchase of laptops, adverts and other expenses. Trustees made unrestricted donations of £37,952 (2019: £31,157) during the year.

A relative of one of the trustees was employed by the church and received a salary of £12,894 (2019: £12,345). £nil was paid (2019: £300) to a close relative of one of the Trustees for building services.