

**CREECH ST MICHAEL BAPTIST CHURCH**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# CREECH ST MICHAEL BAPTIST CHURCH

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

I Kelland  
M Partridge  
D Browse  
S Barnes  
Revd. M Bradley  
J Warden  
B Cavaghan  
I Tremain  
C Medlock  
R Chinnadurai

(Appointed 7 June 2021)  
(Appointed 7 June 2021)

### Charity number

1133944

### Independent examiner

P A Stallard  
Lentells Limited  
Ash House  
Cook Way  
Bindon Road  
Taunton  
Somerset  
TA2 6BJ

# CREECH ST MICHAEL BAPTIST CHURCH

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# **CREECH ST MICHAEL BAPTIST CHURCH**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The trustees present their annual report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the church's trust deed, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The objectives of the charity are to advance the Christian faith according to the principles of the Baptist denomination. It also advances education and undertakes other charitable purposes in the UK and other parts of the world.

The activities undertaken include public worship, prayer, bible study, teaching, encouragement, education and pastoral care.

#### **Public Benefit Statement**

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the church should undertake.

#### **Grant-making Policy**

Grants are approved by the church meeting within the approval of the annual budget with any additional items voted by the same body during the year as the need arises.

#### **Achievements and performance**

##### **Review of the past year**

The start of 2021 was still overshadowed by the pandemic, and our Sunday services continued to be streamed online. These services have proved a good way of keeping church members included in church life as well as being a successful form of outreach to those outside the church.

Easter services were also all online, including a creative Good Friday service in partnership with our local Anglican churches, and a 'digital choir', made up of adults, young people, and children, which proved as popular as the previous Christmas choir, with many more of the church getting involved. The finished video was streamed and shared via social media, proving an effective and moving Easter outreach.

Finding a way to gradually start gathering together in person for our Sunday gatherings became our focus towards the middle of the year and we held a large outdoor family service and picnic in our local school field that proved very popular. In August over the summer holidays we made our first steps towards gathering again in our building for Sunday worship, with an indoor café-table setup allowing folks to gather together to watch a pre-recorded service. In September the church opened up our building once again for live services with careful covid mitigations in place, but continued to stream them as well. This enabled a 'hybrid' approach, where those who felt able could attend in person, and those unable could still participate online. We have been encouraged to see so many people new to us attending in person, thanks to having watched and enjoyed the online services over the previous 18 months.

In less encouraging news, the church building suffered a break in, and although not much of financial value was stolen, sadly an old safe containing such things as letters detailing dying wishes was taken. Several doors were also badly damaged. The building has been made secure, but the full replacement of the external doors has been delayed due to supply issues throughout Europe. This has now been scheduled for April 2022.

# **CREECH ST MICHAEL BAPTIST CHURCH**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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As with services, youth and children's work started the year online, moving back to meeting in person as the building re-opened. Sunday services from September were accompanied by in-person youth and children's work and mid-week youth groups from then were largely in-person, but with some youth joining online. Over the summer several outdoor social events were also held for the young people.

Our Life Café continued to use the outdoor kiosk and seating to serve both our church and wider community and in November was able to move back into the building. It continued to be a successful support and outreach, opening 3 days a week. In addition to the usual café, the young people had their own outreach event, spending 2 evenings at Christmas giving out free drinks to the community from the kiosk.

Our Life Groups (small groups offering Bible study, prayer, and fellowship) have continued to grow, with new groups starting during the year. Most groups continued to meet online, with the occasional in-person meeting as restrictions were lifted. We also started an online-only Life Group so that those housebound for any reason can still enjoy the fellowship and support of a Life Group.

Members meetings and leadership team meetings continued to meet regularly online throughout the year, utilising break out groups and Zoom polling to allow interactive and meaningful dialogue and decision making.

Several Alpha courses were run during 2021, for those seeking to find out more about the Christian faith – these included an online course for adults, a Youth Alpha online for young people, and an in-person Alpha course towards the end of the year. A baptism course was also run for those who showed interest in exploring this step of faith.

Throughout the year, and continuing even as restrictions eased, we have run a mid-week online 'pause for prayer'. This is an opportunity, for anyone able, to meet via Zoom once a week to pray together. In addition to this a monthly online prayer session ran on Sunday evenings with the particular focus of praying for persecuted Christians around the world.

In the Autumn one of our groups run within a local primary school, in partnership with the local Anglican fellowship, was able to restart, and was welcomed warmly by both staff and pupils at the school.

Throughout 2021, we have continued to be blessed by the contribution of our Ministerial student, who is gaining experience as part of our Ministry Team while continuing her studies at Bristol Baptist College.

2021 ended with a resurgence of Covid, meaning we were unable to hold our traditional Carols By Candlelight service in the enclosed space of our church building. Instead, we held a 'Carols in the Barn' service in a local open-sided barn. This proved a popular and effective outreach, with many attending in-person and online. Also in December we held a Walkabout Nativity, with the children and young people enacting the Christmas story from a unique perspective while walking round the village, finishing at the church building.

At the very end of 2021 the church came together to hold an interactive and fun weekend interview process as part of our search for a third pastor to join the team, and were delighted to appoint Mark Bailey who will be joining us in April 2022.

#### **Financial review**

The attached financial statements show the state of finances of the church and comply with the Charities Act 2011 and the Charities SORP.

The Statement of Financial Activities shows net income for the year of £24,989 after charging depreciation of £11,186.

The balance sheet shows an increase in net assets to £364,471. Of this figure, £113,993 now relates to the general fund, £17,973 relates to the designated funds and £232,505 relates to restricted funds for outreach, love gifts, mission, church property and building funds.

As pointed out at note 1.12, Brookings Cottage and The Arches are held by a separate charity, the 'Brookings Trust'. As such, all assets, liabilities, income and expenses of this charity are excluded from the accounts of Creech St Michael Baptist Church.

# **CREECH ST MICHAEL BAPTIST CHURCH**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **Reserves Policy**

The church has adopted a minimum level of income reserves of three months of budgeted expenditure excluding restricted or designated expenditure. This reserve is adopted in order for the church to meet its financial obligations should there be a sudden reduction in its income. At the year end, the unrestricted net asset balance amounted to £113,993.

### **Investment powers and policy**

The trustees are responsible for ensuring that sufficient cash is held to cover day to day expenses of the charity and the best returns available are achieved on surplus funds.

### **Risk management**

The trustees have assessed the major risks to which the church is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Structure, governance and management**

The church was established by Trust Deed and has a written constitution, last updated 19 May 2014.

The trustees who served during the year and up to the date of signature of the financial statements were:

I Kelland

M Partridge

D Browse

S Barnes

J Medlock

(Resigned 1 June 2021)

Revd. M Bradley

J Warden

B Cavaghan

I Tremain

C Medlock

(Appointed 7 June 2021)

R Chinnadurai

(Appointed 7 June 2021)

The Trustees were appointed by the membership of the church in general meeting. Induction and training needs are provided for by other trustees and external guidance is sought when needed.

The Church is a registered charity under registration number 1133944. The church address is Creech St Michael Baptist Church, Creech St Michael, Taunton, Somerset, TA3 5QQ.

### **Trustees' Expenses and Remuneration**

In the current year and the previous year, no remuneration or expenses were paid to the Trustees in their capacity as charity Trustees. However, Revd Bradley, Mr Partridge and Mrs Warden all received remuneration for other aspects of their church duties. Remuneration paid to these individuals is shown within the accounts.

### **Related Charities**

The custodian trustee of the church is the Baptist Union Corporation Limited (charity number 249635), which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain.

# CREECH ST MICHAEL BAPTIST CHURCH

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The trustees' report was approved by the Board of Trustees.



*M Bradley*  
Signed on 17/08/22 @ 13:31

.....  
Revd. M Bradley

**Trustee**

Date: .....

# **CREECH ST MICHAEL BAPTIST CHURCH**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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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 and 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 church and of the incoming resources and application of resources of the church for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church 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 church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# CREECH ST MICHAEL BAPTIST CHURCH

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CREECH ST MICHAEL BAPTIST CHURCH

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I report to the trustees on my examination of the accounts of Creech St Michael Baptist Church (the church) for the year ended 31 December 2021.

#### Responsibilities and basis of report

As the trustees of the church 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 church's financial statements carried out under section 145 of the 2011 Act. 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 financial statements in accordance with 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) 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 now been withdrawn.

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

I have completed my examination. I 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 church as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

**P A Stallard**  
**Chartered Accountant**

Lentells Limited  
Ash House  
Cook Way  
Bindon Road  
Taunton  
TA2 6BJ



*PA Stallard*  
Countersigned on 17/08/22 @ 14:58

Dated: .....

# CREECH ST MICHAEL BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes					
<b>Income from:</b>						
Donations and legacies	3	196,961	7,382	10,242	214,585	225,631
Charitable activities	4	379	-	-	379	686
Investments	5	427	-	-	427	573
<b>Total income</b>		<u>197,767</u>	<u>7,382</u>	<u>10,242</u>	<u>215,391</u>	<u>226,890</u>
<b>Expenditure on:</b>						
Charitable activities	6	<u>130,326</u>	<u>11,968</u>	<u>48,108</u>	<u>190,402</u>	<u>210,802</u>
<b>Net incoming/(outgoing) resources before transfers</b>		67,441	(4,586)	(37,866)	24,989	16,088
<b>Net incoming/(outgoing) resources before transfers</b>		67,441	(4,586)	(37,866)	24,989	16,088
Gross transfers between funds		<u>(36,862)</u>	<u>8,049</u>	<u>28,813</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		30,579	3,463	(9,053)	24,989	16,088
Fund balances at 1 January 2021		<u>83,414</u>	<u>14,510</u>	<u>241,558</u>	<u>339,482</u>	<u>323,394</u>
<b>Fund balances at 31 December 2021</b>		<u><u>113,993</u></u>	<u><u>17,973</u></u>	<u><u>232,505</u></u>	<u><u>364,471</u></u>	<u><u>339,482</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# CREECH ST MICHAEL BAPTIST CHURCH

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes				
<b><u>Income from:</u></b>					
Donations and legacies	3	196,786	7,775	21,070	225,631
Charitable activities	4	686	-	-	686
Investments	5	573	-	-	573
<b>Total income</b>		<b>198,045</b>	<b>7,775</b>	<b>21,070</b>	<b>226,890</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	6	132,908	15,196	62,698	210,802
<b>Net incoming/(outgoing) resources before transfers</b>		<b>65,137</b>	<b>(7,421)</b>	<b>(41,628)</b>	<b>16,088</b>
Gross transfers between funds		(16,020)	(1,350)	17,370	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>49,117</b>	<b>(8,771)</b>	<b>(24,258)</b>	<b>16,088</b>
Fund balances at 1 January 2020		34,297	23,281	265,816	323,394
<b>Fund balances at 31 December 2020</b>		<b>83,414</b>	<b>14,510</b>	<b>241,558</b>	<b>339,482</b>

# CREECH ST MICHAEL BAPTIST CHURCH

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	17		38,170		24,497
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,848)		-	
Investment income received		427		573	
<b>Net cash (used in)/generated from investing activities</b>			(4,421)		573
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			33,749		25,070
Cash and cash equivalents at beginning of year			113,828		88,758
<b>Cash and cash equivalents at end of year</b>			147,577		113,828

# CREECH ST MICHAEL BAPTIST CHURCH

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		214,155		220,493
<b>Current assets</b>					
Debtors	11	9,462		9,702	
Cash at bank and in hand		147,577		113,828	
		157,039		123,530	
<b>Creditors: amounts falling due within one year</b>	12	(6,723)		(4,541)	
Net current assets			150,316		118,989
<b>Total assets less current liabilities</b>			364,471		339,482
<b>Income funds</b>					
Restricted funds	13		232,505		241,558
Unrestricted funds - designated			17,973		14,510
Unrestricted funds - general			113,993		83,414
			364,471		339,482

The financial statements were approved by the Trustees on .....



*M Bradley*  
Signed on 17/08/22 @ 13:31

Revd. M Bradley  
Trustee



*Jane Warden*  
Signed on 15/08/22 @ 11:28

J Warden  
Trustee

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Charity information

The Church is a registered charity. The charity's registration number is 1133944. The church address is Creech St Michael Baptist Church, Creech St Michael, Taunton, Somerset TA3 5QQ.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the church's trust deed, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The church is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the church. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the church has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Unrestricted designated funds are funds which have been designated for a particular purpose. These funds may be redesignated at the discretion of the church. An analysis of the unrestricted designated funds is given in the notes to the financial statements.

Restricted Income funds are funds which are subject to specific trusts and objects. These comprise specific love gifts, amounts earmarked out of general giving specifically for Outreach and Mission, and the original amounts used for the re-building of the church building. The purposes and uses of the restricted funds are set out in the notes to the accounts.

##### 1.4 Income

Income is recognised when the church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Lettings income is recognised when the rental is due.

Investment income is accounted for when it is receivable.

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 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 are allocated on the portion of the asset's use.

#### Grants

Grants and donations are accounted for when paid or awarded, if the award creates a binding obligation.

#### Other Charitable Expenditure

Expenditure that directly relates to a cost category is charged solely to that category. However, where expenditure relates to at least two such categories, the cost is apportioned as necessary. Expenditure is generally recognised when incurred and is accounted for gross.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% straight line (Improvements 5%)
Fixtures and fittings	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The deacons believe the historic cost of the freehold property to be £250,000 as incurred between 1983 and 1985. This specifically excludes the historic cost of the land which was gifted in the 1860's and is certainly immaterial to these accounts.

The original cost of fixtures and equipment at 31 December 1999 was not known. It was not cost effective to value all of the related assets. Therefore, the cost at that date has been taken at its insurance value as per the September 1999 declaration as allowed by the Charities SORP. Fixtures and equipment purchased since that date have been capitalised at cost and subjected to depreciation as above.

#### 1.7 Impairment of fixed assets

At each reporting end date, the church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the church's balance sheet when the church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the church's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Brookings Cottage and The Arches

Both of these properties are held by a separate charity, the 'Brookings Trust', and a separate return is made to the Charity Commission. As such, all assets, liabilities, income and expenses of this charity are excluded from the accounts of Creech St Michael Baptist Church.



# **CREECH ST MICHAEL BAPTIST CHURCH**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **2 Critical accounting estimates and judgements**

In the application of the church's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	196,961	7,382	10,242	214,585	196,786	7,775	21,070	225,631
<b>Donations and gifts</b>								
Offerings	151,963	-	-	151,963	148,304	-	-	148,304
Income tax recoverable	28,216	1	-	28,217	26,597	-	-	26,597
Love gifts	-	-	9,045	9,045	-	-	20,929	20,929
Other specified income	16,480	700	1,197	18,377	11,365	180	141	11,686
Outreach income	-	6,681	-	6,681	10	7,595	-	7,605
Gift from the Brookings Trust	-	-	-	-	10,010	-	-	10,010
Sundry receipts	302	-	-	302	500	-	-	500
	196,961	7,382	10,242	214,585	196,786	7,775	21,070	225,631

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Charitable activities

	2021 £	2020 £
Charitable rental income	379	686
Analysis by fund		
Unrestricted funds - general	379	
<b>For the year ended 31 December 2020</b>		
Unrestricted funds - general		686

### 5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	427	573

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Charitable activities

	2021 £	2020 £
Staff costs	68,007	63,681
Depreciation and impairment	11,068	15,349
Charitable Giving	49,739	63,086
Property expenditure	23,339	32,528
Church meetings and speaker expenses	5,270	5,122
Youth activities	2,522	3,160
	<u>159,945</u>	<u>182,926</u>
Share of support costs (see note 7)	30,457	27,876
	<u>190,402</u>	<u>210,802</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	130,326	
Unrestricted funds - designated	11,968	
Restricted funds	48,108	
	<u>190,402</u>	
<b>For the year ended 31 December 2020</b>		
Unrestricted funds - general		132,908
Unrestricted funds - designated		15,196
Restricted funds		62,698
		<u>210,802</u>

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Support costs

	Support costs	Governance costs	2021 Support costs	Governance costs	2020
	£	£	£	£	£
Staff costs	21,841	-	21,841	21,493	21,493
Depreciation	118	-	118	118	118
Subscriptions	1,169	-	1,169	1,174	1,174
Bank charges	44	-	44	46	46
Catering costs	621	-	621	230	230
Office running costs	4,475	-	4,475	2,499	2,499
Other accountancy and payroll costs	-	-	-	756	756
Independent Examination	2,189	-	2,189	1,560	1,560
	<u>30,457</u>	<u>-</u>	<u>30,457</u>	<u>27,876</u>	<u>27,876</u>
Analysed between Charitable activities	<u>30,457</u>	<u>-</u>	<u>30,457</u>	<u>27,876</u>	<u>27,876</u>

### 8 Trustees

In the current year and the previous year, no remuneration or expenses were paid to the Trustees in their capacity as charity Trustees. However, Revd Bradley, Mr Partridge and Mrs Warden all received remuneration for other aspects of their church duties. Remuneration paid to these individuals is shown in the notes to the financial statements.

### 9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administrative	3	3
Pastoral	2	2
Total	<u>5</u>	<u>5</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	77,999	74,778
Social security costs	3,287	1,746
Other pension costs	8,562	8,650
	<u>89,848</u>	<u>85,174</u>

A defined contribution pension scheme is made available to all eligible employees. The employer cost of this scheme is shown above. The outstanding liability at the year end was £857 (2020: £845).

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

### 10 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2021	300,831	158,417	459,248
Additions	-	4,848	4,848
	<u>300,831</u>	<u>163,265</u>	<u>464,096</u>
At 31 December 2021	300,831	163,265	464,096
<b>Depreciation and impairment</b>			
At 1 January 2021	97,661	141,094	238,755
Depreciation charged in the year	5,042	6,144	11,186
	<u>102,703</u>	<u>147,238</u>	<u>249,941</u>
At 31 December 2021	102,703	147,238	249,941
<b>Carrying amount</b>			
At 31 December 2021	<u>198,128</u>	<u>16,027</u>	<u>214,155</u>
At 31 December 2020	<u>203,170</u>	<u>17,323</u>	<u>220,493</u>

Generally, all of the fixed assets are used for charitable purposes, though some of the fixtures and equipment are used in the administration function and the church centre is periodically let when under used for other purposes.

### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	5,000	5,000
Prepayments and accrued income	4,462	4,702
	<u>9,462</u>	<u>9,702</u>

### 12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	3,592	1,482
Accruals and deferred income	3,131	3,059
	<u>6,723</u>	<u>4,541</u>

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Outreach Fund	10,724	-	-	(10,724)	-	-	-	-	-
Love Gifts & Mission Fund	7,218	20,929	(47,108)	28,094	9,133	9,044	(38,225)	28,813	8,765
Other Specified Fund	5,108	141	(1,717)	-	3,532	1,198	(291)	-	4,439
Church Property & Building Fund	238,766	-	(13,873)	-	224,893	-	(9,592)	-	215,301
New Wine Fund	4,000	-	-	-	4,000	-	-	-	4,000
	<u>265,816</u>	<u>21,070</u>	<u>(62,698)</u>	<u>17,370</u>	<u>241,558</u>	<u>10,242</u>	<u>(48,108)</u>	<u>28,813</u>	<u>232,505</u>

The Outreach and Mission Funds receive and disburse specified proportions of unspecified offerings received including tax recoverable. The proportions for the current year amounted to 3% for Outreach (2020: 2%) and 15% for Mission (2020: 15%).

The Love Gifts and Other Specified Fund receives and disburses specific gifts.

The Church Property and Building Fund relates to the funds used for the re-building and improvement of the church and the centre.

The New Wine fund and the Ilfracombe BC fund were created in 2019 for specific giving.

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£	£	£	£
Youth Fund	1,793	-	-	-	1,793	-	-	-	1,793
Contingency Fund	20,434	-	-	(20,434)	-	-	-	-	-
Fellowship Fund	-	180	(12)	-	168	684	(791)	-	61
Outreach Life Cafe	1,054	7,139	(11,015)	2,822	-	6,698	(8,984)	2,286	-
Outreach/Local Mission Fund	-	456	(4,169)	16,262	12,549	-	(2,193)	5,763	16,119
	<u>23,281</u>	<u>7,775</u>	<u>(15,196)</u>	<u>(1,350)</u>	<u>14,510</u>	<u>7,382</u>	<u>(11,968)</u>	<u>8,049</u>	<u>17,973</u>

The Youth Fund receives amounts given to support Youth activities and those families working with young people in the local community. The Special Mission fund is to help individuals with specific training and support.

The Fellowship Fund receives amounts from the General Fund for use in particular cases of need and hardship within the fellowship.

The Outreach Life Cafe was set up in 2016. Surplus funds generated are distributed to good causes.



# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### 15 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Unrestricted Designated Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Unrestricted Funds 2020 £	Unrestricted Designated Funds 2020 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:								
Tangible assets	5,062	368	208,725	214,155	332	1,844	218,317	220,493
Current assets/(liabilities)	108,931	17,605	23,780	150,316	83,082	12,666	23,241	118,989
	<u>113,993</u>	<u>17,973</u>	<u>232,505</u>	<u>364,471</u>	<u>83,414</u>	<u>14,510</u>	<u>241,558</u>	<u>339,482</u>

# CREECH ST MICHAEL BAPTIST CHURCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	65,468	60,879

#### Transactions with related parties

In the current year and the previous year, no remuneration or expenses were paid to the Trustees in their capacity as charity Trustees. However, Revd Huffman, Revd Bradley, Mr Partridge and Mrs Warden all received remuneration for other aspects of their church duties. Remuneration paid to these individuals is shown within the accounts.

17 Cash generated from operations	2021 £	2020 £
Surplus for the year	24,989	16,088
Adjustments for:		
Investment income recognised in statement of financial activities	(427)	(573)
Depreciation and impairment of tangible fixed assets	11,186	15,467
Movements in working capital:		
Decrease/(increase) in debtors	240	(5,199)
Increase/(decrease) in creditors	2,182	(1,286)
<b>Cash generated from operations</b>	<b>38,170</b>	<b>24,497</b>

### 18 Analysis of changes in net funds

The church had no debt during the year.