

Cannon Street Memorial Baptist Church

Report and Accounts
Year ended 31 March 2023

Stewardship 
Active generosity

1 Lamb's Passage, London EC1Y 8AB
www.stewardship.org.uk

CANNON STREET MEMORIAL BAPTIST CHURCH

CHARITY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

Trustees	Pastor Bryan Scott (minister and team leader) Durrant Atkinson Donald Campbell Sharon Geohagan-Smith Eileen Harvey (resigned February 2023) Inez Hayles Audrey Jackson (appointed March 2023) Patsy Mair Stephanie McConnell Josephine Molyneux Janet Smith (resigned February 2023)
Other Key Staff	Pastor Leone Martin
Custodian Trustees	Heart of England Baptist Association 480 Chester Road Sutton Coldfield Birmingham B73 5BP
Governing Document	Constitution for a Trust adopted 1 September 2009
Charity Registration Number	1134123
Principal Address	300 Soho Road Handsworth Birmingham B21 9NA
Independent Examiner	Ajay Rajani FCIE Stewardship 1 Lamb's Passage London EC1Y 8AB
Bankers	Barclays Bank 351-359 Soho Road Handsworth Birmingham B21 9SE

Contents	Page
Charity Information	1
Trustees' Annual Report	2-8
Independent Examiner's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Accounts	12-19
Detailed Statement of Financial Activities with Comparatives	20

CANNON STREET MEMORIAL BAPTIST CHURCH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Charity Trustees present their Annual Report and financial statements for the year ended 31 March 2023.

Objects of the charity

The charity is a charitable unincorporated association (namely a Trust) governed by a Constitution.

The principal purpose of the Church, as set out in the Constitution is the advancement of the Christian faith according to the principles of the Baptist denomination. The Church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

We are a warm, caring and friendly fellowship. Worship styles are a mixture of traditional and modern. We are a black majority inner-city Church, a lively charismatic-evangelical fellowship striving to 'empower God's people'. As bible believing Christians, we minister in a multi-racial, multi-faith community. We have a thriving work amongst over 30 young people. We have a luncheon club that serves the community every Tuesday and a soup kitchen that serves every Saturday. People enjoy our lively worship, bible-based preaching and our friendly welcome.

In planning activities the Trustees have applied the guidance on public benefit issued by the Charity Commission.

Mission Statement

"Empowering God's People ":

We seek to empower people in the following ways.

- By leading them to a personal knowledge of Jesus Christ, to whom all power has been given in heaven and earth.
- By praying for them to be filled with the Holy Spirit.
- By teaching from the Bible, to build up faith, give new hope and offer life-changing direction and guidance.
- By offering pastoral care and counselling, helping them to find their God-given potential.
- By assisting young people especially in spiritual and general education.
- By creating an atmosphere of fellowship, acceptance, and friendship in the Lord.
- By ministering to our community through funerals, weddings, dedications, Olive Branch community outreach and by supporting Community based issues such as health, race and community services.

Membership and Church Attendance

Attendance at our morning worship as picked up since the peak of the pandemic has passed. Our services are lived streamed via Facebook and YouTube. Our membership record stands at over 220

members. We no longer have an in-person evening service on a Sunday but we do have a Sunday evening prayer meeting via Zoom.

There are 8 Deacons with a specific area of responsibility at the moment. Premises, Prayer, Youth, Administration, Olive Branch, Sunday school, Mission and Praise and Worship.

CANNON STREET MEMORIAL BAPTIST CHURCH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023 continued

Staff

We currently have two full time Ministers, Team Leader Reverend Bryan Scott and Reverend Leone Martin. We also have a part time caretaker. In addition to three paid members of staff we also have several volunteers in the office to help with any general office duties.

Worship

Our morning worship is a mix of modern and traditional choruses and hymns using the Complete Mission Praise and Redemption hymn books and our audio visual screen. It is supported by our musicians and led by our choir and Praise and Worship Team.

Sunday school

Our Sunday school has resumed two Sundays per month post pandemic. Several new volunteers have been recruited to join the team.

Evangelism

We have, for over 20 years, taken part in a 'Walk of Witness' which takes place on Good Friday, walking in a procession, together with other Churches in the community, through the heart of Handsworth witnessing to everyone we encounter, neighbours or people just passing through the area, shopping or going about their general business.

We also promote other evangelistic events such as Open-Air Witness. The word of God is usually preached together with singing, testifying and distributing leaflets and also sharing our faith with the community and praying for anyone who may request prayers. This takes place once a month and is supported by a faithful outreach team.

Prayer

Our Wednesday morning prayer meeting continues to meet weekly in person. We also meet every Sunday evening via Zoom which commenced at the start of 2023. In the past few years we have had a church wide month of prayer and fasting including daily prayer meetings on Zoom in the month of January. We also had a week of prayer and fasting as a church in July. Both programmes are scheduled to take place again in 2024.

On a monthly basis we also host our Fresh Fire Service prayer service the second Friday of the month from the 10pm - 1am. After a couple of years on Zoom this has now returned to an in person meeting.

Funerals and Baby Dedications

We also host regular dedication and funeral services throughout the year which has turned out to be a very good opportunity for evangelism though funerals are sad occasions. For example, we were advised that several converts had their first encounter with God through their attendance at the church, when attending a funeral.

CANNON STREET MEMORIAL BAPTIST CHURCH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023 continued

Social Action

Luncheon Club

We have a Luncheon Club that runs every Tuesday 11am-2pm. We also deliver meals to people in their homes and even some meals to the local hospital as and when required or requested. The Birmingham City Council Adult Social Care services also run a surgery at our luncheon club that provides support and advice to the community.

Soup Kitchen

In 2023 we also launched our weekly soup kitchen every Saturday from 12pm-2pm offering free soup and cake to those in need within the community. Each week over 70 people benefit from this service.

Christmas Dinner for the Homeless

The Church has provided and continues to provide a full Christmas dinner to the homeless, our seniors and those members of the community who would otherwise be on their own over Christmas. This is provided free of charge. We also provide hampers for those in need. A Christmas atmosphere is provided. This is very much appreciated, well attended and enjoyed immensely by those who attend. This service is provided entirely by volunteers from within the Church.

Premises

We have various rooms which consists of, the main Church Hall (The Sanctuary), School Room, Olive Branch, Kitchen, and an extension to the Olive Branch Community Centre, Upper floor with a capacity for about 80 people. Our premises are used for a variety of functions i.e. Baptism, private events, concerts, events for the voluntary and nonvoluntary sector.

Church Events

Annual events at Cannon Street consists of a Family Fun Day, Dads & Lads Away weekend and conferences.

Family Fun Day – This usually takes place on a Saturday in July with various activities such as sports, bouncy castles, face painting, stalls, exercise classes, music and food at the Laurel Road Community Centre.

Dads & Lads Away Weekend – It is an opportunity to work and fellowship with boys and young men aged 8 -18yrs, they participate in outdoor adventures such as camping, paint balling, quad bike, bicycle riding and go-carting, barbeques and various fun outdoors activities.

Conferences and Training – Various throughout the year.

Annual Retreat

Members, friends and families attends, there are normally guest speakers with seminars and workshop throughout this interactive weekend. This is a time to seek the Lord and is usually held at a hotel in the countryside where there is little or no distractions to take away from purpose of retreat.

CANNON STREET MEMORIAL BAPTIST CHURCH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023 continued

Ecumenical Activities

Handsworth & District Christian Outreach (Hands Outstretched) is a group of approximately 12 Local Churches who meet to evangelise together e.g. Good Friday Walk of Witness and schools ministry.

The schools team meet together to prepare for schools outreach by going into schools to teach the gospel in a fun way and sometimes take school assemblies. We are looking to extend this ministry to enable us to go into more schools to spread the gospel.

House Groups (Cell Groups)

Cell groups were relaunched in January 2023. There are now c6 rooms that meet at least once a fortnight in homes or at another agreed location. There is also one group that meets on Zoom. In addition to cell groups there is also a biweekly Bible study that takes place once per fortnight on Zoom.

Achievements and Performance

As things being to gradually return to normal at the end of another exciting and yet busy year, we must give thanks to God for the many blessings he has bestowed on us.

In preparation for the Good Friday Walk of Witness we continue to have various zoom meetings. Which includes prayer meetings, a fund-raising concert and joint services at the different local Churches taking part.

We also had several candidates who went through the waters of baptism during Easter and November.

The Food bank which was set up in conjunction with other local churches in the area continues to flourish. Food is donated by supermarkets and church members, so it's kept well stocked. The food bank is maned by volunteers from the churches and serves those in need within the community. This is proving to be a much-needed service in the community.

Volunteers

We would like to thank all the volunteers who continue to work tirelessly behind the scenes, from week to week. In particular: Church cleaners, communion preparers, gardeners, mini-bus drivers, Olive Branch Luncheon Club workers, PA & audio-visual operators, musicians, property maintenance workers, stewards, caretaker, Sunday offering counters, youth worker, Sunday school volunteers and others.

Members

A large number of long-standing members were called to glory during the period April 2022 to March 2023. All will be sadly missed.

New members were welcomed into membership, some were newly baptised others came as new members from other fellowship(s).

From our membership, a number are infirmed and there are others living in residential accommodation.

Our membership now stands at 230 paid up with HEBA.

CANNON STREET MEMORIAL BAPTIST CHURCH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023 continued

Structure, governance and management

The appointment of Charity Trustees shall be undertaken by processes that are public, clear and open so that all Church Members are enabled to consider prayerfully who should be appointed as Charity Trustees. The process shall ensure that notice is given of any forthcoming election so that Church Members may freely nominate prospective Charity Trustees. These names shall be submitted (after they have indicated a willingness to be appointed) for decision to the Church Members with the intention of ensuring that those appointed have a sufficient level of support from them.

Nominations for the role of Charity Trustees other than a Minister shall be made to the Church Secretary (or equivalent) not later than three Sundays (or other regular weekly meeting time when the Church gathers together) before the Ordinary Church Members' Meeting at which the election is to be held. Nominations must be submitted in writing with the supporting signature of two other Church Members and the consent of the candidate. No person may nominate more candidates than there are places vacant. Requests for nominations shall be made at all services on the two Sundays (or other regular weekly meeting time when the Church gathers together) immediately before that Sunday [alternative or day] when nominations must cease. In cases of unavoidable absence Church Members may exercise a postal vote where this is permitted under clause 13.4 provided that votes are returned before the commencement of the Church Members' Meeting at which the election is to be held.

If there are more candidates than vacancies and if after the ballot, some vacancies remain unfilled because insufficient candidates have received votes from at least 50% of those members voting then, if that Church Members' Meeting agrees, the person chairing the Church Members' Meeting shall delete from the names of those who have not been elected those with the lowest number of votes so as to leave as many names as there now are vacancies (he or she may use his or her casting vote where there is a tie). These names shall be submitted to that or another Church Members' Meeting for balloting on the remaining places.

The Charity Trustees shall be responsible for the governance of the Church and the fulfilment of the purpose through its activities acting according to the will of God as discerned by the Church Members' Meeting and subject to any specific or general directions of the Church Members' Meeting in relation to the matters set out in clause 9.2 of the Church Constitution and Rules. Regularity of - The Charity Trustees convene meetings of the whole group See 17.2 of the constitution.

For matters requiring a decision the Charity Trustees shall, so far as possible, seek consensus on all matters considered at their meetings but where this is not possible a vote shall be taken and the outcome recorded as the resolution of the Charity Trustees. The Charity Trustees shall determine when and how frequently they shall meet provided that they shall convene meetings of the whole group not less than once every two months. Minutes shall be prepared of the proceedings at the meetings of the Charity Trustees including any appointments, the names of those present, the decisions taken, and where appropriate the reasons for the decisions and the Charity Trustees shall decide from time to time whether all or part of these minutes shall be treated as confidential.

Key risks and uncertainties

The charity is exposed to various risks - be they operational, financial or reputational. The trustees review the charity's activities regularly to identify significant risks and, where possible, they take appropriate measures to mitigate those risks.

CANNON STREET MEMORIAL BAPTIST CHURCH

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023 continued

Financial review

As explained in the accounts in note 2(a) 'Restatement of the results reported previously', during the preparation of the accounts it came to light that the amounts spent on improving the church building should not have been capitalised because the charity neither owns, nor has a lease for, the church building. In the previous year's accounts the church building had a carrying value of £1,351,568 and to correct the error (after taking advice from the Heart of England Baptist Association), the results reported previously have been re-stated. This has had the effect of reducing the charity's previously reported net assets by £1,352,000 (which was the carrying value of the church building in the previous year's accounts) to £469,201.

During the year income increased by £22,000 to £252,000, and expenditure increased by £17,000, to £255,000. As a result the deficit for the year was £3,000 (2022: £8,000) and the charity's net assets decreased by £3,000 to £466,000. Net assets comprised tangible assets (mainly residential property) of £276,000, cash of £163,000 and other net current assets of £27,000.

Reserves policy

The trustees have determined that the charity should aim to hold unrestricted cash of no less than three months of all expenditure plus a further three months staff costs to allow the church to adapt to any changes in the income or expenditure. This target for reserves amounts to approximately £85,000. At the year end the charity held unrestricted cash of £156,000 and the charity is complying with its reserves policy. It is anticipated that some of these reserves will be used over the coming year (e.g. to help purchase a new minibus).

Responsibilities of trustees under charity law

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

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the trustees are required to:

1. select suitable accounting policies and apply them consistently;
2. observe the methods and principles in the Charities SORP;
3. make judgements and estimates that are reasonable and prudent;
4. state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on a 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 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 and the Charity (Accounts and Reports) Regulations 2008. 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.

Approval

This report was approved by the trustees and signed on their behalf by:

Bryan Scott

.....

Pastor Bryan Scott – minister and trustee

Date: 18 January 2024

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
CANNON STREET MEMORIAL BAPTIST CHURCH
('the Charity')

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 March 2023 on pages 10 to 20 following, which have been prepared on the basis of the accounting policies set out on pages 12 and 14.

Responsibilities and basis of report

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 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 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 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.

Ajay Rajani

Ajay Rajani FCIE
Fellow of the Association of Charity Independent Examiners
Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Date: 19 January 2024

CANNON STREET MEMORIAL BAPTIST CHURCH
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Restated Total Funds 2022 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	178,220	25,370	203,590	194,767
Charitable activities	4	12,753	22,698	35,451	24,263
Other trading activities	5	12,000	-	12,000	10,420
Investments: bank interest		391	-	391	226
Total income and endowments		203,363	48,068	251,432	229,676
EXPENDITURE ON:					
Charitable activities	6	203,155	51,705	254,860	237,308
Total expenditure		203,155	51,705	254,860	237,308
Net income/(expenditure)		209	(3,637)	(3,428)	(7,632)
Transfers between funds	13	(3,338)	3,338	-	-
Net movement in funds		(3,129)	(299)	(3,428)	(7,632)
Reconciliation of funds:					
Total funds brought forward		456,059	13,142	469,201	476,833
Total funds carried forward	13	452,930	12,843	465,773	469,201

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

All income and expenditure derive from continuing operations.

The notes on page 12 to 20 form part of these accounts.

CANNON STREET MEMORIAL BAPTIST CHURCH

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Restated Total Funds 2022 £
FIXED ASSETS					
Tangible assets	8	275,905	-	275,905	276,852
		<u>275,905</u>	<u>-</u>	<u>275,905</u>	<u>276,852</u>
CURRENT ASSETS					
Debtors	9	27,821	14,993	42,814	39,627
Cash at bank and in hand	10	156,242	7,172	163,414	173,670
		<u>184,063</u>	<u>22,165</u>	<u>206,227</u>	<u>213,297</u>
CREDITORS: Amounts falling due within one year	11	(7,038)	(9,322)	(16,360)	(20,948)
		<u>(7,038)</u>	<u>(9,322)</u>	<u>(16,360)</u>	<u>(20,948)</u>
Net current assets / (liabilities)		<u>177,025</u>	<u>12,843</u>	<u>189,868</u>	<u>192,349</u>
TOTAL NET ASSETS		<u>452,930</u>	<u>12,843</u>	<u>465,773</u>	<u>469,201</u>
FUND BALANCES	13				
Unrestricted Funds					
General funds		177,025	-	177,025	179,207
Designated funds		275,905	-	275,905	276,852
		<u>452,930</u>	<u>-</u>	<u>452,930</u>	<u>456,059</u>
Restricted Funds		-	12,843	12,843	13,142
		<u>-</u>	<u>12,843</u>	<u>12,843</u>	<u>13,142</u>
		<u>452,930</u>	<u>12,843</u>	<u>465,773</u>	<u>469,201</u>

The financial statements were approved by the Board of Trustees and were signed on its behalf by:

Bryan Scott

Pastor Bryan Scott - trustee

Date: 18 January 2024

Charity number: 1134123

The notes on page 12 to 20 form part of these accounts.

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Statutory Information

The charity is Trust registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

2 Accounting Policies

These financial statements are prepared on a going concern basis, under the historical cost convention.

These 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) ("the Charities SORP"), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

a) Restatement of the results reported previously

During the preparation of these accounts two ,material misstatements in the results reported previously came to light:

- i) in previous years the charity had incorrectly capitalised improvements to a church building that it does not own and for which it does not have a formal lease.
- ii) the restricted fund balances reported in the accounts prepared for previous years did not tally with the charity's own records because (a) the restricted fund balances presented in those accounts included unrestricted general funds that had been set aside by the trustees as a reserve (b) because of typographical errors.

To correct these errors the results reported previously have been restated as follows:

	General Funds £	Designated Funds £	Restricted funds £	At 31.03.22 £
Fund balances reported previously on 31 March 2022	89,366	1,628,420	102,983	1,820,769
a) Re-statement to exclude the church property	-	(1,351,568)	-	(1,351,568)
b) Re-statement to correct general funds previously in included in restricted funds	94,850		(94,850)	-
c) Re-statement to correct typographical errors	(5,009)		5,009	-
Re-stated fund balances on 31 March	<u>179,207</u>	<u>276,852</u>	<u>13,142</u>	<u>469,201</u>

	General Funds £	Designated Funds £	Restricted funds £	At 31.03.21 £
Fund balances reported previously on 31 March 2021	96,051	1,629,367	102,983	1,828,401
a) Re-statement to exclude the church property	-	(1,351,568)	-	(1,351,568)
b) Re-statement to correct general funds previously in included in restricted funds	94,850	-	(94,850)	-
Re-stated fund balances on 31 March	<u>190,901</u>	<u>277,799</u>	<u>8,133</u>	<u>476,833</u>

With respect to the excluded church property, a corresponding adjustment has been made to the carrying value of the charity's tangible fixed assets.

b) Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting Policies continued

c) Income

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes recoverable gift aid, which is recognised when the related donation is received; gift aid that has not been recovered by the balance sheet date is included as a debtor.

The charity relies on volunteers to carry out many of its activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church retreats, camps, and other church activities and events. It also includes income from activities that take place at the church's community centre and from dedications, weddings and funerals.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from letting residential property that, temporarily, is not being used in the charity's activities and from other commercial lettings.

Investment income represents income generated by the charity's assets and comprises bank interest.

d) Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

The cost of raising funds is not significant and has not been separately disclosed.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

e) 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. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects.

f) Tangible fixed assets

Items purchased or donated for the charity's own use are capitalised when the cost of purchased items, or the fair value of donated items, is more than £1,000 and the item is expected to benefit the charity over more than one accounting period. Depreciation is charged on a straight line basis so as to write down the value of each asset to its estimated residual value (if any) over its expected useful economic life. To achieve this objective the following rates of depreciation are charged:

Freehold residential properties	Over 50 years after taking account of the building's residual value
Fixtures, fittings and equipment	Over 3 to 7 years
Motor vehicles	Over 4 years

The residual value of the charity's residential properties is believed to be very high and the cumulative provision for depreciation is not considered to be significant. Therefore no depreciation has been charged in respect of these properties in these financial statements.

The charity has the use of a church building owned by Cannon Street Trust. The charity does not have a lease for the use of this property and all expenditure incurred on the property is charged to the Statement of Financial Activities in the year in which it is incurred.

The carrying values of tangible fixed assets are reviewed for impairment in periods when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Leased assets

Leases which do not transfer substantially all the risks and rewards of ownership to the charity are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting Policies continued

h) Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

Prior to 2012, pension provision was also made through a multi-employer defined benefit pension scheme. In accordance with FRS 102 Section 28, because it is not possible to identify the assets and liabilities of the Scheme which are attributable to the charity, the Scheme accounted for as a defined contribution scheme.

i) Taxation

The charity has taken advantage of the various reliefs from taxation available to charities and no tax is payable on the charity's income.

j) Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive).

k) Exemption from preparing a cashflow statement

The charity has taken advantage of an exemption conferred by the Charities SORP and has not prepared a cash flow statement.

l) Critical accounting estimates and areas of judgement

The trustees do not consider that there are any material sources of estimation or uncertainty at the balance sheet date that could result in a material adjustment to the carrying values of assets and liabilities in the next reporting period.

3 Donations and legacies

	2023	2022
	£	£
Donations of cash and similar	156,648	153,624
Grants receivable for the provision of community facilities at Laurel Road	22,093	19,133
Income tax recoverable	24,849	22,010
	<u>203,590</u>	<u>194,767</u>

4 Income from charitable activities

	2023	2022
	£	£
Church retreats, activities and events	17,174	23,643
Activities at Olive Branch Community centre (principally income from sales of food)	6,687	620
Dedications, weddings and funerals	11,590	-
	<u>35,451</u>	<u>24,263</u>

5 Income from other trading activities

	2023	2022
	£	£
Letting of residential property	12,000	10,420
	<u>12,000</u>	<u>10,420</u>

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable expenditure

	2023 £	2022 £
a Costs incurred directly on specific activities		
<u>Ministry expenses</u>		
Staff costs (salaries, employer's national insurance and pension contributions)	77,528	78,900
Church retreats, activities and events	40,136	2,414
Dedications, weddings and funerals	5,404	-
Visiting speakers and musician fees	6,960	3,150
Reachout Network charity	-	2,368
Training	2,242	3,223
Motor and travel expenses	1,617	2,559
Baptist Union	-	2,682
Olive Branch Community Centre operating expenses	5,851	577
Other church and minister's expenses	8,161	6,609
	<u>147,900</u>	<u>102,482</u>
<u>Property expenses</u>		
Light and heat	21,661	7,818
Insurances	5,584	3,269
Repairs and renewals	6,157	6,337
Church roof repairs	-	20,987
Equipment and equipment leasing	5,574	4,391
Depreciation	947	947
	<u>39,923</u>	<u>43,749</u>
Grants payable (note 6c)	40,542	36,101
	<u><u>228,365</u></u>	<u><u>182,332</u></u>
b Costs incurred on support & administration		
Governance costs:		
Independent examiner's fee for preparing and examining the accounts	2,820	-
Staff costs (salaries, employer's national insurance and pension contributions)	11,856	28,550
Telephone	1,745	3,507
Printing, postage and stationary	4,191	5,123
Software	1,463	2,804
Other administrative expenses	5,060	6,541
Professional fees including bookkeeping and accountancy	(640)	8,451
	<u>26,495</u>	<u>54,976</u>
Total expenditure	<u><u>254,860</u></u>	<u><u>237,308</u></u>
c Grants payable		
	Institutions £	Individuals £
Grants for UK and overseas mission	12,985	2,750
Grants for the relief of poverty and other charitable purposes	23,427	1,380
	<u>36,412</u>	<u>4,130</u>
	<u><u>36,412</u></u>	<u><u>40,542</u></u>
The charity's principal grants to institutions comprised:		
	2023 £	2022 £
Baptist Union for Home Mission	5,815	5,500
Baptist Missionary Society for World Mission	5,500	5,500
Olive Branch 2 C.I.C. (which runs the Laurel Road Community Sports Centre)	21,593	19,133
Compassion	1,584	-
Various other smaller grants	1,920	5,968
	<u>36,412</u>	<u>36,101</u>
	<u><u>36,412</u></u>	<u><u>36,101</u></u>

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

7 Analysis of staff costs, the cost of key management personnel and trustee remuneration

	2023 £	2022 £
Gross wages and salaries	77,710	87,894
Social security	2,533	7,009
Pension costs	9,141	12,453
	<u>89,384</u>	<u>107,356</u>

The average monthly number of employees during the year was 3 (2022: 4). Most of the charity's activities are carried out by volunteers.

No staff (2022: none) received salaries at a rate of more than £60,000 per annum.

The charity's key management comprise the trustees and other key staff named on page 1 'Charity Information'. Total employment benefits payable to key management for the year were as follows:

	Wages, salaries and fees	Other employment benefits	Employer pension contributions	2023 £
Pastor Bryan Scott, who is a trustee	35,686	5,601	3,399	44,686
Other members of key management				36,071
				<u>80,757</u>

Pastor Bryan served as a church leader and received the above payments for serving in that capacity, not for serving as a trustee; these payments are permitted by the charity's governing document.

8 Tangible fixed assets

	Residential property £	Fixtures, fittings and equipment £	Motor vehicles £	Total 2023 £
Cost				
At 1 April 2022	271,490	54,882	25,000	351,372
Additions	-	-	-	-
At 31 March 2023	<u>271,490</u>	<u>54,882</u>	<u>25,000</u>	<u>351,372</u>
Accumulated depreciation				
At 1 April 2022	-	49,520	25,000	74,520
Charge for the year	-	947	-	947
At 31 March 2023	<u>-</u>	<u>50,467</u>	<u>25,000</u>	<u>75,467</u>
Net book value				
At 31 March 2023	<u>271,490</u>	<u>4,415</u>	<u>-</u>	<u>275,905</u>
At 31 March 2022	<u>271,490</u>	<u>5,362</u>	<u>-</u>	<u>276,852</u>

9 Debtors

	2023 £	2022 £
Gift aid recoverable	24,999	38,574
Prepayments and other debtors	17,815	1,053
	<u>42,814</u>	<u>39,627</u>

10 Cash at Bank and in Hand

	2023 £	2022 £
Church bank balances	144,822	160,528
Church organisations bank balances	17,476	13,142
Petty cash	1,116	-
	<u>163,414</u>	<u>173,670</u>

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

11 Creditors: liabilities falling due within one year

	2023	2022
	£	£
Taxation and social security	2,718	1,795
Other creditors	-	10,232
Accruals	4,320	8,921
Deferred income	9,322	-
	<u>16,360</u>	<u>20,948</u>

Deferred income comprises income received in advance for a church retreat that took after the year end when the receipts were recognised as income.

12 Pension commitments

The Baptist Union Pension Scheme

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

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a 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.

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 Broadstone Corporate Benefits Ltd. 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 if 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 Limited.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

Actuarial valuation as at 31 December 2019

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The charity and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

<i>Type of financial assumption</i>	<i>% pa</i>
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	2.95
Post retirement assumed investment returns (including benefits matched by the	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases	
- Pre April 2009	3.20
- Post April 2009	2.50
Pension increases (based on CPI with an annual floor of 0% and annual cap of 5%)	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022.

CANNON STREET MEMORIAL BAPTIST CHURCH

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

12 Pension commitments continued

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. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022.

Accounting for the funding deficit

When a charity has an obligation to contribute towards a funding deficit, it should recognise a liability in the accounts for the expected value of future contributions towards the deficit. Following the agreement with Just, the expected value of future deficit contributions is not considered significant (being just £1 per month until the transfer to Just is complete) and so no liability has been included in these accounts. At 31 March 2022 (i.e. prior to the agreement with Just) the liability for expected future deficit contributions would have been significant. The trustees note that the 2021/22 accounts did not include this liability but, as the liability no longer exists, there would be nothing to be gained from trying to correct the omission in the 2021/22 accounts. During the year the charity paid contributions totalling £2,606 towards the funding deficit and these payments are included in this year's pension cost (see note 7 'Analysis of staff costs')

13 Funds

During the year the movements in the charity's funds were as follows:

	Opening balance 2023 £	Incoming resources 2023 £	Outgoing resources 2023 £	Transfers in the year 2023 £	Gains and losses 2023 £	Closing balance 2023 £
<i>Designated Funds</i>						
Fixed asset fund	276,852	-	(947)	-	-	275,905
<i>General Unrestricted Funds</i>	179,207	203,363	(202,208)	(3,338)	-	177,025
Total Unrestricted Funds	456,059	203,363	(203,155)	(3,338)	-	452,930
<i>Restricted Funds</i>						
Olive Branch Community Centre fund	6,398	6,687	(5,851)	-	-	7,234
CYPC fund	2	-	(2)	-	-	-
Communion fund	465	1,773	(1,828)	-	-	410
Retreat fund	6,277	16,011	(21,011)	658	-	1,935
Special offerings	-	1,504	(1,420)	-	-	84
Laurel Road Community Sports Centre fund	-	22,093	(21,593)	-	-	500
Car parking fund	-	-	-	2,680	-	2,680
	13,142	48,068	(51,705)	3,338	-	12,843
Aggregate of funds	469,201	251,432	(254,860)	-	-	465,773

Analysis of net assets by fund

The assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>		Restricted	2023
	General funds £	Designated funds £	funds £	£
Tangible fixed assets	-	275,905	-	275,905
Debtors	27,821	-	14,993	42,814
Cash at bank and in hand	156,242	-	7,172	163,414
Creditors falling due within one year	(7,038)	-	(9,322)	(16,360)
	177,025	275,905	12,843	465,773

CANNON STREET MEMORIAL BAPTIST CHURCH
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

13 Funds continued

In the previous year the movements in the charity's funds were as follows:

	Opening balance 2022 £	Incoming resources 2022 £	Outgoing resources 2022 £	Transfers in the year 2022 £	Gains and losses 2022 £	Closing balance 2022 £
<i>Designated funds</i>						
Fixed asset fund	277,799	-	(947)	-	-	276,852
<i>General Unrestricted Funds</i>	190,901	222,994	(234,688)	-	-	179,207
Total Unrestricted Funds	468,700	222,994	(235,635)	-	-	456,059
<i>Restricted Funds</i>						
Olive Branch Community Centre fund	6,355	620	(577)	-	-	6,398
CYPC fund	2	-	-	-	-	2
Communion fund	65	400	-	-	-	465
Retreat fund	1,711	5,662	(1,096)	-	-	6,277
	8,133	6,682	(1,673)	-	-	13,142
Aggregate of funds	476,833	229,676	(237,308)	-	-	469,201

Analysis of net assets by fund

In the previous year, the assets and liabilities of the various funds were as follows:

	<u>Unrestricted Funds</u>		Restricted funds	2022
	General funds	Designated funds		
	£	£	£	£
Tangible fixed assets	-	276,852		276,852
Debtors	39,627			39,627
Cash at bank and in hand	160,528	-	13,142	173,670
Creditors falling due within one year	(20,948)			(20,948)
	179,207	276,852	13,142	469,201

Designated funds

The designated **Fixed Asset** fund represents the net book value of the charity's fixed assets and represents resources that cannot be used to meet day to day operating expenses.

Restricted funds

The restricted **Olive Branch Community Centre** fund was created from income received to provide meals and activities for the local community.

The restricted **CYPC** fund was created from income received to help support the church's work among children and young people.

The restricted **Communion** fund was created from income received to help support those in need.

The restricted **Retreat** fund was created from income received to help run a weekend retreat for those who come to the church.

The restricted **Special offering** fund was created from donations received in response to various small appeals and will, or have, been used to make grants.

The restricted **Laurel Road Community Sports Centre** fund was created from grants received to help support the operation of a community sports centre. The grants received have been used to make grants to Olive Branch 2 Community Interest Company ('C.I.C'), which runs the Community Centre. The grants made to the C.I.C. are only being used by the C.I.C. for activities that fall within the charity's charitable objects.

The restricted **Car parking** fund was created from a donation received in previous year to help provide car parking near the church building. This fund balance was omitted from the previous years accounts and a transfer has been made from the general unrestricted funds to restricted funds to rectify the omission.

14 Transactions with related parties

During the year the charity:

- received donations totalling £17,631 from related parties (which includes trustees, any other members of key management and anyone closely connected to them).
- paid grants totalling £18,893 to Olive Branch 2 C.I.C.; Pastor Bryan Scott, who is a trustee of the charity, is also one of the C.I.C.'s three directors.

Except for the reimbursement of expenses incurred when acting as agent for the charity, or incurred when undertaking employment duties, no expenses were paid to (or for) the trustees.

Except as disclosed in note 7 'Analysis of staff costs', there have been no other transactions with related parties during the year.

CANNON STREET MEMORIAL BAPTIST CHURCH
DETAILED STATEMENT OF FINANCIAL ACTIVITIES WITH COMPARATIVES
FOR THE YEAR ENDED 31 MARCH 2023

Note	Unrestricted funds				Unrestricted funds			
	General 2023 £	Designated 2023 £	Restricted 2023 £	Total 2023 £	General 2022 £	Designated 2022 £	Restricted 2022 £	Restated Total 2022 £
INCOME AND ENDOWMENTS FROM:								
Donations and legacies	178,220	-	25,370	203,590	194,367	-	400	194,767
Charitable activities	12,753	-	22,698	35,451	17,981	-	6,282	24,263
Other trading activities	12,000	-	-	12,000	10,420	-	-	10,420
Investments: bank interest	391	-	-	391	226	-	-	226
Total income and endowments	203,363	-	48,068	251,432	222,994	-	6,682	229,676
EXPENDITURE ON:								
Charitable activities:	202,208	947	51,705	254,860	234,688	947	1,673	237,308
Total Expenditure	202,208	947	51,705	254,860	234,688	947	1,673	237,308
Net income/(expenditure)	1,156	(947)	(3,637)	(3,428)	(11,694)	(947)	5,009	(7,632)
Transfers between funds	(3,338)	-	3,338	-	-	-	-	-
Net movement in funds	(2,182)	(947)	(299)	(3,428)	(11,694)	(947)	5,009	(7,632)
Reconciliation of funds:								
Total funds brought forward	179,207	276,852	13,142	469,201	190,901	277,799	8,133	476,833
Total funds carried forward	177,025	275,905	12,843	465,773	179,207	276,852	13,142	469,201