



## Small Heath Baptist Church

Trustees Report and Financial Statements for the year  
ended 31 December 2020

Registered Charity number 1136199

Small Heath Baptist Church  
Financial Statements  
for the year ended 31 December 2020

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## Report of the Trustees

The Trustees of Small Heath Baptist Church ("the Charity") have pleasure in presenting their report and financial statements for the year ended 31 December 2020. The financial statements comply with the Charities Act, the Charity's Constitution 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 (FRS102) (updated 1 January 2019).

### OBJECTIVES AND ACTIVITIES

#### Purpose

*The principal purpose of the Church 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.*

In fulfilling the purpose, the church will engage in a range of activities either on its own or with others that will vary from time to time with activities being initiated, expanded or closed as is appropriate.

The Constitution states that the activities may include but are not restricted to:

Regular public worship, prayer, Bible study, preaching and teaching.  
Baptism, as defined in the Baptist Union's Declaration of Principle.  
The Communion of the Lord's Supper which shall normally be observed at least once a month.  
Evangelism and mission, locally, regionally, nationally and internationally.  
The welcome, teaching, encouragement and inclusion of young people.  
The nurture and growth of Christian disciples.  
Education and training in Christian and community service.  
The giving and encouragement of pastoral care.  
Supporting and encouraging charitable social action in the United Kingdom and abroad.  
Encouraging relationships with and supporting other Baptists and other Christians.

In respect of our outreach and service to the community the following has long been established as a guide for our various activities.

The church is willing to invest time, energy and resources to its activities that:

1. Bring people to a real knowledge of God's love for them through public church services and projects that reach out into the community.
2. Provide the necessary religious services for dedications, baptisms, weddings and funerals.
3. Help all individuals reach their potential through acceptance, encouragement and affirmation.
4. Empower people regardless of age in developing social and citizenship skills to reduce isolation and raise self-esteem.

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## **Report of the Trustees (continued)**

5. Provides a safe place where all have equal opportunity regardless of ethnicity.
6. Provides appropriate facilities for use by the community of Small Heath
7. Improve and bring about community engagement that leads to civil renewal and a more cohesive society.
8. Supports both existing and new projects materially and through encouraging volunteers.
9. Facilitate the general information of and education of various groups and the community at large.
10. To support our current projects overseas in Africa.

The Trustees have considered the question of proving Public Benefit and are of the opinion that the foregoing activities clearly demonstrate the church's commitment to the community and the population it serves.

**Our Mission** to the community at large continues to be:

**"To provide appropriate facilities for the use of the community of Small Heath and Birmingham and facilitate and operate projects that lead to greater community engagement, civil renewal and a more cohesive society."**

**As a church our shared vision is**

"A place where people are honoured and valued. A place where people are released into ministry. A place where people connect with God and each other."

## **Affiliations**

As a member of the Heart of England Baptist Association and The Baptist Union the church subscribes to the Union's Declaration of Principle:

"That our Lord and Saviour Jesus Christ, God manifest in the flesh, is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws.

That Christian Baptism is the immersion in water into the name of the Father, the Son and the Holy Spirit of those who have professed repentance towards God and faith in our Lord Jesus Christ who 'died for our sins according to the Scriptures; was buried, and rose again on the third day'.

That it is the duty of every disciple to bear personal witness to the gospel of Jesus Christ and to take part in the evangelisation of the world."

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## **Report of the Trustees (continued)**

### **Church Membership:**

Is open to those who:

- Accept the beliefs of the church.
- Commit themselves to serving Christ within the Church and beyond.
- Abide by the decisions of the church members meeting.
- Acknowledge their responsibilities as church members.
- Have their membership application accepted by the church members meeting.

### **Appointment of Diaconate (Trustees)**

Each member of the Diaconate (Trustees) is proposed and elected by the church membership at the AGM for a period of three years. At the end of this term they are eligible for re-election for a further three years after which they must stand down and are not eligible for re-election for a further twelve months.

The Deacons (Trustees) each hold a specific portfolio of responsibility within the life of the church and they must report back to the church members regarding their area of responsibility. Their prime purpose is to advise and guide the church membership in all aspects of church life. They are assisted by a large number of volunteers who undertake various roles within the life of the church.

The Deacons (Trustees) are responsible for recruiting and employing all church employees and ensuring that all safeguarding procedures are followed where applicable. The Trustees have established a specific portfolio of Safeguarding Officer, to ensure that the church operates in a safe, secure and responsible way in relation to children, young people and vulnerable adults.

## **ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS**

### **Brief review of 2020**

The report for 2020 is most unlike any other year as just about every aspect of church life and activity was affected by Covid 19 and the safety measures that were required by law to be taken. This included closing the building, our main base for operations, for long periods of time as directed by the government. Even when we were allowed to open, Covid safety measures also severely restricted what we were able to do. This must be borne in mind when considering this review.

A number of high profile events such as "Praise In The Park" that the church had taken a lead in organizing and was due to take place in July 2020 was postponed until Covid restrictions allowed and confidence returned that a safe event could be staged. Seven other local congregations were due to join together with the church and be involved in a music and cultural event in Small Heath Park open to all people.

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## **Report of the Trustees (continued)**

Ongoing conversations suggest that it may be postponed until 2022 at least which also is the year Commonwealth Games comes to Birmingham.

There were sadly a number of funerals in the year of church members and others from the local community. This was particularly painful while the church building was closed. The restricted committal services at Cemeteries and Crematoriums were something the church supported as best they could. It is anticipated that this could lead to a serious increase in memorial services at a later date rather than one general annual memorial service.

The church has an immense amount to praise God for and we also need to say a massive thank you to the Deacons and other leaders for all they did during a difficult year. Thank you to the office and admin staff who did a great job often working from home. Thanks also to the small army of willing volunteers who give freely of their time doing a variety of jobs.

### **Areas of investment by the church:**

#### **Pastoral.**

- Due to the building being closed the monthly church magazine became even more important in keeping communication going.
- A bi weekly contact card was sent to the most isolated members of the church.
- The church deacons were asked to contact those on a list given to them by telephone if possible at least once a week.
- Home Groups pastoral care continued mainly through the use of telephone calls and WhatsApp groups and regular prayer updates.
- Investment was made in the use of technology such as Facebook , Zoom and YouTube for virtual pastoral gatherings and times of prayer.

#### **Sunday Morning Worship and Word.**

- The Covenant Service at the beginning of the year continued to give valuable feed-back on the life and ministry of the church. It also helped to identify and highlight various areas of concern as well as giving the opportunity to help identify people's gifting and roles they might fulfil within the life of the church. A lot of plans that were made that ended being put on hold or indefinitely postponed because of covid.
- Pastor Richard produced a video upload teaching and prayer video every day for one month near the beginning of the year onto Facebook then YouTube as the year progressed. The frequency was gradually reduced to one midweek YouTube teaching and prayer time which was also put onto Facebook.
- Sunday morning services also became more interactive when the church adopted the use of Zoom.
- Investment was made so those with no internet access could use a phone line to listen to an audio only recording of the service

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### **Report of the Trustees (continued)**

- The Music Worship on a Sunday was for some time limited to YouTube listening and participation. Eventually various members of the worship team sang live from their homes or sometimes from the church when the service was broadcast by a production team from the building. This helped immensely.
- Thank you to the worship team, singers, musicians and technicians who helped to provide a marvelous service each Sunday.

#### **Community and Use of Building.**

Community use of the building during the year ceased completely due to Covid. Apart from occasionally when it was used by Crossroads for the preparation of food to feed the homeless.

When the restrictions allowed the building was opened twice a week for personal and private prayer by appointment only.

With help and financial support from THRIVE and the Birmingham City Council, the church began to employ a Community Development Worker part time since October 2020. This work is considered vital in helping to rebuild community as the church and its community begin to emerge from Covid. After training, May Green has begun to explore a number of different ways in which the over 50's in age may feel less isolated. Initially helping the "older generation" to begin to engage with technology in different ways so increasing their ability to communicate and stay connected with family and friends.

#### **Prayer/Ministry Team.**

- The church Prayer Vine ministry via text messages was regularly used to ask people to pray for a variety of needs. Again vital during lockdown.
- Prayer is also a major focus of the mid-week home groups. Mainly through WhatsApp messages during lockdown.
- Although personal ministry was restricted if necessary personal appointments could be made to see people in a covid secure way when the restrictions allowed.

#### **Children/Youth**

The church continues to work to the Baptist Union's "Safe to Grow" and "Safe to Belong" guidelines concerning children and young people.

Youth group activities in the year were largely restricted to the use of social media such as Facebook and WhatsApp and phone calls. Eventually Zoom was also used.

When the church was allowed to open personal individual education packs were made available to children attending.

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## **Report of the Trustees (continued)**

### **Sports and Social**

Was largely put on hold for the year. Although contact was kept through the use of WhatsApp groups.

### **Overseas Work**

- The church continues to support the work of The Baptist World Mission in general and one of its missionaries in particular.
- Many church members have also continued to sponsor children overseas through the work of the charity "Compassion" which helps to feed children and educate them.
- The church also supports Ben Parkinson and his "Butterfly Project" in Uganda which helps local children with their education and well being.

### **What about 2021**

We will continue to work towards our vision and mission and some of the highlights will be:

### **Governance**

- We will continue to monitor, review and tighten policies and procedure where needed to ensure recognised best practice and good governance e.g. Safeguarding Children and Young People and adults at risk, Health and Safety and Employment legislation.
- Try and identify younger people to join the Diaconate/Trustees team to help make it more dynamic and representative.

### **Church Life**

- Increase emphasis on prophecy and ministry.
- Increase number of worship meetings other than on Sundays.
- Engage with and support a wider network of churches more consistently.
- Continue to identify and train potential church leaders and pastors.
- Increase the number of cell groups and help to refresh them.
- Prayer meetings and encourage fasting.
- Review and enhance discipleship methods, e.g. Alpha, Freedom In Christ, Baptismal classes.

### **Building**

Continue to monitor and maintain the building to a high standard in spite of increased usage.



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## **Report of the Trustees (continued)**

### **Community**

- Continue to monitor and review usage of building and identify any new areas of service that might be developed.
- Continue to support the various community groups and services that operate from the building.
- Continue to maintain, encourage and develop volunteer staff for the many different areas of work and ministry.
- Increase the scope and reach of the Summer Picnic In The Park.
- Raise awareness and support of eco projects locally, nationally and internationally.
- Continue to train and support the community development worker and implement the start of appropriate projects suggested.

### **Children/Youth**

- Identify and appoint new youth leader/worker(s).
- Encourage more young people into the youth group.
- Try and identify any potential funding available to enhance our ability to reach these goals.

### **Sports and Social**

- Encourage more fun and fellowship time, especially around food!
- Encourage more people to join and support the cricket team.
- Explore the further possibilities of using sport to enhance friendships, build community and encourage people to engage with church more meaningfully.

### **Overseas work**

Maintain interest and increase support of work overseas, i.e. BMS, WEC, Missionaries –, Compassion -sponsoring children. The Butterfly project in Uganda. Continue to support and raise considerable funds for Christian Aid.

### **FINANCIAL REVIEW, RISK MANAGEMENT AND RESERVES POLICY**

Encourage The Trustees to fulfil their role overseeing all financial matters of the church, reporting to the Church meeting on a regular basis. To continue to encourage responsible giving and challenge people to tithe their income and giving, promoting the benefits of Gift Aid wherever possible and ensuring expenditure is kept within budget.

Despite some unexpected expenditure and no rental income, due to continued and committed giving in very difficult times the church ended the year with a small surplus.

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## Report of the Trustees (continued)

In respect of the church's risk management, operational risk is the main issue and is currently being addressed on a day to day basis.

The relatively low levels of funded reserves at this stage are simply not large enough to establish a meaningful policy.

### Pension Liabilities and Reserves Policy

As explained below, the accounting policies of FRS102 require us to include, as a liability agreed, deficit contributions to be paid to the Baptist Pension Scheme over the next 7 years. At the year end, that liability was £30,989 (2019: £34,452).

The effect of this in our accounts has been to reduce our reserves by this amount leaving us with funds as follows:

	£
Designated funds	44,022
General funds	1,658
Total un-restricted funds	<u>45,680</u>
Restricted funds	<u>7,477</u>
Total funds	<u><u>53,157</u></u>

As noted above the pension reserve will crystallise over the next 7 years and consequently the Trustees feel it appropriate to exclude this amount from general funds when making decisions regarding the reserves policy and future expenditure. Therefore the Trustees have agreed that the current policy remains appropriate, which is to maintain, as a minimum, sufficient general funds to cover at least three months' unavoidable costs, being approximately £23,000.

The Trustees are confident that the charity has sufficient cashflows to meet the annual liabilities as they become due, and, at this stage, see no reason to curtail charitable expenditure from planned levels in order to maintain reserves sufficient to meet the liability in full over the next 8 years. The Trustees will, however, continue to monitor this situation carefully and particularly in light of the current crisis with Covid-19, are preparing regular forecasts and monitoring income & expenditure closely.

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## **Report of the Trustees (continued)**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The church being a previously an "Excepted Charity" re wrote its constitution in line with registration with the Charity Commission and it was accepted by the members at the AGM on 22<sup>nd</sup> February 2009. Registration with the Charity Commission was confirmed 4<sup>th</sup> June 2010.

#### **Appointment of Trustees, induction & training**

The Trustees who served during the year are detailed below.

Each member of the Diaconate (Trustees) is proposed and elected by the church membership at the AGM for a period of three years. At the end of this term they are eligible for re-election for a further three years after which they must stand down and are not eligible for re-election for a further twelve months.

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## Report of the Trustees (continued)

### REFERENCE AND ADMINISTRATIVE INFORMATION

#### Trustees:

Rev. Richard Hayton	Senior Pastor & Evangelism
Malcolm John	Ministry
Dillon Hamilton	Health & Safety & Child Protection
Ruby Hayles	Pastoral
Keith Hylton	Youth
Lorna Foster	Children
Simon Ellis	Administration & Finance
Margaret Hazel	Fabric
Cornel DaCosta	Projects
Marcia Hamilton	Administration Support
Bisala Msuya (resigned February 2020)	
Malcolm John (resigned February 2020)	
May Green (appointed February 2020)	

**Charity Number: 1136199**

#### Registered Office:

14 Jenkins Street  
Small Heath  
Birmingham  
B10 0QH

#### Independent Examiner:

Karen Hanlan, ACA, ACIE  
Karen Hanlan Independent Examiner Limited  
12 Waterloo Close  
Wellesbourne  
Warwickshire  
CV35 9JG

#### Bankers:

TSB Bank plc  
538 Sparkhill Road  
Birmingham  
B11 4DY

Approved by the Board and signed on its behalf by:

Rev R Hayton  
*Chair of Trustees*

Date: 14 September 2021

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**Statement of Trustees' responsibilities**

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit incurred by the Charity for that year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to exist.

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

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 and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorized use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable;
- the Charity complies with relevant laws and regulations.

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## **Independent Examiner's Report to the Trustees of Small Heath Baptist Church**

I report to the trustees on my examination of the accounts of Small Heath Baptist Church ('the Charity') for the year ended 31 December 2020 which are set out on pages 15 to 30.

### **Responsibilities and basis of report**

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

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1) accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Karen Hanlan, Institute of Chartered Accountants, England & Wales  
Karen Hanlan Independent Examiner Limited  
12 Waterloo Close, Wellesbourne, CV35 9JG

Date: 14/9/21

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## Statement of financial activities

	Note	Un- restricted funds 2020 £	Designated Funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations & legacies	1	91,459	507	5,606	<b>97,572</b>	<b>105,025</b>
Charitable activities	2	4,967	3,120	634	<b>8,721</b>	<b>13,362</b>
<b>Total income</b>		<b>96,426</b>	<b>3,627</b>	<b>6,240</b>	<b>106,293</b>	<b>118,387</b>
<b>Expenditure</b>						
		85,715	10,700	4,439	<b>100,854</b>	<b>112,575</b>
Charitable activities						
<b>Total expenditure</b>	3	<b>85,715</b>	<b>10,700</b>	<b>4,439</b>	<b>100,854</b>	<b>112,575</b>
<b>Net income/(expenditure)</b>		<b>10,711</b>	<b>(7,073)</b>	<b>1,801</b>	<b>5,439</b>	<b>5,812</b>
<b>Other recognized gain/(losses)</b>		<b>1,302</b>	<b>-</b>	<b>-</b>	<b>1,302</b>	<b>(484)</b>
<b>Net movement in funds</b>		<b>12,013</b>	<b>(7,073)</b>	<b>1,801</b>	<b>6,741</b>	<b>5,328</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward – as restated		(10,355)	51,095	5,676	<b>46,416</b>	<b>41,088</b>
<b>Total funds carried forward</b>		<b>1,658</b>	<b>44,022</b>	<b>7,477</b>	<b>53,157</b>	<b>46,416</b>

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

All income and expenditure derive from continuing activities.

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## Balance sheet

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible assets	5	<u>152,478</u>	<u>155,837</u>
<b>Current Assets</b>			
Debtors	6	11,327	9,145
Cash at bank and in hand		<u>11,227</u>	<u>9,778</u>
		<u>22,554</u>	<u>18,923</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	7	<u>(19,100)</u>	<u>(19,285)</u>
Net current (liabilities)/assets		3,454	(362)
Total assets less current liabilities		<u>155,932</u>	<u>155,475</u>
Creditors: amounts falling due after more than one year	8	<u>(102,775)</u>	<u>(109,059)</u>
Net assets		<u>53,157</u>	<u>46,416</u>
<b>Funds of the Charity:</b>			
Restricted Funds	9	7,477	5,676
Designated Funds	9	44,022	51,095
Church Funds	9	<u>1,658</u>	<u>(10,355)</u>
Total unrestricted Funds		<u>45,680</u>	<u>40,740</u>
<b>Total Charity funds</b>		<u>53,157</u>	<u>46,416</u>

The accompanying accounting policies and notes form part of these financial statements.

Approved by the Trustees and signed on their behalf by:

Rev R Hayton, Chair of Trustees

Date: 14 September 2021



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## **Principal accounting policies**

### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland Standard applicable in the UK and Republic of Ireland (FRS102).

Small Heath Baptist Church meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

### **Going Concern statement**

The financial statements have been prepared on a going concern basis which assumes that the Charity will continue to operate. The validity of this assumption is dependent upon the continuance of support from the Charity's key funders and stakeholders and in response to the progress made by the Charity in pursuing a viable budget including the obtaining of further grants and donations. The Charity's business plan shows that the Charity will be able to operate in the foreseeable future. Based on this understanding the Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments, which would result from the basis of preparation being inappropriate.

### **Funds**

General accumulated funds are unrestricted funds available for general purposes and include funds designated for a particular purpose; the use of such funds remains at the discretion of the Trustees.

Restricted funds are funds subject to conditions imposed by the donor or by specific terms of the appeal under which the funds are raised. The restrictive conditions are binding upon the Charity.

### **Income**

All income is recognised in the Statement of Financial Activities when the Charity is legally entitled, ultimate receipt is probable and the amount can be quantified with reasonable accuracy.

Income relating to future periods, as a result of donor imposed conditions specifying the time period, has been treated as deferred income.

Income dependent on certain conditions, amounting to more than mere administrative requirements, is recognised when the conditions have been fulfilled.

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## **Principal accounting policies (continued)**

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost or deemed cost.

Depreciation is provided at a rate calculated to write off the cost on a straight line basis over a period of less than the estimated useful life of the assets at the following rates:

Freehold Property                      - 50 years

Fixed assets are capitalised when their value exceeds £500.

### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short term deposits repayable on or within a three month notice period.

### **Debtors**

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

### **Creditors**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

### **Pensions**

The Charity contributes to employee's individual personal pension plans. The employer contributions to the scheme in 2020 were £4,351 (2019 £4,175) and are charged to the statement of financial activities as incurred.

### **Taxation**

As a registered Charity no provision is considered necessary for taxation.

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## Notes to the financial statements

### 1. Donations & legacies

	Un- restricted 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
Donations & offerings	76,834	10	26	76,870
Grants	-	-	5,580	5,580
Gift aid recovered	14,625	497	-	15,122
	<b>91,459</b>	<b>507</b>	<b>5,606</b>	<b>97,572</b>

	Un- restricted 2019 £	Designated 2019 £	Restricted 2019 £	Total 2019 £
Donations & offerings	82,827	3,855	1,505	88,187
Legacies receivable	-	-	-	-
Grants	-	-	3,000	3,000
Gift aid recovered	13,838	-	-	13,838
	<b>96,665</b>	<b>3,855</b>	<b>4,505</b>	<b>105,025</b>

### 2. Income from Charitable Activities

	Un- restricted 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £
Fees	4,187	-	634	4,821
Hire of facilities	780	3,120	-	3,900
	<b>4,967</b>	<b>3,120</b>	<b>634</b>	<b>8,721</b>

	Un- restricted 2019 £	Designated 2019 £	Restricted 2019 £	Total 2019 £
Fees	1,849	-	4,268	6,117
Hire of facilities	4,125	3,120	-	7,245
	<b>5,974</b>	<b>3,120</b>	<b>4,268</b>	<b>13,362</b>

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## Notes to the financial statements (continued)

### 3. Expenditure on Charitable Activities

	Un- restricted	Designated	Restricted	Total
	2020	2020	2020	2020
	£	£	£	£
Salaries	46,403	-	3,630	50,033
Church running costs	20,208	4,479	-	24,687
Ministry expenses	3,037	123	651	3,811
Property costs - Manse	3,402	-	-	3,402
Office costs	5,027	-	158	5,185
Church Outreach	3,170	-	-	3,170
Finance costs	1,222	-	-	1,222
Depreciation	-	3,359	-	3,359
Subscriptions	1,483	-	-	1,483
Independent Examiners fees	1,200	-	-	1,200
Mortgage interest	-	2,739	-	2,739
Interest on pension cost	563	-	-	563
	<b>85,715</b>	<b>10,700</b>	<b>4,439</b>	<b>100,854</b>

	Un- restricted	Designated	Restricted	Total
	2019	2019	2019	2019
	£	£	£	£
Salaries	49,893	-	3,060	52,953
Church running costs	22,140	4,728	-	26,868
Ministry expenses	2,595	1,495	4,401	8,491
Property costs - Manse	3,584	-	-	3,584
Office costs	4,166	-	-	4,166
Church Outreach	5,491	332	400	6,223
Finance costs	1,665	-	-	1,665
Depreciation	-	3,359	-	3,359
Subscriptions	687	-	-	687
Independent Examiners fees	1,200	-	-	1,200
Mortgage interest	-	3,379	-	3,379
	<b>91,421</b>	<b>13,293</b>	<b>7,861</b>	<b>112,575</b>

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## Notes to the financial statements (continued)

### 4. Staff costs, trustee remuneration and expenses

	2020	2019
	£	£
Salaries	45,171	44,256
National Insurance	-	-
Pensions	4,351	4,175
Freelance fees	511	4,522
Total	<u>50,033</u>	<u>52,953</u>

No employee has employee benefits in excess of £60,000 (2019: nil).

The equivalent of 3 full-time members of staff were employed during the year (2019: 3).

The key management personnel of the charity comprise the trustees, including the Pastor.

Trustees, other than the pastor, receive no remuneration or other benefits from the charity.

The remuneration, excluding pension contributions, of key management personnel for the year was £29,353.

Costs of £1,072 were reimbursed to 3 Trustees during the year for maintenance, training and running costs (2019: £1,045 to four Trustees for costs incurred in relation to maintenance, mission and training).

Donations totalling £18,483 (2019: £21,527) were received from Trustees and close family members during the year.

### 5. Tangible fixed assets

	Manse Property	Church Improvements	Total
Cost	£	£	£
At beginning of year	167,590	691,352	858,942
Additions	-	-	-
At end of year	<u>167,590</u>	<u>691,352</u>	<u>858,942</u>
Depreciation			
At beginning of year	11,753	691,352	703,105
Charge for the year	3,359	-	3,359
At end of year	<u>15,112</u>	<u>691,352</u>	<u>706,464</u>
Net Book Value			
At 31 December 2020	152,478	-	152,478
At 31 December 2019	<u>155,837</u>	<u>-</u>	<u>155,837</u>

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## Notes to the financial statements (continued)

The Land and Church building and 14-16 Jenkins Street are built on is owned by Canon Street Trust and is registered with HEBA.

The buildings built on that land belong to the Charity.

The buildings are currently valued at £3,038,278 for insurance purposes.

### 6. Debtors

	2020 £	2019 £
Income receivable	4,848	3,683
Prepayments	6,479	5,462
	<u>11,327</u>	<u>9,145</u>

### 7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	278	1,738
Accruals	3,634	3,271
Other creditors	4,692	2,245
Pension deficit	3,695	3,631
Mortgage loan	6,800	8,400
	<u>19,100</u>	<u>19,285</u>

### 8. Creditors: amounts falling due in more than one year

	2020 £	2019 £
Mortgage loan	75,481	78,238
Pension deficit	27,294	30,821
	<u>102,775</u>	<u>109,059</u>

The mortgage loan was supplied by the Baptist Union Corporation Limited for the completion of acquisition of the Manse for £115,500 on 16 May 2017.

The loan is repayable over a fifteen year period and interest is charged at a rate of 3.6% per annum.

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## Notes to the financial statements (continued)

### 9. Fund balances

2020	Balance at beginning of year £	Income £	Expenditure £	Pension £	Balance at end of year £
<b>Restricted funds</b>					
Community Development worker	-	4,080	(3,278)	-	802
Rental guarantee	150	-	-	-	150
Church Worship Group Ministries fund	1,000	-	-	-	1,000
Sisterhood	530	26	-	-	556
Malawi	184	-	-	-	184
Match Club	3,812	2,134	(1,161)	-	4,785
	5,676	6,240	(4,439)	-	7,477
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Chapel House	1,850	3,120	(1,783)	-	3,187
Building Maintenance Fund	1,013	-	-	-	1,013
Communion Set	262	-	-	-	262
Evangelism	2,553	-	-	-	2,553
Youth Group	622	-	-	-	622
Fundraising	8,423	507	(2,696)	-	6,234
Legacy	3,236	-	(23)	-	3,213
Manse Capital Fund	29,257	-	(6,098)	-	23,159
Subsidy Fund	3,879	-	(100)	-	3,779
Total designated funds	51,095	3,627	(10,700)	-	44,022
<b>General funds</b>	(10,355)	96,426	(85,715)	1,302	1,658
<b>Total un-restricted funds</b>	<b>40,740</b>	<b>100,053</b>	<b>(96,415)</b>	<b>1,302</b>	<b>45,680</b>
<b>Total funds</b>	<b>46,416</b>	<b>106,293</b>	<b>(100,854)</b>	<b>1,302</b>	<b>53,157</b>

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## Notes to the financial statements (continued)

2019	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
<b>Restricted funds</b>					
Pastoral Fund	19	-	(19)	-	-
Rental guarantee	-	150	-	-	150
Church Worship Group Ministries fund	-	1,000	-	-	1,000
Sisterhood	729	191	(390)	-	530
Malawi	469	15	(300)	-	184
Match Club	3,547	7,417	(7,152)	-	3,812
	4,764	8,773	(7,861)	-	5,676
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Chapel House	847	3,120	(2,117)	-	1,850
Building Maintenance Fund	1,013	-	-	-	1,013
Communion Set	262	-	-	-	262
Evangelism	2,553	-	-	-	2,553
Youth Group	622	-	-	-	622
Fundraising	7,368	3,855	(2,800)	-	8,423
Legacy	3,970	-	(734)	-	3,236
Manse Capital Fund	35,995	-	(6,738)	-	29,257
Subsidy Fund	4,783	-	(904)	-	3,879
Total designated funds	57,413	6,975	(13,293)	-	51,095
<b>General funds</b>	(21,089)	102,639	(91,905)	-	(10,355)
				-	
<b>Total un-restricted funds</b>	<b>36,324</b>	<b>109,614</b>	<b>(105,198)</b>		<b>40,740</b>
<b>Total funds</b>	<b>41,088</b>	<b>118,387</b>	<b>(113,059)</b>	-	<b>46,416</b>

The purposes of the funds listed above are as follows:

### Restricted funds

**Community Development Worker fund** – funding for a part-time post from Birmingham City Council via THRIVE.

**Pastoral fund** - Legacy received for pastoral care and home communions.

**Church Worship Ministries Fund** – Donation received in 2019 specifically for the Worship team

**Sisterhood** - Funds collected and expended by a group of ladies who meet each Monday for fellowship.

**Malawi** - Funds collected to support Booker Banda, a Pastor in Malawi, and all his churches.



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## Notes to the financial statements (continued)

**Match Club** - Funds collected and expended to support a day club on a Tuesday run by, and for the elderly (Primarily Afro Caribbean) gentlemen of the church and community. The group offers mutual support, a meal, dominoes and fellowship for up to 30 men and 8 women. Supported by a small grant made by Social Care and Health.

### Designated funds

**Chapel House** - Former Caretakers house. Expenditure is the running costs of the house.

**Building Maintenance fund** - Money set apart to cover essential maintenance work.

**Communion Set** - Money originally collected and set aside for the upkeep of the Home Communion Set used by the Pastor.

**Evangelism** - Funds allocated to be used for Evangelism.

**Youth Group** - Funds raised by the Youth towards the costs of the Youth Mission and activities.

**Fundraising** - Fundraising carried out by the church, usually to be split between two or more named causes.

**Legacy** - Legacy left to the church allocated by the trustees.

**Manse Capital Fund** - Funds set aside to provide some of the future depreciation of the Manse property

**Subsidy Fund** - Account funded by income from freeholds held by the Church in Cedars Avenue, Acocks Green. Funds used to assist Members in many ways e.g. cost of church holidays, specific training for groups in the church.

## 10. Analysis of net assets between funds

Fund balances at 31 March 2020 are represented by:	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	152,478	-	152,478
Current assets	15,077	7,477	22,554
Liabilities	(121,875)	-	(121,875)
Total	45,680	7,477	53,157

31 March 2019 comparatives:	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed Assets	155,837	-	155,837
Current assets	13,247	5,676	18,923
Liabilities	(128,344)	-	(128,344)
Total	40,740	5,676	46,416

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## **Notes to the financial statements (continued)**

### **11. Related party Transactions**

As allowed for in the Constitution, Trustee and Reverend Richard Hayton is employed by the charity and receives a salary in relation to his employment. Remuneration is agreed by the remaining body of Trustees and at a level comparable with similar employment in similar organisations. During the year salary payments of £27,145.80 were paid and pension contributions totalling £2,207.32 were made on his behalf.

There were no further related party transactions.

Trustee expenses reimbursed and donations by Trustees are disclosed in note 4.

### **12. Controlling Interest & related charities**

The Charity is controlled by the Trustees.

The custodian Trustee of the church is the Baptist Union Corporation Limited which is charity number 249635, and which is controlled by the Baptist Union Council. The church is also a member of the Baptist Union of Great Britain, and the (state) Baptist Association. The church is in receipt of a loan from the Baptist Building Fund as set out in note 8.

### **13. Pensions**

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

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

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

The Minister and some members of the church staff are eligible to join the Scheme. From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited.

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## **Notes to the financial statements (continued)**

In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. Members of the Basic Section pay reduced contributions of 5% of

Pensionable Income, and their employers also pay a total of 5%. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

### **Actuarial valuation as at 31 December 2016**

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

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## Notes to the financial statements (continued)

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.50
CPI price inflation assumption	2.75
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.50
Assumed investment returns	
- Pre-retirement	3.50
- Post retirement	2.25
Deferred pension increases	
- Pre April 2009	3.50
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	2.70
- Main Scheme pension Post April 2006	2.00

Post-retirement mortality in accordance with 75% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2016 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females.

As there is a large number of contributing employers participating in the Scheme, the Charity is unable to identify its share of the underlying assets and liabilities of the schemes. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable. The total pension cost for the Charity in relation to this scheme is £4,351 (2019 £4,175), excluding deficiency contributions.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2019.

### Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan.

Under the current Recovery Plan dated 16 December 2018, deficiency contributions are payable until 31 December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

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## Notes to the financial statements (continued)

### Movement in Balance Sheet liability

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

Accounting date (year ending):	31 December 2020	31 December 2019
Balance sheet liability at year start	£34,452	£36,683
Minus deficiency contributions paid	-£2,724	-£3,553
Interest cost (recognised in SoFA)	£563	£838
Remaining change to balance sheet liability* (recognised in SoFA)	(£1,302)	£484
Balance sheet liability at year end	£30,989	£34,452

\* Comprises any change in agreed deficit recovery plan and change in assumptions between year-ends.

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

Accounting date	31 December 2020	31 December 2019
Discount rate	1.4%	1.7%
Future increases to Minimum Pensionable Income	2.9%	3.2%

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## Notes to the financial statements (continued)

### 12. Comparative Statement of Financial Activities for 2019

	Un- restricted funds 2019 £	Designated Funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>Income:</b>				
Donations & legacies	96,665	3,855	4,505	105,025
Charitable activities	5,974	3,120	4,268	13,362
<b>Total income</b>	<b>102,639</b>	<b>6,975</b>	<b>8,773</b>	<b>118,387</b>
<b>Expenditure</b>				
Charitable activities	91,421	13,293	7,861	112,575
<b>Total expenditure</b>	<b>91,421</b>	<b>13,293</b>	<b>7,861</b>	<b>112,575</b>
<b>Net (expenditure)/income and net movement in funds for year</b>	<b>11,218</b>	<b>(6,318)</b>	<b>912</b>	<b>5,812</b>
Other recognized gains/losses	(484)	-	-	(484)
<b>Net movement in funds</b>	<b>10,734</b>	<b>(6,318)</b>	<b>912</b>	<b>5,328</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	(21,089)	57,413	4,764	41,088
<b>Total funds carried forward</b>	<b>(10,355)</b>	<b>51,095</b>	<b>5,676</b>	<b>46,416</b>