

Company registration number: 08148539

Charity registration number: 1148705

Shenley Christian Fellowship

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 October 2020

Shenley Christian Fellowship

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Shenley Christian Fellowship

Reference and Administrative Details

Trustees	Reverend R T Dilnot
	Ms C E Monkcom
	Miss J A Messenger
	Mr I H King
	Dr M Owolabi
	Mrs M Sheppard
Secretary	Mrs M Sheppard
Principal Office	The Oak Tree Centre Wallinger Drive Shenley Brook End Milton Keynes MK5 7GZ
Company Registration Number	08148539
Charity Registration Number	1148705
Accountants	KRW Accountants Ltd The Mill Pury Hill Business Park Alderton Road Towcester NN12 7LS

Shenley Christian Fellowship

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 October 2020.

Structure, governance and management

The charity is a charitable company limited by guarantee, incorporated in England and Wales with company number 08148539, and was established on 18th July 2012. On July 22nd

2013 the original charitable trust, Shenley Christian Fellowship Trust, charity number 1015402 (governed by the Declaration of Trust dated 3rd March 1992 and the Supplementary Declaration of Trust 1st December 1999) was officially linked with the charitable company and was initially treated as forming a part of it. The funds of Shenley Christian Fellowship Trust are shown in these accounts as a restricted fund of the Reporting Charity.

The charity is governed by its Articles of Association as amended by special resolution dated 27th June 2013. The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr R N Clark (resigned 27 January 2020)

Mr D J Conibere (resigned 31 July 2020)

Rev'd R T Dilnot

Rev'd J L Joyce (resigned 27 January 2020)

Miss C Monkcom

Mr H J R Moore (resigned 29 April 2021)

Mr I H King (Appointed 27 January 2020)

Miss J A Messenger (Appointed 27 January 2019)

Dr M O Owolabi (Appointed 27 January 2020)

Mrs M Sheppard (Appointed 28 January 2021)

The Chair of Trustees, would meet with new Trustees to induct them into the role, taking them through the Trustee manual.

The charity is led by a group of Trustees, who form the Leadership Team. The Minister is the only paid member of the Trustees and as Senior Church Leader his responsibility is to lead the church, together with the Leadership Team, following the model of congregational governance as laid out in the Constitution.

The charity is a member of the Baptist Union of Great Britain. It also works alongside other churches and denominations in Milton Keynes and beyond, to further the work of the Gospel of Jesus Christ.

Shenley Christian Fellowship is a group of Christian believers that have a living relationship with God through his son Jesus Christ. Our prime aim is to glorify Jesus Christ in our lives, our speech, our actions, and our worship, to be His witnesses and to make disciples. Our beliefs are biblical, in line with main line evangelical Christianity and are outlined in the statement of faith.

Shenley Christian Fellowship

Trustees' Report

The charity's objectives are:

The advancement of the Christian faith for the benefit of the public,

The relief of sickness and the preservation of health among people, and

The prevention or relief of poverty.

In furtherance of these objectives the Trustees have established a building fund appeal to further develop the permanent base which was opened in September 2016 and from which the charity can operate for the future.

The charity has now completed seven full years of activities and the policies adopted in furtherance of these objectives continue to be consistent with those adopted by the original trust (Shenley Christian Fellowship Trust), which it now embraces.

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

The charity seeks to make grant applications to various grant making bodies for different ministry projects, to further advance the work that they seek to undertake in pastoral support, education, and the building of the second phase of the Church's building to enable further growth and development.

The charity could not fulfil its objectives without the dedicated and sacrificial support of the many volunteers who are both regular attenders of the church and those who attend the ministry activities but not the church itself. These volunteers are essential to the life of the charity and without them we would not exist.

Achievements and performance

The charity's activities were curtailed during this year due to limitations arising from Covid restrictions. Until March when we went into lockdown, we continued to see an increase in numbers over all our activities principally with the Acorn and Toddler ministries and the Outreach that developed from it. During the periods when Acorns was unable to meet, our Outreach Pastor and volunteers, maintained contact via telephone and zoom. Acorns have now returned on a restricted basis while Covid rules remain in place.

The use of the building was similarly constrained during this year, as restrictions did not permit its use and we now look forward to seeing our hirers both existing and new back into the building in the future.

The Trustees and Leadership Team remain fully supportive of this vision as they see that our works of service within the local community are still significantly impaired due to the lack of accommodation resources. The Trustees are still hoping to see construction of the second phase of the building start in 2022/23 to meet the need.

Services for worship, teaching and evangelism were held every Sunday morning in the Oak Tree Centre prior to March 2020 and attendances at these services rose to an average of 160 at morning services. Services continued throughout the year via Facebook Live or Zoom. When we were able to do so, we also met in person on a much-restricted basis. The aim for the future is to continue see growth in our membership.

Our "Messy Church" services on Sunday afternoons for young children and their parents became more regular and attendance grew significantly, with most people attending not coming from the church itself.

Shenley Christian Fellowship

Trustees' Report

The Fellowship places a strong emphasis on the teaching and nurture of children and young people and has a dedicated team of leaders for children's groups on a Sunday morning, which cater for up to 60 children and young people between the ages of 0 and 18. The Fellowship has adopted a policy and practice for Safeguarding in both children's work and in working with vulnerable adults, and regular training is given to staff.

Small groups for fellowship, learning and mutual support, called Life Groups, continued throughout the year, meeting weekly, bi-weekly or monthly via zoom when they could not meet in person. As restrictions ease the Men's breakfast is restarting.

During the year, the Church adapted its way of working to not only hold services via facebook on a Sunday but to continue entering into virtual fellowship via Zoom and to continue development and training.

The church employed four part-time staff in addition to our full-time minister (Church Administrator/Oak Tree Centre Manager, Bookkeeper, Acorns Families Outreach Pastor and a Caretaker / Maintenance). We also employed contracted workers for publicity and website administration.

As shown in our Statement of Accounts, we continued to commit a significant proportion of our income, amounting to 11% of donated income, to other charities which have a Christian ethos including Bridgebuilder Trust, MK Money lifeline, Overseas Missionary Fellowship and Scripture Union. The trustees hope to raise this further over the next 1-2 years.

We believe we comply with the Data Protection Policy under the government's General Data Protection Regulations and are using an IT package called 'Church Suite' to assist in handling our data and communication. We continued with annual training for all church leaders in data protection issues.

The trustees believe that we have achieved our objectives through the activities outlined above, though by the very nature of the task we can never say that we have finished it!

Financial review

General Fund of the Shenley Christian Fellowship income was £156,466 whilst General Fund expenditure, including transfers was £148,103.

Restricted Funds were used to further the aims of the fellowship and in accordance with the restrictions placed upon the gift by the donors. The Family Fund was used to relieve poverty and hardship in specific cases for those within the fellowship. Details of the sources and use of restricted funds are detailed in the accounts. Restricted Giving income shown in these accounts includes, where appropriate, an allocation from the Gift Aid that SCF receives that is appropriate to the circumstances of the donation.

Total accumulated funds at the end of the year were as follows: SCF General Funds £64,853 and restricted funds £1,175,046

In addition, restricted funds given to the charity received in the year amounted to £102,126 and, as shown in the accounts are principally attributable to the Building Fund. However, in accordance with the direction given by the Charity Commission, all the funds of SCFT are treated as "restricted" within these accounts of the reporting charity.

Shenley Christian Fellowship

Trustees' Report

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained to be sufficient to meet all the financial obligations of the charity in terms of rent due for property, salary in lieu of notice for employees, and other essential expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period. The policy of the charity is to hold funds sufficient to cover three months of normal expenditure which, at present, equates to approximately £40,000.

The strategic report was approved by the trustees of the charity on 20 July 2021 and signed on its behalf by:

DocuSigned by:

.....370798E250D2423.....
Miss J A Messenger
Trustee

Shenley Christian Fellowship

Statement of Trustees' Responsibilities

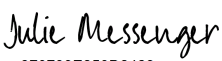
The trustees (who are also the directors of Shenley Christian Fellowship for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 20 July 2021 and signed on its behalf by:

DocuSigned by:

.....370799E250D2423.....

Miss J A Messenger
Trustee

Shenley Christian Fellowship

Independent Examiner's Report to the trustees of Shenley Christian Fellowship

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 October 2020 which are set out on pages 9 to 29.

Respective responsibilities of trustees and examiner

As the charity's trustees of Shenley Christian Fellowship (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Shenley Christian Fellowship are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since Shenley Christian Fellowship'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 member of ICAEW, 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 Shenley Christian Fellowship as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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.

Shenley Christian Fellowship

Independent Examiner's Report to the trustees of Shenley Christian Fellowship

DocuSigned by:

.....4632F5BC9566419.....
Mr K R Witchell
ICAEW

The Mill
Pury Hill Business Park
Alderton Road
Towcester
NN12 7LS

20 July 2021

Shenley Christian Fellowship

Statement of Financial Activities for the Year Ended 31 October 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	156,308	100,901	257,209
Charitable activities	4	106	1,107	1,213
Investment income	5	52	118	170
Total income		<u>156,466</u>	<u>102,126</u>	<u>258,592</u>
Expenditure on:				
Charitable activities	6	<u>(131,177)</u>	<u>(55,572)</u>	<u>(186,749)</u>
Total expenditure		<u>(131,177)</u>	<u>(55,572)</u>	<u>(186,749)</u>
Net income		25,289	46,554	71,843
Transfers between funds		<u>(16,926)</u>	<u>16,926</u>	<u>-</u>
Net movement in funds		8,363	63,480	71,843
Reconciliation of funds				
Total funds brought forward		<u>56,490</u>	<u>1,046,712</u>	<u>1,103,202</u>
Total funds carried forward	18	<u><u>64,853</u></u>	<u><u>1,110,192</u></u>	<u><u>1,175,045</u></u>

The notes on pages 13 to 29 form an integral part of these financial statements.

Shenley Christian Fellowship

Statement of Financial Activities for the Year Ended 31 October 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	3	154,030	92,868	246,898
Charitable activities	4	4,676	8,913	13,589
Investment income	5	<u>68</u>	<u>120</u>	<u>188</u>
Total income		<u>158,774</u>	<u>101,901</u>	<u>260,675</u>
Expenditure on:				
Charitable activities	6	<u>(137,179)</u>	<u>(75,177)</u>	<u>(212,356)</u>
Total expenditure		<u>(137,179)</u>	<u>(75,177)</u>	<u>(212,356)</u>
Net income		21,595	26,724	48,319
Transfers between funds		<u>(46,871)</u>	<u>46,871</u>	<u>-</u>
Net movement in funds		(25,276)	73,595	48,319
Reconciliation of funds				
Total funds brought forward		<u>81,766</u>	<u>973,117</u>	<u>1,054,883</u>
Total funds carried forward	18	<u><u>56,490</u></u>	<u><u>1,046,712</u></u>	<u><u>1,103,202</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 18.

The notes on pages 13 to 29 form an integral part of these financial statements.

Shenley Christian Fellowship
(Registration number: 08148539)
Balance Sheet as at 31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	1,788,333	1,806,620
Investments	13	<u>2</u>	<u>2</u>
		<u>1,788,335</u>	<u>1,806,622</u>
Current assets			
Debtors	14	10,734	9,659
Cash at bank and in hand	15	<u>109,861</u>	<u>96,758</u>
		120,595	106,417
Creditors: Amounts falling due within one year	16	<u>(123,085)</u>	<u>(83,200)</u>
Net current (liabilities)/assets		<u>(2,490)</u>	<u>23,217</u>
Total assets less current liabilities		1,785,845	1,829,839
Creditors: Amounts falling due after more than one year	17	<u>(610,800)</u>	<u>(726,637)</u>
Net assets		<u><u>1,175,045</u></u>	<u><u>1,103,202</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		1,110,192	1,046,712
Unrestricted income funds			
Unrestricted funds		<u>64,853</u>	<u>56,490</u>
Total funds	18	<u><u>1,175,045</u></u>	<u><u>1,103,202</u></u>

For the financial year ending 31 October 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.


These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 13 to 29 form an integral part of these financial statements.

Shenley Christian Fellowship

(Registration number: 08148539)
Balance Sheet as at 31 October 2020

The financial statements on pages 9 to 29 were approved by the trustees, and authorised for issue on 20 July 2021 and signed on their behalf by:

DocuSigned by:

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Miss J A Messenger
Trustee

The notes on pages 13 to 29 form an integral part of these financial statements.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

1 Charity status

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
The Oak Tree Centre Wallinger Drive
Shenley Brook End
Milton Keynes
MK5 7GZ

These financial statements were authorised for issue by the trustees on 20 July 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Shenley Christian Fellowship meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Grant income from the Coronavirus Job Retention Scheme is recognised in the period to which the underlying furloughed staff costs relates.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	1% of building costs (once the building is brought into use)
Interest in property	no charge
Equipment	25% - 33% straight line
Fixtures, fittings & equipment	25% - 33% straight line

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and legacies;				
Donations from individuals	143,814	100,901	244,715	246,898
Grants, including capital grants;				
Grants from other charities	12,494	-	12,494	-
	<u>156,308</u>	<u>100,901</u>	<u>257,209</u>	<u>246,898</u>

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Spiritual & community activity	-	-	-	4,676
Outreach	106	839	945	6,530
Mission	-	267	267	2,383
	<u>106</u>	<u>1,106</u>	<u>1,212</u>	<u>13,589</u>

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Notes to the Financial Statements for the Year Ended 31 October 2020

5 Investment income

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Interest receivable and similar income;				
Interest receivable on bank deposits	52	118	170	188

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2020 £
Spiritual & community activity		55,866	23,305	79,171
Outreach		32,177	7,709	39,886
Mission		34,046	3,329	37,375
Events		7,360	-	7,360
Grant funding of activities		-	775	775
Governance costs	7	1,728	20,454	22,182
		<u>131,177</u>	<u>55,572</u>	<u>186,749</u>

	Note	Unrestricted funds General £	Restricted funds £	Total 2019 £
Spiritual & community activity		66,083	31,764	97,847
Outreach		31,701	11,200	42,901
Mission		33,382	4,404	37,786
Events		4,213	-	4,213
Grant funding of activities		-	3,180	3,180
Governance costs	7	1,800	24,629	26,429
		<u>137,179</u>	<u>75,177</u>	<u>212,356</u>

In addition to the expenditure analysed above, there are also governance costs of £22,183 (2019 - £26,428) which relate directly to charitable activities. See note 7 for further details.

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Notes to the Financial Statements for the Year Ended 31 October 2020

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Restricted funds £	Total 2020 £	Total 2019 £
Independent examiner fees				
Examination of the financial statements	1,728	-	1,728	1,800
Other governance costs	-	20,454	20,454	24,629
	<u>1,728</u>	<u>20,454</u>	<u>22,182</u>	<u>26,429</u>

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Reverend R T Dilnot

Reverend R T Dilnot received remuneration of £39,919 (2019: £40,078) during the year.

During the year a Trustee, Reverend R T Dilnot, was employed as a Senior Church Leader. His salary included a housing allowance of £13,300 (2019: £13,459). Reimbursed working expenses amounted to £222 (2019: £1,046). Pension contributions paid on behalf of the Senior Church Leader were £3,259 (2019: £3,259).

In addition the charity owns a 20% interest in the property owned by the Senior Church Leader personally which was acquired at a cost of £52,770 and is shown in these accounts in fixed assets. The Charity is entitled to a 20% share in any uplift in value between the date of purchase and the date of sale. The entitlement will only arise on the sale of the property and is secured in favour of the Charity by way of a second mortgage charge.

Family members of the Senior Church Leader were employed by the Charity during the year. Remuneration received amounted to £1,919 (2018: £nil).

No other trustee (or persons connected to them) received any remuneration or had expenses reimbursed during the year.

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Notes to the Financial Statements for the Year Ended 31 October 2020

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	<u>71,054</u>	<u>57,469</u>

Included within wages and salaries are pension costs of £7,508 (2018: £7,718)

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Total	<u>5</u>	<u>5</u>

2 (2019 -) of the above employees participated in the Defined Contribution Pension Schemes.

1 (2019 - 1) of the above employees participated in the Defined Benefit Pension Schemes.

No employee received emoluments of more than £60,000 during the year.

10 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>1,728</u>	<u>1,800</u>

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost				
At 1 November 2019	1,804,217	26,072	52,770	1,883,059
At 31 October 2020	1,804,217	26,072	52,770	1,883,059
Depreciation				
At 1 November 2019	57,692	18,746	-	76,438
Charge for the year	14,953	3,335	-	18,288
At 31 October 2020	72,645	22,081	-	94,726
Net book value				
At 31 October 2020	1,731,572	3,991	52,770	1,788,333
At 31 October 2019	1,746,525	7,326	52,770	1,806,621

Shenley Christian Fellowship

Notes to the Financial Statements for the Year Ended 31 October 2020

13 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 November 2019	<u>2</u>	<u>2</u>
At 31 October 2020	<u>2</u>	<u>2</u>
Net book value		
At 31 October 2020	<u>2</u>	<u>2</u>
At 31 October 2019	<u>2</u>	<u>2</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2020	2019	
Subsidiary undertakings					
SCF Outreach Limited	England	Ordinary shares	100%	100%	trading entity of the charity

14 Debtors

	2020 £	2019 £
Due from group undertakings	9,968	8,779
Other debtors	<u>766</u>	<u>880</u>
	<u>10,734</u>	<u>9,659</u>

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Notes to the Financial Statements for the Year Ended 31 October 2020

15 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>109,861</u>	<u>96,758</u>

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	77,056	50,605
Trade creditors	-	178
Due to group undertakings	-	720
Other taxation and social security	39	723
Other creditors	2	2
Accruals	<u>45,988</u>	<u>30,972</u>
	<u>123,085</u>	<u>83,200</u>

Bank borrowings

Baptists Together Loan

Baptists Together Loan is denominated in pounds sterling with a nominal interest rate of 3.35% (2019 - 3.35%). The carrying amount at year end is £586,856 (2019 - £636,241).

The loan is secured by fixed charges over the charity's buildings.

Baptist Building Fund Loan

Baptist Building Fund Loan is denominated in pounds sterling and is interest free. The carrying amount at the year end is £90,000 (2019: £105,000).

Congregational Loans

Congregational Loans of £11,000 (2019: £36,000) are repayable following notice given by the individual lenders. During the year there were £25,000 of repayments (2019: £nil).

17 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	<u>610,800</u>	<u>726,637</u>

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Notes to the Financial Statements for the Year Ended 31 October 2020

18 Funds

	Balance at 1 November 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2020 £
Unrestricted funds					
General	56,490	156,466	(131,177)	(16,926)	64,853
Restricted funds	<u>1,046,712</u>	<u>102,126</u>	<u>(55,572)</u>	<u>16,926</u>	<u>1,110,192</u>
Total funds	<u>1,103,202</u>	<u>258,592</u>	<u>(186,749)</u>	<u>-</u>	<u>1,175,045</u>
	Balance at 1 November 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 October 2019 £
Unrestricted funds					
General	81,766	158,774	(137,179)	(46,871)	56,490
Restricted funds	<u>973,117</u>	<u>101,901</u>	<u>(75,177)</u>	<u>46,871</u>	<u>1,046,712</u>
Total funds	<u>1,054,883</u>	<u>260,675</u>	<u>(212,356)</u>	<u>-</u>	<u>1,103,202</u>

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Notes to the Financial Statements for the Year Ended 31 October 2020

19 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 October 2020 £
Tangible fixed assets	3,991	1,784,342	1,788,333
Fixed asset investments	2	-	2
Current assets	62,631	57,964	120,595
Current liabilities	(1,771)	(121,314)	(123,085)
Creditors over 1 year	-	(610,800)	(610,800)
Total net assets	<u>64,853</u>	<u>1,110,192</u>	<u>1,175,045</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 31 October 2019 £
Tangible fixed assets	7,326	1,799,294	1,806,620
Fixed asset investments	2	-	2
Current assets	51,865	54,552	106,417
Current liabilities	(2,703)	(80,497)	(83,200)
Creditors over 1 year	-	(726,637)	(726,637)
Total net assets	<u>56,490</u>	<u>1,046,712</u>	<u>1,103,202</u>

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Notes to the Financial Statements for the Year Ended 31 October 2020

20 Pension commitments and other post-retirement benefits

Defined benefit scheme

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

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

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and meant that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in the year, plus any impact of deficiency contributions (see below).

The Minister is eligible to join the scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan with the Scheme. In general members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provide income protection for Scheme members in the event that they are unable to work due to long term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva plc. The further 4% contribution rate is reduced to 3% for Employers Contributions made to the Segregated DC Arrangements.

Benefits in respect of service prior to 12 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 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 benefit on 31 December 2011.

Actuarial valuation at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the scheme of the DB assets at the valuation date was £298 million.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). The Church and the other employers supporting the DB Plan are collectively responsible for funding the deficit.

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Notes to the Financial Statements for the Year Ended 31 October 2020

The key financial assumptions underlying the valuation were as follows:

RPI price inflation assumption	3.20% pa
CPI price inflation assumption	2.70% pa
Minimum Pensionable Income Increases (RPI)	3.20% pa
Assumed investment returns	
Pre-retirement	2.95% pa
Post retirement	2.70% pa
Deferred pension increases	
Pre April 2009	3.20% pa
Post April 2009	2.50% pa
Pensions increases	
Main Scheme pension	2.70% pa

Post retirement mortality in accordance with 80% of the S3NFA and S3NMA tables, with allowance for future improvements in mortality rates from 2013 in line with the CMI 2019 core projections, with a long-term annual rate of improvements of 1.75% for males and 1.5% 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 with the Scheme is due to take place not later than as at the 31 December 2022.

Recovery plan

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

Under the current Recovery Plan dated 30 September 2020, deficiency contributions are payable until 30 June 2026. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules. However, the Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 and December 2020.

Defined contribution scheme

The Church also makes contributions to defined contribution pension schemes. The assets of these schemes are held separately from those of the Church in independently administered funds. The pension cost and charge represent contributions payable by the Church to these funds and amounted to £509 (2019: £nil).