

West Wickham & Shirley Baptist Church



Annual Report and Accounts 2021

(Charity Reg. No. 1166796)

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**Legal and Administrative Information
for the year ending 31st December 2021**

Charity Name

West Wickham & Shirley Baptist Church

Registered Address

Corner of Wickham Road & Monks Orchard Road, Croydon, CR0 8EH

Charity registration number

1166796

Governing document:

Church Constitution originally dated April 2016, revised March 2019.

Objects of the Charity

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.

The Church has been inspired to embrace the vision to become like '*A City on a Hill*' in the context of Matthew's Gospel, ch. 5 verse 14 and consequently adopted the following Mission Statement: "*Transforming lives and communities with the power of God's love.*"

Trustees

The Trustees who served during the year or who were serving at the date of this report were:

Rev Jonathan Hills	(Chair, Senior Minister)
Rev Sara Kennett	(Minister)
Mr Clifford Underhay	(Secretary)
Mr Paul Bradbury	(Treasurer)
Mr Philip Jenkins	
Mr. Neil Selby	
Mrs Janet Fagon	(resigned 31 st December 2021)
Mr Okenna Nzelu	

Key Management Personnel

Those in charge of planning, directing, controlling, running and operating the church, including those members of staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the charity, are the Trustees, Ministry Leaders, Boys' Brigade Captain, Girls' Brigade Captain, and Youth & Children's Worker.

Legal and Administrative Information
for the year ending 31st December 2021

Bankers

Lloyds Bank, 137 North End, Croydon, CR0 1TN

Teachers Building Society, Allenvie House, Hanham Road, Wimborne, Dorset, BH21 1AG

Baptist Union Corporation Ltd, Baptist House, 129 Broadway, Didcot, Oxon, OX11 8RT

Independent Examiner

John Helm ACA, 17 Heathville Road, London N19 3AL

**Annual Report of the Trustees
for the year ending 31st December 2021**

The Trustees submit their annual report and the financial statements of West Wickham & Shirley Baptist Church (“the Church”) for the year ended 31 December 2021. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

Covid-19 / Going Concern

The ongoing uncertainty arising from the Covid-19 pandemic continued to affect the church’s activities during 2021.

Each year it is the Trustee’s responsibility to state whether or not the annual accounts have been drawn up on a going concern basis (see the accounting policy note on page 16). Going concern is the assumption that an entity, in this case the Church, has the resources (financial or otherwise) needed to continue operating for the foreseeable future and in particular, for at least 12 months from the date of approval by the Trustees of these annual accounts. If the going concern principle did not apply then the accounts would be drawn up on an insolvent basis.

The Trustees continue to consider the impact of Covid-19 pandemic on its ministry. Although the hiring of the church halls has not yet returned to its pre-2020 levels, it is expected to return to a normal level towards the end of 2022. The impact of the pandemic and the subsequent cost-of-living crisis on the finances of our church family members, whose giving provides the bulk of our financial support, remains unclear but a significant reduction in support is not thought to be likely.

Against this background, the Trustees have reviewed its financial forecast for 2022. This review indicates that it may incur an increased deficit in 2022 but that its cash reserves are more than adequate to absorb that deficit. Accordingly, it has concluded that it is appropriate to prepare the 2021 Accounts on a going-concern basis and that it is not necessary to make any adjustment to these accounts as a result of the current situation. The Trustees will continue to keep both the short-term and longer-term impact under review, ensuring that the financial situation of the church is reviewed on a monthly basis, and is coupled with a robust budgeting process.

Annual Report of the Trustees for the year ending 31st December 2021

1. Structure, Governance & Management

Trustees are responsible for the day-to-day management of the Church's business in accordance with the Church's objects. Trustees are elected by the Church members' meeting. Trustees will normally serve a term of office of three years but can be re-elected at the end of their first and any subsequent terms.

Trustees usually meet 10 times per year to discuss a full range of matters relating to finance, fabric of the buildings, general administration, the implementation of the church constitution and responsibility for the keeping of the church membership roll.

The financial aspects of the church are the responsibility of the Trustees, but they are managed on a day-to-day basis by the Treasurer, the Finance Group (who are responsible for reviewing the finances and suggesting matters of policy to the trustees), the Offering Counting Team and the Treasurers for the auxiliary departments (e.g. Boys' Brigade, Girls' Brigade).

None of the Church's Trustees, with the exception of the Ministers, receive remuneration.

The induction process for any church member newly-appointed as a Trustee comprises an initial meeting with the Minister and receipt of copies of:

- the Church Constitution
- the most recent financial statements
- the Charity Commission's guidance 'The Essential Trustee'
- the Baptist Union Guideline Leaflet C15 'Help I'm a Charity Trustee'.

Church Members

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.

Church Members share in the responsibility for the finances, administration, maintenance and activities of the church and elect the Church Leadership. Church Members meet regularly each year for business meetings and receive reports from the Church Leadership.

Risk & Risk Management

The church and its activities operate with the confidence and assurance of God's provision and protection. Nevertheless, the trustees are aware of the ever-changing risks that the church is exposed to which could affect its ability to fulfil its objectives and purposes. The trustees have put in place a risk management framework supported by a risk management policy and a culture of creating and managing risk assessments for activities to which they are appropriate.

Annual Report of the Trustees for the year ending 31st December 2021

An assessment of the major risks that the church faces is routinely reviewed by the trustees and mitigating controls are put in place and reviewed. Where controls are considered to require additional work to reduce the risk to an acceptable level, a clear action plan and ownership is put in place.

At a high-level the areas of risks identified and monitored by the trustees include:

Risk Area	Mitigating Controls
Safeguarding and safety of anyone involved in church activities	Safeguarding team, safeguarding policy, safeguarding training. Health & Safety policy & risk assessments. Individual activity risk assessments.
Alignment of church activities to the charitable objects/purposes	Appropriate level of leadership and internal reporting, clear communication of church objectives to leaders/volunteers.
Proper management of financial resources	Financial controls & procedures, budgeting process, reserves policy, five year property plan.
Compliance with legislation	Regularly reviewed set of policies covering all areas of church life. Staff/volunteer training.

2021 Covid Arrangements

With the relative easing of lockdown restrictions in 2021 the regular Church Meetings resumed in September 2021. Prior to this, members were kept up-to-date with relevant information via e-mail, WhatsApp and periodic Zoom sessions.

At the November AGM the election of Trustees and Church Officers resumed after being suspended during 2020.

2. Activities

In fulfilling its 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 appropriate. When planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit. In particular, we try to enable ordinary people to live out their faith as part of our church and local community through:

- Worship and prayer; learning about the Gospel; and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the local area.
- Missionary and outreach work.
- Sunday School, Boys' & Girls' Brigades & Youth Work.

Annual Report of the Trustees for the year ending 31st December 2021

To facilitate this work, it is important that we maintain the fabric of the church buildings.

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 teaching, encouragement, welcome and inclusion of young people;
- nurture and growth of Christian disciples;
- education and training for Christian and community service;
- giving and encouraging pastoral care;
- supporting and encouraging charitable social action in the United Kingdom and overseas.

The Church runs a range of activities and organisations for all age-groups. The motivation for all of these has been to demonstrate God's love to the community, to reach out in His name, to bring people into a saving knowledge of His love, to draw them into the Fellowship of His Church and to build up the Church Family.

During 2021 the church's activities started to return to normal with the Covid-19 lockdown restrictions being eased. The activities and organisations normally taking place are:

For Children and Parents:

- **Toddlers:** For children aged 0-3 and accompanying adults, with toys and games, chat, friendship and support.
- **Rhyme Time:** For children aged 0-3 and accompanying adults, with music, chat, friendship and support.

For Young People

- **Girls' Brigade & Boys' Brigade:** Both of the Brigade organisations have a range of classes and activities for every age group from 5 to 22, some leading to Brigade Awards and Duke of Edinburgh's Awards. They are also involved with Sunday Parade Services, regional activities and competitions, and annual camps.
- **'Bible Study'/Youth Group:** An opportunity for young people to go deeper in their worship, prayer and faith. Visits to Soul Survivor, Hillsong, social events and activities, two youth weekends a year.
- **West Wickham & Shirley Baptist Church (WWSBC) Football Academy:** Meets on Saturday Mornings during term time at Forest Academy school, Bridle Road, Shirley for children aged 5 to 16, run in connection with 'Kick London' (Registered Charity).

For Adults

- **Small groups:** Monthly or more frequently, different times of day or evening. 16 small groups meeting for Bible Study, prayer, fellowship, social activities and mutual support.

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- **Prayer events:** monthly meetings for prayer offering different styles and themes, including Mission, world issues, etc.
- **Morning Bible Study:** Friday Mornings. This is also one of the Church's small groups.
- **Lunch Club:** Monday and Thursday lunchtimes. Mostly for older people, a cooked meal, friendship, chat and low-key activities.
- **Art Group:** Friendship and art activities.
- **Ramblers and Amblers:** Two walking groups for different abilities meeting monthly.
- **Occasional or Annual Activities,** including: Pancake Morning, Hot-cross bun Coffee Morning, Easter Egg hunt, Harvest tea, Christmas Lunch/Carol Service, Quiz Night.
- **Courses:** Training courses including: Junior Church Teachers' training, Safeguarding and Newcomers welcome courses.
- **Connect Groups:** Interest-based groups which allow people to get to know each other in an informal setting – Board Games, Amblers, Ramblers, Knit & Natter, Running.

3. Achievements & Performance

During the first part of 2021 we continued in lockdown due to the ongoing covid pandemic. After Easter some activities started to open up again.

During the first three to six months of 2021 the church consisted of the following activities:

- A weekly recorded service which was delivered through the YouTube platform.
- Weekly 'after church' coffee over Zoom.
- A weekly 'Thought for the day' delivered through YouTube.
- A weekly on-line Quiz over Zoom.
- A WhatsApp group for communication and support.
- An increased social presence on Facebook
- Young People's Bible Study over Zoom
- Home groups over Zoom
- Simple in-person covid-secure communion services when government regulations allowed.

A massive thank you goes to all those were involved in setting up and running these activities and kept the mission of the church going during this difficult time.

Once in-person church services were resumed they were, and continue to be, live-streamed via Youtube. On average 150 people watch the services via this method either live or during the following week.

The prolonged enforced isolation which many members experienced during 2021 risked an increase in anxiety, loneliness, and other mental health issues and so an extensive programme of covid-secure visits, regular phone-calls and electronic communication remained in place during 2021. As part of this our most vulnerable members were given regular pastoral packages of food

**Annual Report of the Trustees
for the year ending 31st December 2021**

and other items to help them cope and let them know that they were not alone. The restriction of activities and other difficulties caused an increase in pastoral situations which had to be dealt with by the ministerial and pastoral teams.

During 2021 the church became a vaccination centre for the NHS. The centre operated on average for 3 to 4 days per week, and over 30,000 people received vaccinations. The centre continued into early 2022 but was expected to close as the vaccination programme reduced and moved to doctor surgeries and pharmacies.

4. Financial review

Traditionally the church's main sources of funding are the free-will offerings of church members, and others in attendance at church meetings, and income from hiring out the church's premises and facilities. During 2020 and 2021 the church's income from weekly offerings and rental income has been reduced due to the non-availability of the church premises. However, the church membership has continued to support the church financially and many people who would normally give through the offering have transferred to other methods of giving. The weekly offering was reinstated as part of Sunday worship in early 2022, and some rental activity started towards the end of 2021.

Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 14 and 15 respectively. The Church's total reserves increased by £80,895 during the year, mainly due to revaluation of the church manse and pension liability. The free reserves decreased by £10,435. The balance sheet shows total net assets of £2,292,747 at the end of 2021.

Included in total funds are amounts totalling £33,451 which are restricted. These monies have either been raised for and their use is restricted to specific purposes, or they comprise donations subject to donor-imposed conditions. More details of these restricted funds can be found in note 8 to the accounts together with an analysis of movements in the year.

The church has maintained a strong financial position at the end of 2021, due mainly to the generous levels of giving by members of the congregation.

The building project has not progressed significantly, in the main due to Covid 19, and is not likely to affect the 2022 income/expenditure. The building project has been re-based to focus its attention on the creation of a coffee shop in the foyer area, and the re-purposing of various existing rooms to meet the needs of future projects based around the church being a Hub for the Community.

In addition to the General Fund the church runs several other restricted funds for particular purposes. This includes funds for giving to other organisations such as Baptist Home Mission and Baptist Missionary Society. The Plummer Fund, named after a church member who left a generous bequest, is designated for assistance to young people who undertake missionary work in other

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countries. The Global Legacy Fund is a fund, created from a legacy left by a church member, which has no restricted use and will be used to support various projects during the next few years.

Reserves Policy

The Trustees have established a Reserves Policy which aims to maintain a level of reserves equivalent to three month's average expenditure. The Church believes this is a reasonable and prudent level but would permit variations from this amount where circumstances warrant this. This would be, for instance, where expenditure is so urgent that to delay it would result in even higher costs later. If this situation should arise, then the Church would make plans to rebuild the reserves as quickly as possible.

At 31 December 2021 the church had free reserves of £179,370 (2020: £189,805) as follows:

	2021 £	2020 £
Total reserves	2,292,747	2,211,852
Less: restricted funds	(33,451)	(36,621)
Less: capital funds	(2,102,527)	(2,013,527)
Add: provision (long term)	22,601	28,101
Free reserves	179,370	189,805
Free reserves requirement:		
3 month's budgeted routine expenditure	50,000	50,000

Volunteers

The Church is heavily dependent on its membership and congregation working as volunteers in all aspects of the church's activities, many of which run with little or no impact on the church's expenditure, but nevertheless contribute substantially to the achievement of the church's objectives. No accounting for this time and effort has been included in the financial statements.

5. Plans for Future Periods

As the church moves forward into 2022 the church remains acting as an NHS Vaccination Centre as long as is required by the NHS. As restrictions on activities and public gatherings start to ease, the church will start to open up to in-person meetings both for worship and other weekly activities including youth and children's work.

Annual Report of the Trustees for the year ending 31st December 2021

It is not possible at this stage to make definite plans for the future, but we hope that as the current pandemic is brought under control, we will gradually be able to restart our regular meetings including making our premises available for community use.

6. Statement of Trustees' Responsibilities

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

7. Approval

The report of the Trustees was approved by the Trustees on 6th September 2022 and signed on its behalf by:



Cliff Underhay
Trustee

**Independent Examiner's Report to the Trustees of West Wickham & Shirley Baptist Church
for the year ending 31st December 2021**

I report on the accounts of the Church for the year ended 31 December 2021 which are set out on pages 14 to 29 of the charity report and accounts.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

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

Mr John Helm
17 Heathville Road
London
N19 3AL



Date 19 September 2022

Statement of Financial Activities
for the year ending 31st December 2021

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	153,869	2,530	-	156,399	178,290
Charitable activities	2	33,682	35,152	-	68,834	19,842
Other trading activities	2	1,992	-	-	1,992	5,010
Total		189,543	37,682	-	227,225	203,142
Expenditure on:						
Charitable activities	3	193,057	42,273	-	235,330	207,197
Total		193,057	42,273	-	235,330	207,197
Net income		(3,514)	(4,591)	-	(8,105)	(4,055)
Transfers between funds		(1,421)	1,421	-	-	-
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets		-	-	89,000	89,000	
Net movement in funds		(4,935)	(3,170)	89,000	80,895	(4,055)
Reconciliation of funds:						
Total funds brought forward		161,704	36,621	2,013,527	2,211,852	2,215,907
Total funds carried forward		156,769	33,451	2,102,527	2,292,747	2,211,852

Balance Sheet

As at 31 December 2021

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
Fixed Assets:						
Tangible assets	4	12,887	-	2,102,527	2,115,414	2,018,287
Total Fixed Assets		12,887	-	2,102,527	2,115,414	2,018,287
Current Assets:						
Debtors	5	6,116	3,083	-	9,199	6,704
Cash at bank and in hand		164,811	30,368	-	195,179	218,081
Total Current Assets		170,927	33,451	-	204,378	224,785
Current Liabilities:						
Creditors: Amounts falling due within one year	6	4,444	-	-	4,444	3,119
Net Current assets		166,483	33,451	-	199,934	221,666
Total assets less current liabilities		179,370	33,451	2,102,527	2,315,348	2,239,953
Other Liabilities:						
Defined Benefit Pension Scheme Liability	7	22,601	-	-	22,601	28,101
Total net assets		156,769	33,451	2,102,527	2,292,747	2,211,852
The funds of the charity:						
Unrestricted funds	8	156,769	-	-	156,769	161,704
Restricted income funds	8	-	33,451	-	33,451	36,621
Capital funds	8	-	-	2,102,527	2,102,527	2,013,527
Total charity funds		156,769	33,451	2,102,527	2,292,747	2,211,852

The financial statements were approved by the Trustees on 6th September 2022 and signed on its behalf by:

Paul Bradbury
Trustee



The notes on pages 16 to 29 form part of these accounts.

Notes to the Financial Statements

For the year ended 31 December 2021

1. Accounting Policies

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

Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts have also incorporated the amendments defined in Update Bulletin 1 to the Charities SORP (FRS 102), published on 2 February 2016. The financial statements are drawn up on the historical cost basis of accounting except for the revaluation of the residential freehold land and building which is shown at market value.

The financial statements include all transactions, assets and liabilities for which the Church is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body or those that are informal gatherings of church members.

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

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Church has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

The income from trading activities includes rental income from the letting of church premises which is accounted for when earned.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Church; this is normally upon notification of the interest paid or payable by the bank.

Notes to the Financial Statements

For the year ended 31 December 2021

1. Accounting Policies (continued)

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The Church is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Charitable expenditure includes those costs in fulfilling the Church's principal objects, as outlined in the Report of the Trustees. These include governance costs which comprise all costs involving the public accountability of the Church and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

The church pays pension contributions into the Baptist Pension Scheme, a final salary defined benefit scheme for contributions until 31 December 2011 and a defined contribution scheme for contributions made thereafter. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the church. The scheme is therefore accounted for as a defined contribution scheme, with contributions payable to the scheme being accounted for on an accruals basis. In addition, the church currently pays contributions towards a deficit on the defined benefit scheme. The deficit, discounted to present value, is fully provided in these accounts and the charge to the income and expenditure account, which is included in the total pension cost, is the element of the movement in the provision which relates to the movement in the discount.

Rentals under operating leases are charged as incurred over the term of the lease.

Tangible Fixed Assets

Tangible fixed assets are accounted for as follows:

- The church land and buildings are stated at the 2016 insurance cost of rebuild. Depreciation is not provided as the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.
- The church manse is stated at valuation, with the most recent estimated valuation taking place as at 31 December 2021 and the next valuation is expected to take place for the year ended 31 December 2026. Depreciation is not provided as the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.
- The cost of any furniture, fittings and equipment, of value at least £2,500, is capitalised in these accounts. The cost less any expected residual value, is depreciated on a straight line basis over the effective useful life of the asset, which has been estimated as three years.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Notes to the Financial Statements

For the year ended 31 December 2021

1. Accounting Policies (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

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

Fund accounting

The funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Capital funds – this is the value of property, namely the church buildings and the manse.

2. Income

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Donations and legacies				
Gift Aid	103,715	760	104,475	117,096
Donations	21,220	560	21,780	22,852
Tax Recovered	25,964	190	26,154	31,275
Offering	2,970	20	2,990	7,067
Bequest / Legacy	-	1,000	1,000	-
Total	153,869	2,530	156,399	178,290
Charitable Activities				
Government Grants (Furlough)	-	-		14,086
Fees/Contributions	-	295	295	1,735
Other Income	33,682	34,857	68,539	4,021
Total	33,682	35,152	68,834	19,842
Other trading activities				
Letting Income	1,992	-	1,992	5,010
Grand Total	189,543	37,682	227,225	203,142

Notes to the Financial Statements

For the year ended 31 December 2021

3. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Staff Costs (see note below)	136,666	3,315	139,981	117,272
Building Maintenance	11,500	21,940	33,440	8,892
Equipment/Materials	13,320	1,620	14,940	24,430
Utilities	5,737	8,191	13,928	9,736
Grants/Gifts (see note below)	5,106	2,417	7,523	24,161
Subs/Fees	6,347	670	7,017	7,611
Youth & Children	2,140	2,601	4,741	5,337
Building Development	3,600	-	3,600	-
Insurance	3,168	-	3,168	3,131
Operating Lease (Photocopier)	2,119	-	2,119	1,560
Other	398	1,060	1,458	681
Publicity	756	421	1,177	903
Ind. Examiner's Fee	1,000	-	1,000	950
Office/Printing etc	553	38	591	1,870
Staff Expenses	507	-	507	222
Preaching Fees	140	-	140	441
Total	193,057	42,273	235,330	207,197

Notes to the Financial Statements

For the year ended 31 December 2021

3. Expenditure on charitable activities (continued)

3a Staff Costs

	2021	2020
	£	£
Gross pay	123,014	115,961
Pension contributions	12,974	11,805
Pension contributions (Liability Adj)	(5,500)	(16,875)
Employers NI	10,432	9,475
Employment Allowance	(4,000)	(4,000)
Staff Training	2,299	-
Other Payroll Costs	762	906
Total	139,981	117,272

The average number of staff employed during 2021 is:

Average Head Count	-	6	(2020 – 7)
Average Full Time Staff	-	4	(2020 – 4)
Average Part Time Staff	-	2	(2020 – 3)
Average Full-time Equivalent	-	5	(2020 – 5)

No employees (2020: none) received employee benefits (excluding employer pension costs) of more than £60,000 during the year.

There was no material liability for paid annual leave or sick leave at the end of the reporting period (2020: none), and so no liability has been included in the accounts.

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme (“the Scheme”). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Senior Minister and Minister are eligible to join the Scheme, which is not contracted out of the State Second Pension. A detailed description of the scheme’s surplus/deficit and how it affects the charity is provided in note 9.

Notes to the Financial Statements

For the year ended 31 December 2021

3. Expenditure on charitable activities (continued)

3b. Analysis of Grants

Grants by Recipient Type		Grants by Institution	
	£		£
Grants to Institutions	5,220	Christians against Poverty	4,470
Grants to Individuals	2,303	London Baptist Assoc.	500
Total	7,523	Shrublands Foodbank	225
		SleepPod	25
Grants by Nature of Activity		Total	5,220
	£		
Alleviation of Suffering/Poverty	7,023		
Christian Outreach	500		
Total	7,523		

4. Tangible Fixed assets

Cost or valuation	Freehold land and buildings		
	Church	Manse	Total
	£	£	£
At 1 st January 2021	1,602,527	411,000	2,013,527
At 31 st December 2021	1,602,527	500,000	2,102,527

The capital fund includes the valuation for the church buildings and manse. The church building is included at its 2016 insurance value, while the manse is included at market value. A policy of revaluing the manse every 5 years has been agreed, with the next revaluation due in 2026.

Cost or valuation	Equipment, Furniture & Fittings			
	Net Book Value @ 31/12/2020	Acquisitions during 2021	Depreciation during 2021	Net Book Value @ 31/12/2021
	£	£	£	£
Equipment	4,760	16,440	8,313	12,887

Notes to the Financial Statements

For the year ended 31 December 2021

5. Debtors and prepayments

	2021 £	2020 £
Prepayments	0	0
Other debtors	9,199	6,704
Total	9,199	6,704

Other debtors consist of £2,124 which is tax recoverable on Gift Aided donations and £7,075 which is invoiced charges related to the hire/use of the church building (all received during 2022).

6. Creditors: amounts falling due within one year

	2021 £	2020 £
Loans and overdrafts	0	0
Other creditors	4,444	3,119
Total	4,444	3,119

Other creditors consist of £1,020 representing general purchases of equipment & materials which were purchased in 2021 but for which the invoice was not received until early 2022, accrual of roofing repair costs £2,424, and independent examination fees of £1,000.

7. Provisions

	2021 £	2020 £
Balance brought forward	28,101	44,975
Deficit contributions made in the year	(4,824)	(3,555)
Interest cost	353	735
Remaining change to balance sheet liability	(1,029)	(14,054)
Balance carried forward	22,601	28,101

The provision is in respect of deficit pension contributions due to the Baptist Pension Scheme. The current deficit reduction plan requires contributions to be made until June 2026. The provision has been calculated based on the current deficit contributions, assuming they will increase by inflation and the total liability have been discounted to present value using a market bond rate. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

Notes to the Financial Statements

For the year ended 31 December 2021

Further information on the pension scheme can be found in note 9.

8. Fund description and movements

8a Unrestricted Funds

Fund Name	Balance at 1st Jan 2021	Income	Expenditure	Transfers	Balance at 31st Dec 2021
	£	£	£	£	£
Unrestricted Funds	93,971	189,543	193,057	(1,421)	89,036
Designated Funds					
Plummer Bequest	5,823	-	-	-	5,823
Global Legacy Fund	61,910	-	-	-	61,910
Total Designated Funds	67,733	-	-	-	67,733
Total Unrestricted Funds	161,704	189,543	193,057	(1,421)	156,769

Unrestricted Funds - Prior Year

Fund Name	Balance at 1st Jan 2020	Income	Expenditure	Transfers	Balance at 31st Dec 2020
	£	£	£	£	£
Unrestricted Funds	97,927	173,281	175,863	(1,374)	93,971
Designated Funds					
Plummer Bequest	5,823	-	-	-	5,823
Global Legacy Fund	77,000	-	3,200	(11,890)	61,910
Total Designated Funds	82,823	-	3,200	(11,890)	67,733
Total Unrestricted Funds	180,750	173,281	179,063	(13,264)	161,704

The Global Legacy Fund is a fund, created from a legacy left by a church member, which the church aims to distribute to other causes to further the advancement of the Christian Faith and the relief of poverty.

The Plummer Bequest was a gift left to the church which was put aside to support young people from the church who embark on mission training or mission trips.

Notes to the Financial Statements

For the year ended 31 December 2021

8b Restricted Funds

Fund Name	Balance at 1st Jan 2021	Income	Expenditure	Transfers	Balance at 31st Dec 2021
Restricted Funds					
NHS Vaccine Centre	-	31,375	31,560	-	(185)
Coffee Shop Development	12,500	-	-	-	12,500
Covid 19 Relief Fund	7,833	-	2,305	-	5,528
Building Fund	7,320	50	-	-	7,370
Boys' Brigade	3,070	-	1,782	-	1,288
Other Funds	2,850	4,043	3,020	-	3,873
Mothers & Toddlers	2,311	255	-	-	2,566
Girls' Brigade	700	65	291	-	474
Home Mission	37	-	-	-	37
Lunch Club	-	1,894	3,315	1,421	-
BMS	-	-	-	-	-
Floating Shelter	-	-	-	-	-
Total Restricted Funds	36,621	37,682	42,273	1,421	33,451

Restricted Funds – Prior Year

Fund Name	Balance at 1st Jan 2020	Income	Expenditure	Transfers	Balance at 31st Dec 2020
Restricted Funds					
Coffee Shop Development	-	12,500	-	-	12,500
Covid 19 Relief Fund	-	3,558	5,725	10,000	7,833
Building Fund	6,962	600	242	-	7,320
Boys' Brigade	5,755	756	3,441	-	3,070
Other Funds	2,657	5,528	7,224	1,889	2,850
Mothers & Toddlers	3,607	462	1,508	(250)	2,311
Girls' Brigade	944	742	986	-	700
Home Mission	446	245	654	-	37
Lunch Club	155	5,250	7,030	1,625	-
BMS	374	220	594	-	-
Floating Shelter	730	-	730	-	-
Total Restricted Funds	21,630	29,861	28,134	13,264	36,621

Descriptions of the main restricted funds are as follows:

The Coffee Shop Development fund are monies given specifically toward the Coffee Shop component of the wider building re-development project.

Notes to the Financial Statements

For the year ended 31 December 2021

The Covid 19 Relief Fund was money transferred from the Global Legacy fund to provide relief to members and others known to the church whose personal situations have deteriorated as a result of the effects of Covid 19. This money has been used to provide immediate, short-term relief, in critical situations and has been mainly used to provide food, essential items, and to meet small but urgent financial needs.

The Building Fund represents funds given specifically for the church building re-development project.

The Lunch Club fund is used for the running of the weekly Lunch club which provides a meal for the elderly members of the community. The Lunch Club was closed during 2021 and a service provided by Shirley Neighbourhood Care is now run in its place.

The Boys' Brigade, Girls' Brigade and Mothers & Toddlers funds are held separately for the running of each organisation under the auspices of the church.

The other funds (BMS, Home Mission, Floating Shelter) represent monies given to the church for other charitable organisations that the church has chosen to support, in response to appeals throughout the year.

The NHS Vaccine Centre fund represents costs incurred in preparing and maintaining the building for use by the NHS, e.g. cleaning, gas, electricity, waste disposal. The costs were invoiced to the NHS and they reimbursed the church accordingly.

8c Capital Fund

	Balance at 1st Jan				Balance at 31st
Fund Name	2021	Income	Expenditure	Revaluation	Dec 2021
Capital Fund	2,013,527	-	-	89,000	2,102,527

Capital Fund – Prior Year

	Balance at 1st				Balance at 31st
Fund Name	Jan 2020	Income	Expenditure	Transfers	Dec 2020
Capital Fund	2,013,527	-	-	-	2,013,527

The capital fund represents the value of the church properties – the main church buildings on Wickham Road, and the church manse.

Notes to the Financial Statements

For the year ended 31 December 2021

9. Pension Scheme

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

The Scheme, previously known as the Baptist Ministers’ Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members’ Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Broadstone Corporate Benefits Ltd. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members if they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva Limited.

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

The Ministers are eligible to join the Scheme.

Actuarial valuation as at 31 December 2019

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

Notes to the Financial Statements

For the year ended 31 December 2021

9. Pension Scheme (continued)

The key financial assumptions underlying the valuation were as follows:

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

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

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

Recovery Plan

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

Under the current Recovery Plan signed in September 2020, deficiency contributions are payable until 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.

Notes to the Financial Statements For the year ended 31 December 2021

9. Pension Scheme (continued)

Due to the nature of the Scheme, the profit and loss charge to the General fund for the period represents the employer contributions payable plus the movement in the pension provision (excluding the deficit contributions made in the year). For this scheme the pension cost for the Church is £6,586 made up of Pension Contributions of £11,771, and a Liability Adjustment of £(5,500).

10. Prior Year Adjustments

No prior year adjustments were made to the Opening Balances.

11. Related party transactions and trustee's expenses and remuneration

No trustees were remunerated as part of their role as trustees.

The following trustees were also employed by the church in the following capacities and as such received remuneration as part of their employment:

Mr Jonathan Hills (Senior Minister)

Gross Salary - £32,707

Employer Pension Contributions - £4,000

Was also provided with manse accommodation.

Mrs Sara Kennett (Minister)

Gross Salary (incl. accommodation allowance) - £29,469

Employer Pension Contributions - £2,947

The following close relatives of trustees were employed by the church in the following capacities:

Mr Stuart Kennett (Youth Worker)

Gross Salary - £26,120

Employer Pension Contributions - £596

No trustees incurred expenses whilst fulfilling their role as trustees. Three trustees had a total of £206 reimbursed for expenses incurred while on non-trustee church business. These expenses were limited to travel, accommodation, and subsistence.

The trustees made aggregate unrestricted donations totalling £27,065.

Notes to the Financial Statements

For the year ended 31 December 2021

12. Prior Year Comparatives

	Unrestricted Funds		Restricted Funds		Capital Funds	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Income and endowments from:						
Donations and legacies	153,869	156,701	2,530	21,589	-	-
Charitable activities	33,682	11,570	35,152	8,272	-	-
Other trading activities	1,992	5,010	-	-	-	-
Total	189,543	173,281	37,682	29,861	-	-
Expenditure on:						
Charitable activities	193,057	179,063	42,273	28,134	-	-
Total	193,057	179,063	42,273	28,134	-	-
Net income/(expenditure)	(3,514)	(5,782)	(4,591)	1,727	-	-
Transfers between funds	(1,421)	(13,264)	1,421	13,264	-	-
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets	-	-	-	-	89,000	-
Net movement in funds	(4,935)	(19,046)	(3,170)	14,991	89,000	-
Reconciliation of funds:						
Total funds brought forward	161,704	180,750	36,621	21,630	2,013,527	2,013,527
Total funds carried forward	156,769	161,704	33,451	36,621	2,102,527	2,013,527