

# **West Wickham & Shirley Baptist Church**



## **Annual Report and Accounts 2022**

(Charity Reg. No. 1166796)

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## **Legal and Administrative Information for the year ending 31<sup>st</sup> December 2022**

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### **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	
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 31<sup>st</sup> December 2022**

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**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 31<sup>st</sup> December 2022**

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The Trustees submit their annual report and the financial statements of West Wickham & Shirley Baptist Church (“the Church”) for the year ended 31 December 2022. 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.

### **Going Concern**

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 impact of the 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 2023. This review indicates that it may incur an increased deficit in 2023 but that its cash reserves are more than adequate to absorb that deficit. Accordingly, it has concluded that it is appropriate to prepare the 2022 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 31<sup>st</sup> December 2022**

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### **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 31<sup>st</sup> December 2022

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.

## 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.

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;

## Annual Report of the Trustees for the year ending 31<sup>st</sup> December 2022

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- 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.

The activities and organisations normally taking place are:

### For Children and Parents:

- **Toddlers:** For children aged 0-5 and accompanying adults, with toys and games, chat, friendship and support. During 2022 our Toddler group changed its activities-based sessions to develop a sports themed activity branded as Pickle Sports.
- **Rhyme Time:** For children aged 0-5 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 in regional activities and competitions.
- **'Bible Study'/Youth Group:** An opportunity for young people to go deeper in their worship, prayer and faith. Social events and activities take place together with 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.
- **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.
- **Occasional or Annual Activities,** including: Pancake Morning, Hot-cross bun Coffee Morning, Easter Egg hunt, Harvest tea, Christmas Lunch/Carol Service.



## Annual Report of the Trustees for the year ending 31<sup>st</sup> December 2022

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- **Courses:** Training courses including: Bright Lights 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, Curry Club for men.

### 3. Achievements & Performance

During 2022 the church's activities continued to return to normal with the Covid-19 lockdown restrictions being eased. Provision was made for socially distanced seating in the church services and services continued to be live-streamed for those not able to attend in-person services. In addition communication was maintained and social connections via the following:

- A weekly recorded service which was delivered through the YouTube platform.
- A WhatsApp group for communication and support.
- An increased social presence on Facebook
- Young People's Bible Study
- Home groups

A massive thank you goes to all those were involved in running these activities and keeping the mission of the church going.

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 45,000 people received vaccinations. The centre continued until March 2022.

As the church started to return to normal activities, we were pleased to hold a baptismal service where two of our congregation made public professions of faith by being baptised.

In February 2022, we were saddened to hear of the Russian invasion of Ukraine causing the suffering of many Ukrainian people. This invasion caused many Ukrainian families to flee their homes and travel to other safe countries in Europe. The church was pleased to become a collection point of food, clothing, healthcare, and medical materials for our local community which was taken directly to distribution centres in Ukraine and other East European countries. The church has a direct connection with Ukraine as our Lunch Club chef is a Ukrainian national from Lviv and we were able to continue throughout 2022 supporting her and sending medical supplies to the Ukrainian army on the frontline.

In November 2022 the church was able to host and operate a 'BabyBank' where families could access clothes, toys, equipment, and healthcare items for babies and young children.

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**Annual Report of the Trustees  
for the year ending 31<sup>st</sup> December 2022**

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**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. From 2020 through 2022 the church's income from weekly offerings and rental income reduced due to the non-availability of the church premises, however these have started to move towards pre-covid levels during 2022. Furthermore 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.

**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 decreased by £4,131 during the year. The free reserves decreased by £27,495 but the long term pension liability reduced by £22,601. The balance sheet shows total net assets of £2,288,616 at the end of 2022.

The church has maintained a strong financial position at the end of 2022, due mainly to the generous levels of giving by members of the congregation.

Included in total funds are amounts totalling £34,214 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 building project has been re-based to focus its attention on the creation of a coffee shop, 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 above funds 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 countries.

**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 2022 the church had free reserves of £151,875 (2021: £179,370) as follows:

## Annual Report of the Trustees for the year ending 31<sup>st</sup> December 2022

	2022 £	2021 £
<b>Total reserves</b>	<b>2,288,616</b>	<b>2,292,747</b>
Less: restricted funds	(34,214)	(33,451)
Less: capital funds	(2,102,527)	(2,102,527)
Add: provision (long term)	0	22,601
<b>Free reserves</b>	<b>151,875</b>	<b>179,370</b>
<b>Free reserves requirement:</b>		
3 month's budgeted routine expenditure	<b>50,000</b>	<b>50,000</b>

### 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 2023 the church will seek to continue to serve the community by continuing our current activities and developing other means of service and outreach.

We will continue to develop the BabyBank as usage has demonstrated a big demand for this amongst our parents/carers of our Rhymetime and PickleSports attendees.

Due to the demand of the BabyBank, we will explore the establishment of a 'Pantry' as part of the National charity 'Your Local Pantry'. Initial indications are that visitors to the BabyBank would welcome such a facility. We plan to start a small trial and a room is being prepared to host this.

The church is seeking to establish itself as a hub for the local community and will actively seek to promote this concept by building a coffee shop type facility inside the church with the emphasis on providing a warm, convenient, safe place where people of all ages and backgrounds can find a welcome.

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**Annual Report of the Trustees  
for the year ending 31<sup>st</sup> December 2022**

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**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 10<sup>th</sup> October 2023 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 31<sup>st</sup> December 2022**

I report on the accounts of the Church for the year ended 31 December 2022 which are set out on pages 14 to 28 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 10<sup>th</sup> October 2023

## Statement of Financial Activities for the year ending 31<sup>st</sup> December 2022

		<----- 2022 (current year)----->				<----- 2021 (prior year)----->			
	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds
		£	£	£	£	£	£	£	£
<b>Income and endowments from:</b>									
Donations and legacies	2	166,009	825	-	166,834	153,869	2,530	-	156,399
Charitable activities	2	1,628	17,254	-	18,882	33,682	35,152	-	68,834
Other trading activities	2	20,510	-	-	20,510	1,992	-	-	1,992
<b>Total</b>		<b>188,147</b>	<b>18,079</b>	<b>-</b>	<b>206,226</b>	<b>189,543</b>	<b>37,682</b>	<b>-</b>	<b>227,225</b>
<b>Expenditure on:</b>									
Charitable activities	3	193,041	17,316	-	210,357	193,057	42,273	-	235,330
<b>Total</b>		<b>193,041</b>	<b>17,316</b>	<b>-</b>	<b>210,357</b>	<b>193,057</b>	<b>42,273</b>	<b>-</b>	<b>235,330</b>
<b>Net income</b>		<b>(4,894)</b>	<b>763</b>	<b>-</b>	<b>(4,131)</b>	<b>(3,514)</b>	<b>(4,591)</b>	<b>-</b>	<b>(8,105)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,421)</b>	<b>1,421</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>									
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-	89,000	89,000
<b>Net movement in funds</b>		<b>(4,894)</b>	<b>763</b>	<b>-</b>	<b>(4,131)</b>	<b>(4,935)</b>	<b>(3,170)</b>	<b>89,000</b>	<b>80,895</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		156,769	33,451	2,102,527	2,292,747	161,704	36,621	2,013,527	2,211,852
<b>Total funds carried forward</b>		<b>151,875</b>	<b>34,214</b>	<b>2,102,527</b>	<b>2,288,616</b>	<b>156,769</b>	<b>33,451</b>	<b>2,102,527</b>	<b>2,292,747</b>

## Balance Sheet

### As at 31 December 2022

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£	£
<b>Fixed Assets:</b>						
Tangible assets	4	8,011	-	2,102,527	2,110,538	2,115,414
<b>Total Fixed Assets</b>		<b>8,011</b>	<b>-</b>	<b>2,102,527</b>	<b>2,110,538</b>	<b>2,115,414</b>
<b>Current Assets:</b>						
Debtors	5	6,246	-	-	6,246	9,199
Cash at bank and in hand		140,117	34,519	-	174,636	195,179
<b>Total Current Assets</b>		<b>146,363</b>	<b>34,519</b>	<b>-</b>	<b>180,882</b>	<b>204,378</b>
<b>Current Liabilities:</b>						
Creditors: Amounts falling due within one year	6	2,499	305	-	2,804	4,444
<b>Net Current assets</b>		<b>143,864</b>	<b>34,214</b>	<b>-</b>	<b>178,078</b>	<b>199,934</b>
<b>Total assets less current liabilities</b>		<b>151,875</b>	<b>34,214</b>	<b>2,102,527</b>	<b>2,288,616</b>	<b>2,315,348</b>
<b>Other Liabilities:</b>						
Defined Benefit Pension Scheme Liability	7	-	-	-	-	22,601
<b>Total net assets</b>		<b>151,875</b>	<b>34,214</b>	<b>2,102,527</b>	<b>2,288,616</b>	<b>2,292,747</b>
<b>The funds of the charity:</b>						
Unrestricted funds	8	151,875	-	-	151,875	156,769
Restricted income funds	8	-	34,214	-	34,214	33,451
Capital funds	8	-	-	2,102,527	2,102,527	2,102,527
<b>Total charity funds</b>		<b>151,875</b>	<b>34,214</b>	<b>2,102,527</b>	<b>2,288,616</b>	<b>2,292,747</b>

The financial statements were approved by the Trustees on 10<sup>th</sup> October 2023 and signed on its behalf by:



**Paul Bradbury**  
Trustee

The notes on pages 16 to 28 form part of these accounts.

## Notes to the Financial Statements

### For the year ended 31 December 2022

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#### 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 2022

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#### 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 2022

#### 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 2022	Total 2021
	£	£	£	£
<b>Donations and legacies</b>				
Gift Aided Donations	106,682	-	106,682	104,475
Donations	15,901	255	16,156	21,780
Tax Recovered	29,814	-	29,814	26,154
Offering	13,612	570	14,182	2,990
Bequest / Legacy	-	-	-	1,000
<b>Total</b>	<b>166,009</b>	<b>825</b>	<b>166,834</b>	<b>156,399</b>
<b>Charitable Activities</b>				
Fees/Contributions	-	4,565	4,565	295
Other Income	1,628	12,689	14,317	68,539
<b>Total</b>	<b>1,628</b>	<b>17,254</b>	<b>18,882</b>	<b>68,834</b>
<b>Other trading activities</b>				
Letting Income	20,510	-	20,510	1,992
<b>Grand Total</b>	<b>188,147</b>	<b>18,079</b>	<b>206,226</b>	<b>227,225</b>

## Notes to the Financial Statements

### For the year ended 31 December 2022

### 3. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Staff Costs (see note below)	117,588	-	117,588	139,981
Building Maintenance	16,608	6,640	23,248	33,440
Equipment/Materials	17,985	1,027	19,012	14,940
Utilities	13,771	2,642	16,413	13,928
Grants/Gifts (see note below)	8,639	1,087	9,726	7,523
Youth & Children	2,704	5,539	8,243	4,741
Subs/Fees	6,076	240	6,316	7,017
Insurance	3,778	-	3,778	3,168
Office/Printing etc	1,889	-	1,889	591
Operating Lease (Photocopier)	1,498	-	1,498	2,119
Ind. Examiner's Fee	1,010	-	1,010	1,000
Other	427	141	568	1,458
Staff Expenses	549	-	549	507
Preaching Fees	331	-	331	140
Publicity	188	-	188	1,177
Building Development	-	-	-	3,600
<b>Total</b>	<b>193,041</b>	<b>17,316</b>	<b>210,357</b>	<b>235,330</b>

## Notes to the Financial Statements

### For the year ended 31 December 2022

### 3. Expenditure on charitable activities (continued)

#### 3a Staff Costs

	2022	2021
	£	£
Gross pay	120,960	123,014
Pension contributions	11,074	12,974
Pension contributions (Liability Adj)	(22,600)	(5,500)
Employers NI	11,010	10,432
Employment Allowance	(5,000)	(4,000)
Staff Training	1,490	2,299
Other Payroll Costs	654	762
<b>Total</b>	<b>117,588</b>	<b>139,981</b>

The average number of staff employed during 2022 is:

Average Head Count	-	5	(2021 – 6)
Average Full Time Staff	-	4	(2021 – 4)
Average Part Time Staff	-	1	(2021 – 2)
Average Full-time Equivalent	-	4.5	(2021 – 5)

No employees (2021: 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 (2021: 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 2022

### 3. Expenditure on charitable activities (continued)

#### 3b. Analysis of Grants

Grants by Recipient Type		Grants by Institution	
	£		£
Grants to Institutions	8,106	Shirley Neighbourhood Care	7,208
Grants to Individuals	1,620	Christians against Poverty	600
<b>Total</b>	<b>9,726</b>	DEC	135
		Shrublands Foodbank	120
<b>Grants by Nature of Activity</b>		Other	43
	£	<b>Total</b>	<b>8,106</b>
Alleviation of Suffering/Poverty	8,965		
Christian Outreach	761		
<b>Total</b>	<b>9,726</b>		

### 4. Tangible Fixed assets

Cost or valuation	Freehold land and buildings		
	Church	Manse	Total
	£	£	£
At 1 <sup>st</sup> January 2022	1,602,527	500,000	<b>2,102,527</b>
At 31 <sup>st</sup> December 2022	1,602,527	500,000	<b>2,102,527</b>

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 @ 31/12/2021	Acquisitions during 2022	Depreciation during 2022	Net Book Value @ 31/12/2022
	£	£	£	£
Equipment	12,887	3,780	8,656	<b>8,011</b>

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 5. Debtors and prepayments

	2022 £	2021 £
Prepayments	0	0
Other debtors	6,246	9,199
<b>Total</b>	<b>6,246</b>	<b>9,199</b>

Other debtors consist of £5,506 which is tax recoverable on Gift Aided donations and £740 which is invoiced charges related to the hire/use of the church building (all received during 2023).

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

	2022 £	2021 £
Loans and overdrafts	0	0
Other creditors	2,804	4,444
<b>Total</b>	<b>2,804</b>	<b>4,444</b>

Other creditors consist of £1,754 representing general purchases of equipment & materials which were purchased in 2022 but for which the invoice was not received until early 2023 and independent examination fees of £1,050.

#### 7. Provisions

	2022 £	2021 £
Balance brought forward	22,601	28,101
Deficit contributions made in the year	(2,860)	(4,824)
Interest cost	423	353
Remaining change to balance sheet liability	(20,164)	(1,029)
Balance carried forward	0	22,601

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.

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

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 8. Fund description and movements

##### 8a Unrestricted Funds

Fund Name	Balance at 1st Jan 2022	Income	Expenditure	Transfers	Balance at 31st Dec 2022
	£	£	£	£	£
<b>Unrestricted Funds</b>	89,036	187,397	192,318	-	84,115
<b>Designated Funds</b>					
Plummer Bequest	5,823	750	723	-	5,850
Global Legacy Fund	61,910	-	-	-	61,910
<b>Total Designated Funds</b>	67,733	750	723	-	67,760
<b>Total Unrestricted Funds</b>	<b>156,769</b>	<b>188,147</b>	<b>193,041</b>	<b>-</b>	<b>151,875</b>

##### Unrestricted Funds - Prior Year

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

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 2022

#### 8b Restricted Funds

Fund Name	Balance at 1st Jan 2022	Income	Expenditure	Transfers	Balance at 31st Dec 2022
<b>Restricted Funds</b>					
Coffee Shop Development	12,500	-	-	-	12,500
Building Fund	7,370	-	240	-	7,130
Covid 19 Relief Fund	5,528	-	720	-	4,808
Mothers & Toddlers	2,566	1,773	1,181	-	3,158
Boys' Brigade	1,288	2,490	1,717	-	2,061
BMS	-	538	-	-	538
Girls' Brigade	474	302	547	-	229
Home Mission	37	132	37	-	132
NHS Vaccine Centre	(185)	8,389	8,204	-	-
Other Funds	3,873	4,455	4,670	-	3,658
<b>Total Restricted Funds</b>	<b>33,451</b>	<b>18,079</b>	<b>17,316</b>	<b>-</b>	<b>34,214</b>

#### Restricted Funds – Prior Year

Fund Name	Balance at 1st Jan 2021	Income	Expenditure	Transfers	Balance at 31st Dec 2021
<b>Restricted Funds</b>					
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	-	-	-	-	-
<b>Total Restricted Funds</b>	<b>36,621</b>	<b>37,682</b>	<b>42,273</b>	<b>1,421</b>	<b>33,451</b>

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.

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



## Notes to the Financial Statements

### For the year ended 31 December 2022

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 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	2022	Income	Expenditure	Revaluation	Dec 2022
Capital Fund	2,102,527	-	-	-	2,102,527

#### Capital Fund – Prior Year

	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

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 2022

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#### 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 2022

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

## Notes to the Financial Statements

### For the year ended 31 December 2022

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#### 9. Pension Scheme (continued)

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

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 £(11,526) made up of Pension Contributions of £11,074, and a Liability Adjustment of £(22,600).

#### 10. 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 - £35,377

Employer Pension Contributions - £4,054

Was also provided with manse accommodation.

Mrs Sara Kennett (Minister)

Gross Salary (incl. accommodation allowance) - £29,770

Employer Pension Contributions - £2,977

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

Mr Stuart Kennett (Youth Worker)

Gross Salary - £26,387

Employer Pension Contributions - £604

No trustees incurred expenses whilst fulfilling their role as trustees. Three trustees had a total of £263 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 £26,445.