

West Wickham & Shirley Baptist Church



Annual Report and Accounts 2023

(Charity Reg. No. 1166796)

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Legal and Administrative Information for the year ending 31st December 2023

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	
Mrs June George	(started 01/01/2024)
Mrs Marilyn Boggust	(started 01/01/2024)

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 2023

Bankers

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

Natwest Bank, 33 High St, West Wickham BR4 0LR

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, Tandem Accounting, 17 Heathville Road, London N19 3AL

**Annual Report of the Trustees
for the year ending 31st December 2023**

The Trustees submit their annual report and the financial statements of West Wickham & Shirley Baptist Church (“the Church”) for the year ended 31 December 2023. 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 17). 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 have reviewed its financial forecast for 2024. This review indicates that the church’s income is expected to meet its expenditure in 2024. Accordingly, it has concluded that it is appropriate to prepare the 2023 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 2023

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; and
- 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 2023

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;
- evangelism and mission, locally, regionally, nationally and internationally;
- the teaching, encouragement, welcome and inclusion of young people;

Annual Report of the Trustees for the year ending 31st December 2023

- nurture and growth of Christian disciples;
- education and training for Christian and community service;
- giving and encouraging pastoral care; and
- 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 0-4 and accompanying adults, a sports themed activity branded as Pickle Sports with toys and games, chat, friendship and support.
- **Rhyme Time:** For children aged 0-5 and accompanying adults, with music, chat, friendship and support.

For Young People

- **Girls' Brigade & Boys' Brigade:** Both 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, this is run in partnership with Shirley Neighbourhood Care Scheme
- **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.
- **Courses:** Training courses including: Bright Lights Teachers' training, Safeguarding and Newcomers welcome courses.

Annual Report of the Trustees for the year ending 31st December 2023

- **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 2023 the church's activities continued to develop its commitment to becoming a centre for the local community adopting the theme 'Helping Build a Better Community'. This included the continuation of the Baby Bank, and the establishment of a trial 'Pantry', a franchise of the National initiative 'Your Local Pantry'.

During 2023 a coffee shop was constructed inside the Sanctuary together with a newly installed soft-play area which not only serves Rhyme Time and Pickle Sports but opens to the public on three days per week. This is an opportunity for church members and volunteers to serve the local community and to offer support to those seeking a place of welcome.

During the year we were pleased for our Green Group to establish a Gardening Club meeting regularly each week who set about transforming the church garden and surrounding flower beds, constructing a raised bed for growing flowers and vegetables as well as installing bird boxes and a rainwater capture butt.

In order to encourage healthy travel, the Green Group also installed a cycle rack for visitors to use.

In June we were pleased to receive the Eco Church Bronze Award. The Green Group will seek to gain the next level award!

During the summer we upgraded our heating system by installing a combination of high efficiency Gas boilers, air source heat pumps, and Wi-Fi thermostats in order to reduce the church's use of fossil fuels and to increase the efficiency of the system and improve the comfort of the users of the premises.

During 2023 we were pleased to establish a connection to a football outreach project in deprived areas in Colombia through a connection to one of our church members. We hope this connection will develop into an ongoing support for the project.

The church is pleased to be able to offer specific targeted support to Ukraine through the provision of medical supplies and facilitate fund-raising activities by the local Ukrainian community.

In 2023 we were pleased to hold a baptismal service where two of our young people made public professions of faith by being baptised.

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

Annual Report of the Trustees for the year ending 31st December 2023

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 and 2023. 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 15 and 16 respectively. The Church's total reserves and free reserves decreased by £46,127 during the year. This was largely due to the expenditure on a replacement heating system and fit-out of the church coffee hub. The balance sheet shows total net assets of £2,220,936 at the end of 2023.

The church has maintained a strong financial position at the end of 2023, due mainly to the generous levels of giving by members of the congregation.

Included in total funds are amounts totalling £7,852 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 was 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. This work was started during 2023 with the creation of a coffee hub within the church sanctuary, with soft-play area. Additionally, rooms were re-purposed to create space for the Baby Bank and Pantry.

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.

Towards the end of 2023 the coffee hub opened for trading three half-days per week, selling coffee and refreshments, providing a space for the community to meet. Currently this activity is fully operated by volunteers.

During 2023 the church opened an additional bank account, at Nat West, to provide a local mechanism for banking cash (in response to the closure of the local Lloyds branch) and also to provide a banking facility for the Hub activities.

Annual Report of the Trustees for the year ending 31st December 2023

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 2023 the church had free reserves of £105,748 (2022: £151,875) as follows:

	2023 £	2022 £
Total reserves	2,220,936	2,288,616
Less: restricted funds	(12,661)	(34,214)
Less: capital funds	(2,102,527)	(2,102,527)
Free reserves	105,748	151,875
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.

**Annual Report of the Trustees
for the year ending 31st December 2023**

5. Plans for Future Periods

As the church moves forward into 2024 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 Baby Bank as usage has demonstrated a big demand for this amongst the parents/carers of our Rhyme Time and Pickle Sports attendees. In addition, we are in communication with other local charities together with the London Boroughs of Croydon and Bromley Social Services who are demonstrating a wider demand for this service.

Due to the demand of the 'Pantry', we will further develop the 'Pantry' as part of the National charity 'Your Local Pantry'. From an initial trial it has become clear that there is a greater demand for this service, and we will seek to increase capacity in order that more customers might be accommodated.

The church is seeking to establish itself as a hub for the local community and will actively seek to promote this concept through future developments of 'The Hub' coffee shop and soft play area; we will seek to engage with other agencies in order to provide a warm, convenient, safe place where people of all ages and backgrounds can find a welcome. In addition, we will explore the opportunities to expand the reach of The Hub by providing other activities in partnership with other agencies and Local Authorities – e.g. LB Croydon, LB Bromley, NHS.

**Annual Report of the Trustees
for the year ending 31st December 2023**

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 10th September 2024 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 2023**

I report on the accounts of the Church for the year ended 31 December 2023 which are set out on pages 15 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 30th September 2024

Statement of Financial Activities for the year ending 31st December 2023

		<----- 2023 (current year)----->				<----- 2022 (prior year)----->			
	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	2	201,046	32,179	-	233,225	166,009	825	-	166,834
Charitable activities	2	677	9,755	-	10,432	1,628	17,254	-	17,390
Other trading activities	2	12,814	3,727	-	16,541	20,510	-	-	20,510
Investment Income	2	1,855	-	-	1,855	1,492	-	-	1,492
Total		216,392	45,661	-	262,053	189,639	18,079	-	206,226
Expenditure on:									
Charitable activities	3	262,519	67,214	-	329,733	193,041	17,316	-	210,357
Total		262,519	67,214	-	329,733	193,041	17,316	-	210,357
Net income		(46,127)	(21,553)	-	(67,680)	(4,894)	763	-	(4,131)
Transfers between funds		-	-	-	-	-	-	-	-
Other recognised gains/(losses):									
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-	-	-
Net movement in funds		(46,127)	(21,553)	-	(67,680)	(4,894)	763	-	(4,131)
Reconciliation of funds:									
Total funds brought forward		151,875	34,214	2,102,527	2,288,616	156,769	33,451	2,102,527	2,292,747
Total funds carried forward		105,748	12,661	2,102,527	2,220,936	151,875	34,214	2,102,527	2,288,616

Balance Sheet

As at 31 December 2023

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£	£
Fixed Assets:						
Tangible assets	4	6,987	-	2,102,527	2,109,514	2,110,538
Total Fixed Assets		6,987	-	2,102,527	2,109,514	2,110,538
Current Assets:						
Debtors	5	8,680	3,851	-	12,531	6,246
Prepayments	5	2,354	-	-	2,354	-
Cash at bank and in hand		93,037	9,721	-	102,758	174,636
Total Current Assets		104,071	13,572	-	117,643	180,882
Current Liabilities:						
Creditors: Amounts falling due within one year	6	5,310	911	-	6,221	2,804
Net Current assets		98,761	12,661	-	111,422	178,078
Total assets less current liabilities		105,748	12,661	2,102,527	2,220,936	2,288,616
Other Liabilities:						
Defined Benefit Pension Scheme Liability	7	-	-	-	-	-
Total net assets		105,748	12,661	2,102,527	2,220,936	2,288,616
The funds of the charity:						
Unrestricted funds	8	105,748	-	-	105,748	151,875
Restricted income funds	8	-	12,661	-	12,661	34,214
Capital funds	8	-	-	2,102,527	2,102,527	2,102,527
Total charity funds		105,748	12,661	2,102,527	2,220,936	2,288,616

The financial statements were approved by the Trustees on 10th September 2024 and signed on its behalf by:

Paul Bradbury
Trustee



The notes on pages 17 to 29 form part of these accounts.

Notes to the Financial Statements

For the year ended 31 December 2023

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 2023

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 2023

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 2023	Total 2022
	£	£	£	£
Donations and legacies				
Gift Aided Donations	119,544	19,685	139,229	106,682
Donations	30,445	7,000	37,445	16,156
Tax Recovered	34,514	4,921	39,435	29,814
Offering	16,543	573	17,116	14,182
Bequest / Legacy	-	-	-	-
Total	201,046	32,179	233,225	166,834
Charitable Activities				
Fees/Contributions	-	5,077	5,077	4,565
Other Income	677	4,678	5,355	12,825
Total	677	9,755	10,432	17,390
Other trading activities				
Letting Income	12,814	-	12,814	20,510
Coffee Hub Sales	-	3,727	3,727	-
Total	12,814	3,727	16,541	20,510
Investment Income				
Bank Interest	1,855	-	1,855	1,492
Grand Total	216,392	45,661	262,053	206,226

Notes to the Financial Statements

For the year ended 31 December 2023

3. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Staff Costs (see note below)	146,407	-	146,407	117,588
Building Maintenance	55,572	33,830	89,402	23,248
Equipment/Materials	12,517	9,373	21,890	10,356
Utilities	19,582	-	19,582	16,413
Subs/Fees	5,389	8,863	14,252	6,316
Youth & Children	3,726	7,659	11,385	8,243
Depreciation (Equipment)	8,164	-	8,164	8,656
Grants/Gifts (see note below)	2,506	2,846	5,352	9,726
Insurance	3,098	-	3,098	3,778
Coffee Hub Costs	-	3,317	3,317	-
Office/Printing etc	1,906	163	2,069	1,889
Operating Lease (Photocopier)	1,498	-	1,498	1,498
Publicity	94	1,140	1,234	188
Ind. Examiner's Fee	1,000	-	1,000	1,010
Staff Expenses	729	-	729	549
Preaching Fees	330	-	330	331
Other	1	23	24	568
Building Development	-	-	-	-
Total	262,519	67,214	329,733	210,357

3a Staff Costs

	2023	2022
	£	£
Gross pay	129,923	120,960
Pension contributions	9,023	11,074
Pension contributions (Liability Adj)	-	(22,600)
Employers NI	11,657	11,010
Employment Allowance	(5,000)	(5,000)
Staff Training	108	1,490
Other Payroll Costs	696	654
Total	146,407	117,588

The average number of staff employed during 2023 is:

Average Head Count	-	5	(2022 – 5)
Average Full Time Staff	-	4	(2022 – 4)
Average Part Time Staff	-	1	(2022 – 1)
Average Full-time Equivalent	-	4.5	(2022 – 4.5)

Notes to the Financial Statements

For the year ended 31 December 2023

3. Expenditure on charitable activities (continued)

No employees (2022: 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 (2022: 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.

3b. Analysis of Grants

Grants by Recipient Type

	£
Grants to Institutions	3,969
Grants to Individuals	1,383
Total	5,352

Grants by Nature of Activity

	£
Alleviation of Suffering/Poverty	3,829
Christian Outreach	1,523
Total	5,352

Grants by Institution

	£
Shirley Neighbourhood Care	2,170
Baptist Missionary Society	647
George Muller Charitable Trust	520
London Baptist Association	356
Pilgrims Hospice	136
Shrublands Foodbank	125
Other	15
Total	3,969

Notes to the Financial Statements
For the year ended 31 December 2023

4. Tangible Fixed assets

Cost or valuation	Freehold land and buildings		
	Church	Manse	Total
	£	£	£
At 1 st January 2023	1,602,527	500,000	2,102,527
At 31 st December 2023	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 @ 31/12/2022	Acquisitions during 2023	Depreciation during 2023	Net Book Value @ 31/12/2023
	£	£	£	£
Equipment	8,011	7,140	8,164	6,987

Notes to the Financial Statements

For the year ended 31 December 2023

5. Debtors and prepayments

	2023 £	2022 £
Prepayments	2,354	0
Other debtors	12,531	6,246
Total	14,885	6,246

Prepayments consists of insurance policies and music licenses incepting in 2023 but covering part of 2024.

Other debtors consist of £12,531 which is tax recoverable £12,027 on Gift Aided donations and £504 which is invoiced charges related to the hire/use of the church building (all received during 2024).

6. Creditors: amounts falling due within one year

	2023 £	2022 £
Loans and overdrafts	0	0
Other creditors	6,221	2,804
Total	6,221	2,804

Other creditors consist of £6,221 representing general purchases of equipment & materials which were purchased in 2023 but for which the invoice was not received, or payment not made, until early 2024 and independent examination fees of £2,050 (covering both 2022 & 2023 accounts).

7. Provisions

	2023 £	2022 £
Balance brought forward	0	22,601
Deficit contributions made in the year	0	(2,860)
Interest cost	0	423
Remaining change to balance sheet liability	0	(20,164)
Balance carried forward	0	0

The provision for pension deficit liability was cleared in 2022. Further information on the pension scheme can be found in note 9.

Notes to the Financial Statements

For the year ended 31 December 2023

8. Fund description and movements

8a Unrestricted Funds

Fund Name	Balance at 1st Jan 2023	Income	Expenditure	Transfers	Balance at 31st Dec 2023
	£	£	£	£	£
Unrestricted Funds	84,115	216,392	201,273	-	99,233
Designated Funds					
Plummer Bequest	5,850	-	-	-	5,850
Global Legacy Fund	61,910	-	61,246	-	664
Total Designated Funds	67,760	-	61,246	-	6,514
Total Unrestricted Funds	151,875	216,392	262,519	-	105,748

Unrestricted Funds - Prior Year

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

The Global Legacy Fund is a fund, created from a legacy left by a church member, which the church used during 2023 to partially fund the replacement of the church heating system and the fit-out of the church coffee hub.

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 2023

8. Fund description and movements (continued)

8b Restricted Funds

Fund Name	Balance at 1st Jan 2023	Income	Expenditure	Transfers	Balance at 31st Dec 2023
Restricted Funds					
Heating Fund	-	26,006	26,006	-	-
Coffee Shop Development	12,500	7,125	19,625	-	-
Building Fund	7,130	-	6,313	186	1,003
Mothers & Toddlers	3,158	2,994	4,735	-	1,417
Hub Trading	-	3,907	3,317	-	590
Boys' Brigade	2,061	1,284	1,442	-	1,903
Fellowship Fund	-	500	1,047	1,093	546
Girls' Brigade	229	799	521	-	507
Home Mission	132	224	356	-	-
Baby Bank	-	616	101	-	515
BMS	538	-	-	-	538
Covid 19 Relief Fund	4,808	-	-	-	4,808
Other Funds	3,658	2,206	3,751	(1,279)	834
Total Restricted Funds	34,214	45,661	67,214	-	12,661

Restricted Funds – Prior Year

Fund Name	Balance at 1st Jan 2022	Income	Expenditure	Transfers	Balance at 31st Dec 2022
Restricted Funds					
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
Total Restricted Funds	33,451	18,079	17,316	-	34,214

Notes to the Financial Statements

For the year ended 31 December 2023

8. Fund description and movements (continued)

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 hub development project.

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

During 2023 the surplus funds from the CAP support fund, £1,093, were transferred to the fellowship fund to support small donations to alleviate poverty in the church and community. The surplus funds given to provide a bench at the front of the church, £186, were transferred to the building fund.

8c Capital Fund

Fund Name	Balance at 1st Jan 2023	Income	Expenditure	Revaluation	Balance at 31st Dec 2023
Capital Fund	2,102,527	-	-	-	2,102,527

Capital Fund – Prior Year

Fund Name	Balance at 1st Jan 2022	Income	Expenditure	Revaluation	Balance at 31st Dec 2022
Capital Fund	2,102,527	-	-	-	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 2023

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 2023

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 2023

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 £9,023.

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 - £4,489

Was also provided with manse accommodation.

Mrs Sara Kennett (Minister)

Gross Salary (incl. accommodation allowance) - £32,232

Employer Pension Contributions - £3,187

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

Mr Stuart Kennett (Youth Worker)

Gross Salary - £28,252

Employer Pension Contributions - £660

No trustees incurred expenses whilst fulfilling their role as trustees. Three trustees had a total of £287 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 £30,975.