



Registered Charity No: 1193212

Unaudited Report and Financial Statements
for the year ended 31 December 2022

CHEAM BAPTIST CHURCH

Unaudited Report and Financial Statements for the year ended 31 December 2022

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report together with the financial statements of Cheam Baptist Church (CBC) for the year ended 31 December 2022:

Reference and administrative details

Registered Charity number:	1193212
Principal Office:	4 Park Road, Cheam, Sutton. SM3 8QB
Independent Examiner:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton. SM1 2SW
Bankers:	Barclays Bank PLC, Wimbledon 3, Leicester. LE87 2BB CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling. ME19 4JQ Kingdom Bank Ltd, Media House, Padge Road, Beeston, Nottingham. NG9 2RS Metro Bank PLC, 83-87 High Street, Sutton. SM1 1JF
Solicitors:	Edward Connor, 10 The Point, Market Harborough, LE16 7QU

Trustees

Pastors

Butcher, Nigel P	Elected July 15	Senior Pastor
Fry, Christopher L	Elected Feb 17	Associate Pastor

Elders

Bentley, David J	Re-elected June 21
Cornish, Nicholas C	Re-elected June 22
Fletcher, Peter J	Elected June 21
Williams, Bruce R	Elected June 21
Wyman, Matthew C	Re-elected June 21

Deacons

Espejo, Genefer D	Deacon	Elected Nov 20
Goddard Neil C	Treasurer	Stood Down June 22
Green, Neal J	Chair of Trustees	Elected June 22
Hore, David S	Personnel Deacon	Re-elected June 21
Wright, Peter	Deacon	Elected June 22

Property

As at 31 December the London Baptist Property Board acts as Custodian Trustee for the following freehold properties: the main church building, Church Halls, and 12 Park Road, with CBC having beneficial use of the premises. These premises are recognised as leasehold premises. The remaining church (freehold) premises are held in the name of CBC (the new CIO).

Finance Committee

As at 31 December 2022 CBC's Finance Committee was made up as follows:

Chairman	David Bentley	Elder, acting Church Treasurer
Elected members	Chantler, Paul A Goddard Neil C Hore, David S Lock, Stephen B Street, Wendy K Wright, Janice M	Church Member Church Member Personnel Deacon Church Member Church Member Church Member

Structure, Governance and Management

Structure

CBC was founded in 1862 and constituted as an unincorporated charity by trust deed of 3 August 1907. It was registered with the Charity Commission in 2009 (no. 1129111). On 1 April 2022, the Church transferred all of its assets, liabilities and activities to a new Charitable Incorporated Organisation (CIO) (no. 1193212), which retains the same name. CBC is now governed by its constitution. Incorporation makes no substantial difference to the assets, liabilities, or activities of the Church, but is expected to simplify some aspects of its governance and administration, and gives the Charity Trustees the benefit of limited liability. These financial statements are the first of the Charitable Incorporated Organisation. The 2022 figures comprise the operations of the unincorporated charity and the CIO. The comparative figures relate to the unincorporated charity.

Membership of CBC is confined to persons who confess faith in the Lord Jesus Christ, who accept CBC's 'Basis of Faith', and whose application for Membership has been approved at a Church Meeting. Pastors, Elders and Deacons are *ex officio* trustees appointed by the Members of CBC. In 2022 there were seven Church Members' Meetings.

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Roles of Trustees

CBC's Trustees manage the affairs of CBC, with all important decisions being put to CBC's Members at Church Members' Meetings. In general, the Elders and Deacons, under the oversight of CBC members, concentrate respectively on spiritual affairs and practical affairs. The Senior Pastor is responsible for the day-to-day operation of CBC assisted by the Associate Pastor, a part-time Church Co-ordinator and a Church Operations Manager. During 2022 CBC's Trustees met 5 times (as trustees of the CIO, and 3 times as trustees of the former unincorporated charity) to manage CBC's affairs.

Appointment of Trustees

Pastors are appointed for an indefinite term at a Special CBC Members Meeting and Elders and Deacons are elected from church members also as *ex officio* Trustees and are appointed for a three-year term, renewable for two further consecutive three-year terms. Thereafter there must be an interval of at least one year before they can be appointed again. CBC Members are notified of retiring Elders and Deacons and invited to nominate CBC Members for election as Elders and Deacons at the Annual Fellowship Meeting, usually held in June.

Trustees' Induction and Training

Trustees have access to the Trustees area of CBC's website containing, *inter alia*, minutes of Trustees' meetings, CBC policies, governance documents and relevant Charity Commission publications. Trustees are kept updated on developments in Charity practice and law by the Trustee Chair.

Principal risks and uncertainties

The Trustees have identified the major risks to which CBC could be exposed. Systems and procedures have been established to meet those risks. CBC maintains a Risk Register identifying general and financial risks and proposing remedial measures for regular review. Major identified risks are:

- **Safeguarding:** is paramount given the many children, young people, and vulnerable adults that we are regularly in contact with. Safeguarding Policies for both Children and Adults are in place, regularly updated and available on the Church website. There are named Safeguarding Leads for each policy area. Safeguarding is a standing agenda item at both Trustee and Church meetings and a Safeguarding group meets regularly. DBS checking is kept up to date. A Trustee has oversight of this Policy area.
- **Loss of key management personnel:** loss of any of our key staff would have adverse impact. Temporary replacement is feasible, but there are few other actions or mitigations Trustees consider appropriate as it would take time to advertise/recruit replacements. We are also reliant on some key volunteers with finance expertise and seek to mitigate this risk by ensuring financial tasks and information are shared as much as possible.
- **Loss of premises:** major damage to CBC's buildings would disrupt our weekly activities considerably. Alternative premises would be urgently needed, with all the implications that would bring. A Property Team oversees maintenance of CBC's properties with fire preventative precautions and systems in place. Regular checks of fire systems are carried out and fire training is periodically given, each term in Pre-School, and to CBC members generally, the last one in May 2019. COVID-19 has delayed further training, but also has advanced our ability to continue services and meetings online which would somewhat mitigate the effect of loss of premises.

Key Management Personnel

The Trustees consider that the Pastors and Trustees of CBC are the Key Management Personnel. Details of remuneration of Key Management Personnel are disclosed in Note 8. Remuneration of Pastors is agreed by a Remuneration Panel consisting of three independent Trustees.

Related Parties

Details of related party transactions are disclosed in Note 18.

The London Baptist Property Board allows the Church to use the Church, Church Halls, and 12 Park Road premises.

Nigel Butcher, Pastor and Trustee, is a Trustee of Sutton Schools Christian Workers Trust, which receives an annual donation for the support of its workers in local schools. David Hore, a CBC Trustee, is an employee of CES, an electrical contracting company specialising in church lighting that occasionally carries out electrical work for CBC. Until Feb 2022 Luke Cornish, son of trustee Nicholas Cornish, rented the Point Flat which is also regularly used for Youth meetings.

The Charity Commission confirmed the Church Members' decision to fund Luke Cornish's Theological Training at Crosslands College. Trustees submit Declarations that they are 'Fit and Proper Persons' under the Finance Act 2010 and of any potentially conflicting interests and, at each Trustees' meeting, to declare any new potential conflict of interest. A Policy is in place defining procedures to ensure Conflicts of Interest are properly dealt with.

In December, Anna Fry, wife of Chris Fry (Pastor and Trustee) was appointed Pre-School Manager following recruitment by fair and open competition, commencing January 2023. Conflicts of interest were properly managed throughout the appointment process. Full disclosure has been made to the Charity Commission, who have authorised the appointment.

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Volunteers

Much of the regular work in maintaining and cleaning the premises is undertaken voluntarily by CBC Members but, where necessary, outside contractors are used. About 100 volunteers, mostly CBC members, help to run CBC's activities, including Trustees, Finance Team, World Mission Partners, Growth Group leaders, Sunday Club and other youth activity leaders, musicians, church cleaners, DIY helpers and others.

Objectives and activities of Cheam Baptist Church 2022 – Public Benefit

The purposes of CBC, as set out in its constitution, are:

- the advancement of the Christian faith in accordance with its Basis of Faith, primarily but not exclusively within Cheam, Sutton, Surrey and the surrounding neighbourhood;
- the advancement of education; and
- such other charitable purposes as shall, in the opinion of the charity trustees, put into practice the Christian faith in accordance with the Basis of Faith,

As a Christian Church CBC's primary purposes are to serve and glorify God, to advance the Christian Faith by promotion of the Gospel i.e. that all people need to be reconciled to a Holy God and can be so only through Jesus Christ who gave His life to achieve this, to obey Jesus' command *"to go and make disciples"* and to seek to equip people, through God's power, to serve God in the community. CBC believes that the Bible is true, teaches what God is like and provides a guide for living. CBC welcomes people of all ages and backgrounds and seeks to benefit both Cheam and the wider community elsewhere in the UK and overseas.

1. The work at CBC

Objective: to enable the good news of Jesus to build up the church members.

Outcomes:

- As of December 2022, CBC had a formal membership of 237. During the course of the year, 10 new members joined, 5 members died and 7 members moved away and joined other churches (including 2 working as missionaries who we continue to support), representing a net decrease of 2 on 2021. Although formal membership has marginally decreased, the number of people attending our services has increased, including several families from Hong Kong and Ukraine. CBC's Membership and wider congregation is very diverse, being made up of over 40 nationalities and is uniformly spread over its age demographic.
- We resumed Sunday morning and evening services in-person and without restrictions on capacity. Attendance at morning services has grown to around 300 and around 40-50 at evening services. We continue to live-stream our Sunday morning and Christmas services on YouTube, particularly for members who cannot attend in person, regularly receiving around 150 views online. To meet the needs of an increasing number of families from Hong Kong and Ukraine attending, we have started providing notes for services in Ukrainian and Chinese.
- Weekday Growth Groups for Bible study and prayer were held, regularly attended by 60-90 people. Growth Groups provide an opportunity for participants to develop their faith and their understanding of Christian teaching, support one another through prayer and providing for practical needs. Although most meetings have resumed in-person, we have continued to use Zoom where it is beneficial, for groups that cannot meet in person. Also, for missionary prayer meetings, allowing our missionaries from around the world to join and share with us in 'real time'. This has significantly boosted attendance and prayer for our missionaries.
- Various men's, women's and other meetings and study groups were held to encourage Bible study, spiritual growth, prayer, discussion of Christian subjects, training in evangelism and to introduce newcomers to CBC. We have provided training evenings for a number of our volunteer teams including children's and youth leaders, Growth Group leaders and musicians.

Targets: To continue and expand all current CBC activities; to introduce more members of the local community to the Christian faith, and to seek to find new activities to facilitate doing so.

2. The work in the community

Objective: To enable the good news of Jesus to bring blessing to our local community

Outcomes:

- As well as Sunday Services, CBC continued to organise weekly activities to which members of the local community are invited. Little Tots (a group for carers and their children under 4 years old) meets weekly, with an increasing number of families attending this year. The Quilters sewing groups met in person again this year – meeting every Tuesday in The Point – morning and evening. Plus Point is a group for those who are retired, offering friendship and support. There has been the usual mix of quizzes and talks. A highlight of the year was an afternoon tea to celebrate the Queen's Platinum Jubilee. Numbers have remained steady with a regular group of around 20 meeting each week.
- Our children's and youth work continues to thrive. Numbers at our Friday evening youth groups are increasing, with 30-40 children and 25-30 young people. Sunday children's and youth activities are also seeing increased and more diverse attendance (including an influx of children from Hong Kong). There has been an increase in numbers of children with SEN and we are seeking to develop our ministry to them with the appointment of an Additional Needs Co-Ordinator (volunteer). A successful youth weekend away was run in February, which will be repeated in March 2023.

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Outcomes (cont'd):

- Throughout March and April we held several events to invite non-church friends to hear the good news about Jesus. These included an afternoon tea for seniors (ca.40 attended), a Chinese meal for women (ca.80 attended) and an Easter scavenger hunt for families. We also re-ran the Mark Drama (a dramatic presentation of Mark's Gospel) in collaboration with 5 other local churches; performances were attended by over 150 people.
- In Spring 2022 we started Conversation Point, a new weekly group for Internationals to practice English conversation. There are over 60 people on the register with 20 attending regularly. There is a large group from Hong Kong and a growing group of women from Ukraine. We have also welcomed people from Sri Lanka, Latvia, Mexico, Brazil, Spain, Albania, Mongolia, Russia, Afghanistan, Portugal and Iraq. The group has also arranged outings, helped individuals with job seeking, and has contributed to a growing number of internationals attending church services.
- CBC continues to run a popular and well-regarded Pre-School, attended by ca.50 children aged 2½ to 5. In 2019 this received an OFSTED 'Good' rating.
- CBC took carol singers to 2 local streets for community carols singing; held "Carols on the Green" on Christmas Eve which was attended by about 200 local people; and hosted a reflective carol service for the bereaved as well as our main carol services in church.
- CBC supports Sutton Schools Christian Workers Trust, Sutton Street Pastors and Sutton Foodbank, Church members are also involved in helping with Sutton Foodshop.
- At our 2022 Holiday Club it was great to be able to have over 60 children back on site in one group doing the usual activities; we're delighted that some of them have since joined our Kids Club.
- The Pastors took 2 weddings and 6 funerals and 1 baptism in 2022.

Targets: During 2023 CBC aims to continue with most of these activities.

3. CBC's work nationally and internationally

Objective: To enable the good news of Jesus to be spread both nationally and internationally

Outcomes:

- CBC financially supported Missionaries directly connected with CBC in Brazil, Poland, South Africa, USA, Moldova and Christian nationals working in Ukraine, as well as missionaries working in the UK.
- Individual CBC members are involved with numerous Christian organisations such as Tear Fund, Release International.
- Nic Bianchi was able to take a planned trip assisting partners in Moldova, helping to deliver a holiday club for young people and refugee relief.
- Nigel Butcher took part in 2 convoys to take supplies of essential aid to Ukraine, linking up with our missionaries in Poland who have also been providing support to Ukraine. Individual families have also, with support and encouragement from CBC, participated in the Homes for Ukraine scheme.
- Through membership of the Fellowship of Independent Evangelical Churches, CBC is linked to the work of 600+ churches in the UK. CBC's Pastors and Community Worker attended workshops and leaders' meetings during the year.

Targets: To maintain support for world mission and our current missionaries, to continue our engagement with the church in Moldova and membership/involvement with FIEC,

Impact

The impact of CBC in sharing the good news about Jesus Christ is changed lives. It gives us unchanging hope in the face of the uncertainties of the world today, supporting people through the pandemic and the current international and financial crisis. We see its impact in individuals coming to faith and growing in their faith. We also see it as a community that shows compassion and care for one another, to the local community and in the wider world, meeting practical, social and spiritual needs, as evidenced in the description of our activities and outcomes above.

Serious Events

None to report.

Public Benefit

The Trustees consider the objectives and activities listed above to be of Public Benefit, and the summary of achievements to be an indication of their performance and contribution to the Christian church and generally to the local and wider community. The Trustees confirm they have had due regard to the guidance issued by the Charity Commission on Public Benefit when planning their objectives and activities for the year.

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Unaudited Report and Financial Statements for the year ended 31 December 2022

Financial Review

These Financial Statements have been drawn up in compliance with the Statement of Recommended Practice (SORP), revised 2019, and 'The Financial Reporting Standard applicable in the UK & Republic of Ireland' (FRS102).

Total unrestricted income of £458,000 (2021: £403,000) once again has exceeded expenditure £416,000 (2021: £390,000) resulting in Net Income of £42,000 (2021: £13,000): a healthy position as a result of some generous one-off gifts, together with delay in carrying out some large property projects. Adding the Pre-school contribution of £10,000, less a £50,000 transfer from the General Fund to the Designated Fabric Fund, resulted in a Net Movement in Funds of £2,000.

Following this transfer, the Fabric Fund has increased from £110,000 to £144,000, after accruing £16,000 for a Property Study.

The 2023 budget for the General Fund was agreed by CIO members in November 2022, anticipating a deficit of £34,000, including costs of a number of substantial projects that had been delayed during the 'covid years'. There are substantial reserves to cover this – see below under 'Reserves Policy'.

Pre-school incurred a loss for the year of £19,000 after their contribution to the main church accounts as mentioned above, but still has reserves of £50,000. A budget for 2023 has been drawn up with strategies to deal with any further potential deficits.

The Financial Statements and Notes to the Financial Statements for the year ending 31 December 2022 on pages 8 to 17, outline the manner in which the Church's funds have been applied.

Reserves policy

At the year end the Church had total reserves of £2,082,000 (2021: £2,070,000) of which £59,000 (2021: £70,000) were restricted and £1,930,000 (2021: £1,909,000) were designated. Free reserves (general funds) were £93,000 (2021: £91,000).

The Reserves Policy states that the Church is to maintain unrestricted funds at a level which equates to twenty-five per cent of annual budgeted expenditure for the forthcoming year. For 2023 expenditure is forecast to be £400,000 thus calling for reserves of c£100,000. Current Reserves are £237,000 - policy well met.

The Church Pre-school (restricted funds) has the same policy. For 2022 total expenditure was £131,000 (budget for 2023 being considered, but expenditure expected to be about the same) thus calling for reserves of c£33,000. Current Reserves are £50,000 – policy met.

Trustees' responsibilities in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including financial reporting standard FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and 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 income and expenditure 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

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Independent examination

Jacob, Cavenagh & Skeet were reappointed as the Independent Examiners to the Church at the Annual Fellowship Meeting held in June 2022.

Approved by the Trustees and signed on their behalf by:



Trustee: N J Green (Chair of Trustees)



Trustee: D J Bentley (Acting Church Treasurer)

Date: 7th May 2023

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Independent examiner's report to the trustees of Cheam Baptist Church

I report to the charity trustees on my examination of the accounts of the Cheam Baptist Church (the Charity) for the year ended 31 December 2022 set out on pages 8 to 17.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

1. accounting records were not kept in respect of the Charity 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 Report) 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; or
4. the accounts have not been prepared in accordance with the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)

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



Miriam Hickson CTA FCA
Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 9 May 2023

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Statement Of Financial Activities for the year ended 31 December 2022

Note	Unrestricted Funds			Restricted Funds			Total	
	General	Designated		2022	2021		2022	2021
	2022	2022	2021	£000	£000	£000	£000	£000
Income from:								
Voluntary income								
2	423	-	376	-	-	13	459	389
3	5	-	-	-	-	3	5	3
	8	-	3	-	-	-	8	3
4	-	-	-	-	-	-	-	-
	3	-	1	-	-	1	5	2
5	18	-	23	-	-	-	18	23
	1	-	-	-	-	-	1	-
	458	-	403	-	-	141	618	544
Expenditure on:								
Charitable Activities								
6	32	-	28	-	-	-	32	28
7	90	29	81	-	-	-	119	94
8	179	-	176	-	-	105	300	281
9	27	-	17	-	-	24	65	41
10	88	-	88	-	-	4	90	92
	416	29	390	13	13	133	606	536
	42	(29)	13	(13)	(13)	8	12	8
	10	50	15	-	-	-	60	15
	(50)	-	-	-	-	(15)	(60)	(15)
	2	21	28	(13)	(13)	(7)	12	8
	91	1,909	63	1,922	1,922	77	2,070	2,062
	93	1,930	91	1,909	1,909	70	2,082	2,070

All activities relate to continuing activities.
The Church has no recognised gains or losses other than those included above

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Balance Sheet as at 31 December 2022

Note		2022	2021
		£000	£000
	Fixed Assets		
11	Tangible Fixed Assets	1,786	1,799
	Current Assets		
12	Debtors and prepayments	28	17
	Short term deposits including Cash at Bank	304	270
		332	287
	Current Liabilities:		
13	Due within one year	36	16
		36	16
	Net Current Assets	296	271
15	Net Assets	2,082	2,070
	Funds		
14	Restricted	59	70
	Unrestricted:		
15	General	93	91
16	Designated		
	Fixed Assets Fund	1,786	1,799
	Other Designated Funds	144	110
		2,082	2,070

Approved by the Trustees and signed on their behalf by



Trustee: D J Bentley (Acting Church Treasurer)



Trustee: N J Green (Chair of Trustees)

Date: 7th May 2023

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Statement of Cash Flows for the year ended 31 December 2022

	2022 £000	2022 £000	2021 £000	2021 £000
Cash flows from operating activities				
Net income/(expenditure)	12		8	
Adjustments for:				
Depreciation	13		13	
Interest income	(1)		-	
(Increase) Decrease in trade and other receivables	(11)		7	
Increase (Decrease in) trade and other payables	20		6	
Cash flows generated from operations		33		34
Interest paid		-		-
Net cash flow from operating activities		33		34
Cash flows from investing activities				
Interest received	1		-	
		1		-
Net increase / (decrease) in cash		34		34

Note to the Statement of Cash flows (2022)

	At 1 January 2022 £000	Cash flows £000	Non cash movements £000	At 31 December 2022 £000
Cash at bank	270	34	-	304
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
Net cash	270	34	-	304

Note to the Statement of Cash flows (2021)

	At 1 January 2021 £000	Cash flows £000	Non cash movements £000	At 31 December 2021 £000
Cash at bank	236	34	-	270
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
Net cash	236	34	-	270

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Notes to the Financial Statements for the year ended 31 December 2022

1 Accounting policies

The Church is a charitable incorporated organisation, governed by its constitution. The Church is a registered charity, number 1193212. Its principal office is 4 Park Road, Cheam, Sutton SM3 8QB. The Church meets the definition of a public benefit entity under FRS 102.

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

(a) Basis of Accounting

The financial statements are prepared in accordance with the Church's Trust deed, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting. The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest thousand pounds.

Charity reconstruction

On 1 April 2022 the unincorporated charity converted to a charitable incorporated organisation, but its name, purpose and beneficiary class remained unchanged. The transfer of business has been accounted for as a group reconstruction using merger accounting. The assets and liabilities of the unincorporated charity have therefore been shown in these accounts at their book value. The 2022 figures comprise the operations of the unincorporated charity and the CIO. The comparative figures included in the statement of financial activities relate to the unincorporated charity.

Going concern

The trustees have prepared detailed forecasts and cashflow projections which they believe are based upon reasonable assumptions. The forecasts show that the charity should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

(b) Income

It is the policy of the Church to reflect all donations, gifts and grants in the Financial Statements in the year in which they are received. Tax is recoverable on income received under Gift Aid. Tax recoverable is accounted for in the year in which the donations etc. are received. Legacies are reflected in the Financial Statements in the year in which they are notified. Government Grants are recognised in income when the proceeds are received or receivable.

All undesignated income is applied to the Unrestricted (General) Fund, from which all the general running expenses are met. Unrestricted designated funds exist for different functions of the church and to assist with administration. These funds may receive an allocation from the Unrestricted (General) Fund each year in accordance with the approved Budget.

Restricted income is income which can only be used for the purposes specified by the donor.

(c) Expenditure

Expenditure is charged to the Financial Statements on an accrual basis.

Costs of activities directly relating to the work of the church is all expenditure directly relating to the objects of the church. Such costs are allocated between the five charitable activities cost categories included in the Statement of Financial Activities.

Grants payable are payments made to third parties in furtherance of the Church's objectives. Grants are accounted for once the recipient has been notified of the grant award.

(d) Tangible Fixed Assets

In accordance with FRS102, the Church has not adopted a policy of revaluation. Freehold land and buildings purchased prior to 1996 were brought into the balance sheet at a valuation as at December 1996. These values were then treated as deemed costs. Since 1996, properties have been capitalised at cost.

Where the church enjoys the right to use the premises, without acquiring legal ownership, the fair value of the asset when first made available is recognised as income and a fixed asset.

Fixtures and fittings purchased prior to 1996 are considered by the Trustees to be of no net book value. Purchases of fixtures, fittings, furniture, and equipment under £5,000 are not capitalised.

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1 Accounting policies (cont'd)

(e) Depreciation

Freehold buildings: The church has a policy in place of carrying out regular maintenance and repairs (charges for which are recognised in the SOFA) such that the asset is kept to its previously assessed standard of performance. Freehold land and buildings are not depreciated as the difference between their residual value and their carrying amount is such that any depreciation charged, and cumulative depreciation, would not be material. An impairment review of such fixed assets in accordance with FRS 102 section 27 is carried out as at 31 December each year.

Leasehold buildings: The London Baptist Property Board acts as Custodian Trustee of the Church, Church Halls and Church House at 12 Park Road. The Church, as beneficial user, pays no rent, but insures, repairs, and enjoys the unfettered use of them so it is considered the leaseholder. As we have an indeterminate long lease the Trustees consider that these properties should not be depreciated. Only the garages are depreciated.

Depreciation on all other fixed assets is charged as follows:

Category	Method	Period or rate
Leasehold buildings	Straight line	Life of the lease
Equipment	Straight line	3 to 10 years

(f) Pensions

Pension contributions, where appropriate, were made into personal pension plans in the name of employees and Office Holders.

(g) Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(h) Financial Instruments

(a) Financial Assets

Cash. Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

Debtors. Debtors with no stated interest rate and receivable within one year are recorded at the transaction price.

(b) Financial Liabilities

Creditors. Creditors with no stated interest rate and payable within one year are recorded at the transaction price.

(i) Estimates and judgements

The preparation of a set of Financial Statements in each year includes a number of estimates and judgements, which are made by the finance team on behalf of the trustees on both a recurring and one-off basis. The most significant estimates and judgements made in 2022 (and the prior year) are:

(a) Classification of expenses

The classification of expenses between the charitable activities of Communications/Admin, Premises, Staffing, Activities and Mission/Missionary Support can include a degree of judgement, as certain expenses could be classified into more than one activity. The finance team choose to classify a cost into a certain activity in order to keep consistency with other costs and with prior year treatment. They often also seek to understand further the primary purpose of the cost before making an appropriate classification.

(b) Legacy income recognition

Legacies are accounted for once the charity has entitlement, it is probable the income will be received, and the amount of income can be reliably measured.

(c) Depreciation lives and methods

The Church depreciates all assets over their estimated useful lives, using an appropriate method to match the expense with the benefit received. The Church also chooses not to depreciate its freehold properties, instead annually reviewing the capitalised costs for impairment. The choice of lives and methods for depreciation and the impairment review include a number of significant estimates due to the unique nature and condition of the assets.

CHEAM BAPTIST CHURCH

Unaudited Report and Financial Statements for the year ended 31 December 2022

Income

2 Offerings and donations

	Unrestricted Funds £000	Restricted Funds £000	2022 £000	2021 £000
Regular giving	260	-	260	242
Lump sum donations	81	29	110	79
Sunday offerings	7	-	7	1
Income tax recoverable	75	7	82	67
	423	36	459	389

3 Legacies

One legacy of £5,000 was received and distributed according to the wishes of the testatrix (2021: £3,000).

4 Income from Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2022 £000	2021 £000
Pre-school (note 14a)	-	122	122	124
Adult activities	1	-	1	-
Youth activities	2	2	4	2
	3	124	127	126

Other Activities

5 Rental income

	2022 £000	2021 £000
Garages	8	7
Houses	10	16
	18	23

Expenditure on Charitable Activities

6 Communication/Administration

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	2022 £000	2021 £000
Office Costs	25	-	-	25	20
Governance *	7	-	-	7	8
	32	-	-	32	28

*Includes £4,000 (2021: £2,000) Independent Examiner Fee

7 Premises

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	2022 £000	2021 £000
Utilities, Housekeeping & Cleaning	40	-	-	40	35
Maintenance, Insurance & Repairs	49	-	-	49	46
Development Viability Study	-	16	-	16	-
Equipment & Depreciation	1	13	-	14	13
	90	29	-	119	94

CHEAM BAPTIST CHURCH

Unaudited Report and Financial Statements for the year ended 31 December 2022

8 Staff Costs

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	2022 £000	2021 £000
Salaries (incl Pre-school)	145	-	116	261	243
Employer's NIC	10	-	4	14	14
Pensions	18	-	1	19	19
Staff Expenses	6	-	-	6	5
	179	-	121	300	281

No Trustee is remunerated by CBC apart from the below amounts related to the Pastor and Associate Pastor who are Office Holders, as permitted by the CIO Constitution.

	2022				2021			
	Stipend £000	EER's NI £000	Pension £000	Benefits in Kind £000	Salaries £000	EER's NI £000	Pension £000	Benefits in Kind £000
Nigel Butcher	35	4	5	4	33	4	5	3
Christopher Fry	25	2	4	5	25	2	4	4
	60	6	9	9	58	6	9	7

No employee or office holder received over £60,000 emoluments. No employee or office holder received a redundancy or termination payment in the current or preceding year.

The average number of Office Holders plus employees was 5 (2021: 5), plus 11 Pre-school employees (2021: 10).

9 Activities

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	2022 £000	2021 £000
Pre-school (Note 14a)	-	-	11	11	9
Specified Grants (Note 9a)	-	-	17	17	13
Ukraine/Moldova/South Africa	4	-	8	12	-
Adult activities	9	-	1	10	5
Youth activities	2	-	1	3	3
FJEC Membership	8	-	-	8	8
Worship	4	-	-	4	3
	27	-	38	65	41

(a) Grants from Restricted Funds – Specified Beneficiaries

	2022 £000	2021 £000
Campbell, Darren & Ruthie (SIM)	1	1
Greenwood, Luke & Ania (Steiger)	2	-
Slessenger, Mark (Message Trust)	7	2
Waigi, Abraham & Claire (Avail)	-	1
Zyrianova, Matthew & Vika (Steiger)	6	1
Fletcher, Jamie & Lydia (Message Trust)	-	2
Hardship	1	1
Other	-	5
	17	13

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Unaudited Report and Financial Statements for the year ended 31 December 2022

10 Mission/Missionary Support Grants

	Unrestricted Funds		Restricted Funds		2022	2021
	2022	2021	2022	2021		
	£000	£000	£000	£000	£000	£000
Individuals						
Campbell, Darren & Ruthie (SIM)	26	25	-	-	26	25
Greenwood, Philip & Jan (Latin Link)	2	7	-	-	2	7
Greenwood, Luke & Ania (Steiger)	22	22	-	-	22	22
Slessenger, Mark (Message Trust)	22	22	-	-	22	22
Fletcher, Jamie & Lydia (Message Trust)	-	1	-	-	-	1
Zyrianova, Matthew & Vika (Steiger)	8	4	-	-	8	4
Various	-	-	2	4	2	4
	80	81	2	4	82	85
UK Christian Ministries						
Sutton-Schools Work/Community Works	4	4	-	-	4	4
Tear Fund Tigray/Ethiopia	-	2	-	-	-	2
Other UK Churches	4	-	-	-	4	-
Other	-	1	-	-	-	1
	88	88	2	4	90	92

11 Fixed Assets for Charity Use

	Freehold Land and Property	Leasehold Buildings	Equipment /Furniture	Total
	£000	£000	£000	£000
Cost at 1 Jan 2022	663	1,097	104	1,864
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 Dec 2022	663	1,097	104	1,864
Accumulated depreciation at 1 Jan 2022	-	12	53	65
Charge for year	-	1	12	13
Disposals	-	-	-	-
At 31 Dec 2022	-	13	65	78
Net book value				
At 31 Dec 2022	663	1,084	39	1,786
At 31 Dec 2021	663	1,085	51	1,799

12 Debtors and prepayments

	2022	2021
	£000	£000
Income Tax Recoverable	21	16
Prepayments + stock	7	1
	28	17

13 Liabilities falling due within one year

	2022	2021
	£000	£000
Accruals	30	14
Advance Receipts	6	2
	36	16

CHEAM BAPTIST CHURCH

Unaudited Report and Financial Statements for the year ended 31 December 2022

14 Restricted funds 2022

	Balance at 01-Jan-22	Income	Expenditure	Transfers (Net)	Balance at 31-Dec-22
	£000	£000	£000	£000	£000
Departments (incl Pre-school) ^a	69	124	(131)	(10)	52
World Mission General	-	2	(2)	-	-
Missionary Specified Beneficiaries	-	16	(16)	-	-
Specified Beneficiaries	1	18	(12)	-	7
	70	160	(161)	(10)	59

	Balance at 01-Jan-21	Income	Expenditure	Transfers (Net)	Balance at 31-Dec-21
	£000	£000	£000	£000	£000
Departments (incl Pre-school) ^a	74	125	(115)	(15)	69
World Mission General	-	4	(4)	-	-
Missionary Specified Beneficiaries	-	11	(11)	-	-
Specified Beneficiaries	3	1	(3)	-	1
	77	141	(133)	(15)	70

Departments – consolidated departmental funds, a large proportion of which is attributable to Pre-school. During 2022 Pre-school contributed £10,000 (2021: £15,000) towards their premises/utilities/services costs.

World Mission General - for receipt and distribution (at World Mission Partners' discretion) of general gifts and donations given for World Mission which have not been designated for a specific missionary or mission organisation.

Missionary Specified Beneficiaries– for receipt and disbursement of gifts for designated beneficiaries, supported by the Church and involved in World Mission.

Specified Beneficiaries Fund – for receipt and disbursement of miscellaneous designated gifts to societies, individuals undertaking Church supported activities and miscellaneous church projects.

(a) Pre-school

The Church operates a school for children aged 2 to 5 years. The income and expenditure of the Pre-school during 2022 is summarised below:

	2022	2021
	£000	£000
Income		
Fees	28	30
LB Sutton - Nursery Grant	93	93
Other	1	1
	122	124
Expenditure		
Staff remuneration	120	105
Activities/Other	11	9
	131	114
Contribution re premises/utilities/services	10	15
	141	129
Surplus/(Deficit) for year	(19)	(5)

15 Net assets

The following table provides an analysis of the net assets by Fund as at 31 December:

2022	Restricted	Fixed Assets	Other Designated	General	Total
	£000	£000	£000	£000	£000
Tangible Fixed Assets	-	1,786	-	-	1,786
Current Assets	69	-	160	103	332
Current Liabilities	(10)	-	(16)	(10)	(36)
Long-term Liabilities	-	-	-	-	-
	59	1,786	144	93	2,082

CHEAM BAPTIST CHURCH

Unaudited Report and Financial Statements for the year ended 31 December 2022

15 Net Assets (cont'd)

2021	Restricted	Fixed Assets	Other Designated	General	Total
	£000	£000	£000	£000	£000
Tangible Fixed Assets	-	1,799	-	-	1,799
Current Assets	72	-	110	105	287
Current Liabilities	(2)	-	-	(14)	(16)
	70	1,799	110	91	2,070

16 Unrestricted designated Funds

2022	Balance at 01-Jan-22	Expenditure	Transfers (Net)	Balance at 31-Dec-22
	£000	£000	£000	£000
Fabric	110	(16)	50	144
Fixed assets fund	1,799	(13)	-	1,786
Total designated funds	1,909	(29)	50	1,930

2021	Balance at 01-Jan-21	Expenditure	Transfers (Net)	Balance at 31-Dec-21
	£000	£000	£000	£000
Fabric	110	-	-	110
Fixed assets fund	1,812	(13)	-	1,799
Total designated funds	1,922	(13)	-	1,909

Fabric Fund – an administrative fund to allow for variations in expenditure from year to year. This is for maintenance, security, Health & Safety, the Fire Alarm System, decoration and refurbishment of the Church, Halls and Manses.

Fixed Assets Fund (note 11). Depreciation of £13,000 was expensed in 2022 (2021: £13,000) and no additions were purchased in 2022 or 2021.

17 Operating lease commitments

As at 31 December 2022 the church had outstanding commitments for future minimum lease payments, under non-cancellable leases, which fall due as follows:

	2022	2021
	£000	£000
Due within 1 year	2	1
Due within 2-5 years	6	2
	8	3
Lease expense for the year	2	1

18 Related party transactions

Five Trustees and related parties (2021: 3) were reimbursed expenses incurred on behalf of the church. No expenses were paid on behalf of Trustees. Trustees waive certain expenses incurred in performing their duties, most of which are small and cannot easily be identified (hospital car parking, stationery etc).

Trustees & related parties made personal pre-Gift Aid donations to CBC of £74,000 (2021: £61,000) during their time in office.

£9,000 (2021: £3,000) was paid to CES who employ Trustee, David Hore.

£1,800 (2021: £9,600) Point Flat rental was received from a son of a Trustee, Nicolas Cornish.

A salary of £33,000 (2021: £16,000 for 6mths) and pension contributions of £2,000 (2021: £1,000 for 6mths) were paid in respect of Keith Williams, whose brother Bruce was appointed a Trustee in June 2021.

A salary of £17,000 (2021: nil) and pension contributions of £300 (2021: nil) were paid to Pre-school Manager Juliet Williams (resigned 31 December 2022), sister-in-law to Trustee Bruce Williams.