

Kidderminster Baptist Church



Annual Report & Accounts –Year ending 31st December 2022

Charity number 1196300

Kidderminster Baptist Church

References and administrative details

Registered Address

Kidderminster Baptist Church, Franche Road, Franche, Kidderminster, DY11 5BE.

Trustees

The Revd J Borlase (Minister)

Mr A Whybrew (Secretary)

Mrs T Fox (Treasurer)

Mr C Lane

Mr A Titley

Mr J Walton

Mrs T Wheeler

Mrs S Wolstenholm

Property Trustees

The Baptist Union Corporation Limited Baptist House, 129 Broadway, Didcot, Oxfordshire OX11 8RT

Bankers

Barclays Bank, Stourport-on-Severn

Independent Examiner

Anne Taylor

Annual Report for 2022

The trustees present their Annual Report and financial statements for 2022.

Structure, Governance and Management

Kidderminster Baptist Church is governed by an Approved Governing Document. Members of the Church are accepted in accordance with the Constitution which requires them to be or to have been publicly baptised on the profession of faith in Jesus Christ.

The members meeting normally takes place five times per year and has responsibility for the overall policy of the church. In accordance with the Constitution, the members appoint up to nine Trustees, who together with the Minister, Church Secretary and Treasurer (who are also appointed by the Members), are responsible for the day to day running of the church's work and witness, and the financial and legal aspects of the charity. All members are encouraged to take an appropriate part in the spiritual and practical tasks involved in the furtherance of the charitable objective.

Relevant matters may be submitted to the Church meeting by the Trustees for guidance, or may be raised by members in Church meeting for further consideration by the Trustees. Though the Constitution permits decisions to be made at Church meetings by appropriate majorities, the Church seeks to work by consensus wherever possible.

Safeguarding of Children and Vulnerable Adults

The Church considers Safeguarding an essential aspect within the life of the Church in all our interactions with the vulnerable. In addition, all leaders, or those who help with small groups or ministries which may include vulnerable people are required to be DBS (Disability Barring Service) checked and undertake such training.

Our Safeguarding policy is attached separately.

Objectives and Activities

The principal purpose of the charity is the advancement of the Christian faith according to the principles of the Baptist denomination to include the advancement of education, community service and such other general charitable purposes in such parts of the United Kingdom and the world as the Church shall determine.

In order to achieve the principal objective which is set out above, the Church provides a variety of activities both to its membership and to the community generally. The aim is to show the love of Jesus Christ in both word and deed and to bring people into a closer relationship with Him as living Lord.

Central to the work and witness of the Church is the provision of regular public services of Christian worship. These services take place each Sunday morning at 11.00 am. There are also occasional services at other times which are advertised on the Church Notice Board and on the website at www.kidderminsterbaptist.com. There is a full children's programme during the morning services. The church seeks to be a friendly and welcoming community, and anybody is free to attend any of these services.

The Church runs a series of small groups for the growth of faith and discipleship. Further details of these can be obtained from the Trustees on request, or at the Sunday services of worship.

The Church is responsible for a Toddler Group which meets in the Church premises on Friday mornings, with the purpose of assisting the community and demonstrating the love of Jesus Christ. From time to time the Church runs courses for people interested in discovering more about Christianity, i.e., 'Alpha'.

The Church runs various events for families, community and for people in the Third Age; including Oasis coffee morning; Renew Hope Wellbeing space; Treat or Treat (Halloween).

The Church regularly hires the facilities to local community groups including, Dance and Fitness Groups; Slimming World; Brownies and ad-hoc party bookings.

The Church operates systems to ensure that all people working with children and vulnerable adults are appropriately vetted with regard to the Disclosure and Barring Service and has a Safeguarding policy in force which is reviewed annually. Appropriate Safeguarding training is provided.

The church has read the Charity Commission guidance on public benefit, and is satisfied that the activities outlined above clearly demonstrate that the charity is providing a benefit to the public.

Achievements and Performance

The Church does not measure the success of its programmes only in numbers, including financial numbers, but also in less tangible areas like fellowship and encouragement. The Trustees recognise that these are difficult to measure, but believe that 2022 was a positive year in the life of the church, despite the constraints on meeting together during the Covid pandemic, and that it will be able to pursue its mission purposes in 2023 with renewed enthusiasm.

Two people joined the church having publicly reaffirmed their faith in Jesus Christ. Sadly 1 church member died during the year. At 31 December 2022 the membership stood at 48.

During the year we are pleased that there have been a number of new attenders and the average attendance at worship services been around 75. Over the last few years, we have undertaken 3 major refurbishment programmes and now have good quality premises which have contributed to an increase in prospective hirers. Through various other events like Tots Time, Treat or Treat, Oasis, Renew Hope and a Community Christmas Carol Service, many new people have connected with the church for the first time.

The church continues to be encouraged by feedback from those attending community events, the positive part the church played in the life of the community of Franche. In addition to activities formally linked to the church, members also served as volunteers in other local charities and organisations, including school governors, Home Start volunteers, helpers at local school events, and as mission partners for charities supported by the church during the year; Open Doors, and Home for Good. In addition, the Church have begun to form a working arrangement with Christians Against Poverty (CAP) where we will be able to support those in our local community with financial concerns.

Financial Review

Whilst the church registered as a charity in October 2021, it only commenced operating as a charitable incorporated organisation (CIO) with effect from 1 September 2022. The assets and liabilities of the unincorporated Kidderminster Baptist Church were transferred to the CIO on this date. The financial information that follows therefore relates to the period 1 September 2022 to 31 December 2022.

The Church raises the funds which it needs to carry on its activities from within its own membership and congregation. No wider public appeal was made for funds during the four-month operating period and total funds raised were £24,702. The most significant expense related to the employment costs of Revd Jason Borlase Trustee as Minister of the Church, to lead and co-ordinate the church's activities including the Sunday Services, to provide pastoral care for the congregation and other people, and to equip and encourage the membership in their life, Christian witness, and service. The Church expressed its part in the life of the wider church by making grants totalling £2,808 to national and international Christian organisations and societies with Christian aims and objectives compatible with the church's own charitable purpose.

The Church is heavily dependent on its membership 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. Total expenditure for the period was £21,531. The financial results for the period, together with a summary of the accounting policies adopted are set out in the accompanying financial statements.

The Trustees have established a Reserves Policy to enable the church to function effectively and meet its obligations in the event of a decline in our income or a major cost. Having considered the relevant risks of changes in income and expenditure, the Trustees have determined that the appropriate level of reserves is £35,750.

As at 31 December 2022, the church held total reserves of £68,213 of which £67,596 were unrestricted, £480 restricted and £137 designated. The restricted and non-restricted funds both relate to the planned employment of a children and family worker with associated costs. The church plans to employ into this role in September 2023 to contribute to the furtherance of its aims and objectives.

Pension

We are pleased to advise that the Baptist Union Pension liability relating to previous years has now been removed.

Reserves Policy March 2023

What is a reserves policy and why do we need it?

The money that we use for the day to day running of the church comes from the generous giving of members and attenders and from other avenues such as rental income and grants. Any money we have is held in a general fund and this is freely used for the sharing of God's word and the day to day running costs of the church. We sometimes have other funds that are designated for something specific, but they are not included in this policy.

A reserves policy is about holding appropriate levels of financial reserves to protect against future uncertainties. This is so that we will be able to continue operating if something untoward should occur. As a church we should not hoard our funds but use them for the purposes of the church. However, this needs to be balanced against the requirement that if the church is to be maintained as a continuing, going concern, it needs to retain "reasonable" reserves to ensure it can cope with financial challenges.

The purpose of holding reserves is to ensure that the church has sufficient funds available to cope with financial issues that might arise, such as the need to fund an urgent property repair or an issue with reduction in offerings or income. The Baptist Union and the Charity Commission recommend the implementation of a reserves policy and as a registered charity we are required by law to have one in place.

What level of reserves do we need?

In following the guidance available the trustees have considered the circumstances of our church and have determined a level of reserves that we deem appropriate to cope with a reasonable range of possible situations. It should be noted that this will not necessarily allow the church to cope with extreme situations. How we will monitor and review the policy. The deacons, along with the membership, will regularly review the financial position. If a situation arises where the reserves policy limit may be exceeded, then action will be taken to review and reduce expenditure where possible in order that the required level of reserves is met. The level of the reserve will be reviewed at least every twelve months.

The next review is scheduled for March 2024 (last review was November 2022).

Risks and Reserve Policy Calculation:

Risk	Estimate	Level of risk	Value
Major building repair	£20,000	Low risk	£5,000
New boiler	£16,000	High risk	£12,000
Roof repairs	£15,000	High risk	£11,250
Reduction in offerings	£6,000	Medium risk	£3,000
6 months wind down costs	£18,000	Low risk	£4,500

Considerations:

The building is in good order and well maintained therefore it is unlikely that there will be any major building cost. However, this does not consider the part of the church roof that was not replaced when we had work done 10 or more years ago. Repairs were made to the roof during 2022 and the roofer advised that it is likely that future work will be required. The estimated cost has been included as a high risk.

The heating system that we have in place is old and cumbersome. The deaconate has discussed this, and a decision made to replace just the boiler rather than change the whole system. A quote of £16,000 was received which is the basis for the provision figure.

A high proportion of our offerings are from regular giving, this is lower risk than one off donations. However, if the most significant regular donors were to leave the church this would present a risk to the amount of income we have and will affect our ability to operate as we are. It has therefore been included in our risk profile as a medium risk of £6,000.

If the church saw itself in financial difficulty steps would need to be taken to ensure that it did not have to close. We therefore need to provide a sum should this occur. At present the risk is deemed to be low. The amount to be held back should the unforeseen occur is calculated based on the level of risk as detailed above.

High risk items are multiplied by 0.75, medium risk by 0.50 and low risk by 0.25.

The full amount is not included because it is unlikely that all risks would occur at the same time. The level of the reserves policy has been agreed at **£35,750** based on the current financial profile.

If we purchase a new boiler from our reserves during the next twelve months the figure will automatically reduce to £23,750.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDING 31 DECEMBER 2022

		Notes	General Fund £	Other Funds £	TOTAL FUNDS £
INCOMING RESOURCES					
Voluntary Income	Offerings		14,107	271	14,378
	Tax refunds		1,935	26	1,935
	Legacies				-
	Grants received		0	0	-
		2	16,043	297	16,340
Investment and other Income	Bank interest		338		338
	Rent received		7,355		7,355
	Mission and other income		669		669
		3	8,362	0	8,362
TOTAL			24,405	297	24,702
RESOURCES EXPENDED					
Costs of generating funds					
Ministry	Pastoral		12,301		12,301
	Worship		104		104
			12,405	-	12,405
Mission	Administration		572		572
	Subscriptions		0		-
	Sunday club		436		436
	Mission		2,091		2,091
	Charity Donations		2,808		2,808
			5,907	-	5,906
Establishment	Property and Equipment		2,242	0	2,242
	Utilities		977		977
			3,219	-	3,219
Total Resources Expended		7	21,531	0	21,531
Net incoming (outgoing) resources			2,874	297	3,171
Net movement in funds			2,874	297	3,171
Reconciliation of Funds					
	Funds brought forward		64,722	320	65,042
	Restricted Funds	13		160	160
	Designated Funds	13		137	137
	Movement in unrestricted funds	13	2,874		2,874
Total Funds Carried Forward			67,596	617	68,213

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2,022 £	Asset Transfer *
Tangible Fixed Assets	17	577,786	577,786
Current Assets			
Stocks		0	0
Debtors	20	2,946	9,351
Bank and cash	22	68,426	58,719
Current Liabilities			
Creditors: amounts falling due within one year	23	1,327	1,028
Deferred income	24	1,832	2,000
Net current assets		68,213	65,041
Net Assets		645,999	642,827
Charitable funds:			
Endowment	26	577,786	577,786
Restricted	13	480	320
Designated	13	137	0
Unrestricted	13	67,596	64,722
Net Assets		645,999	642,827

* Assets transferred from the unincorporated Kidderminster Baptist Church, also known as Franche Road Baptist Church, via a transfer of assets agreement on the 1st September 2022.

Note 1 BASIS OF PREPARATION

The following accounts are for the period 27 October 2021 to 31 December 2022. However, the charity did not commence operation until 1 September 2022 when it took ownership of the assets and liabilities of the unincorporated Kidderminster Baptist Church in line with a transfer of assets agreement. It should therefore be noted that the revenue and costs in these accounts are for a four month period only.

The accounts have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. They have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16 July 2014 and with the Charities Act 2011.

Note 2 VOLUNTARY INCOME

	Unrestricted	Designated	Restricted	Endowment	TOTAL
	£	£	£	£	£
Offerings	14,107	111	160	0	14,378
Tax Refunds	1,935	26	0	0	1,961
Total	16,043	137	160	0	16,340

Note 3 OTHER INCOME

	Unrestricted	Designated	Restricted	Endowment	TOTAL
	£	£	£	£	£
Bank Interest	338	0	0	0	338
Rent Received	7,355	0	0	0	7,355
Mission and other	669	0	0	0	669
Total	8,362				8,362

Note 7 CHARITABLE ACTIVITIES

	Unrestricted	Designated	Restricted	Endowment	TOTAL
	£	£	£	£	£
Ministry	12,405	0	0	0	12,405
Mission	5,907	0	0	0	5,907
Establishment	3,219	0	0	0	3,219
Total	21,531				21,531

Note 13 BALANCE OF ALL FUNDS

FUND	Opening Balance £	Incoming Resources £	Resources Expended £	Transfers £	Closing Balance £
General fund incl savings	64,722	24,405	(21,531)	0	67,596
Restricted Fund	320	160	0		480
Designated Fund	0	137	0		137
Total	65,042	24,702	(21,531)	0	68,213

General Fund

The General Fund is an unrestricted fund and used for the day to day receipts and payments.

Restricted Fund

This fund is for the employment and activities of a children and family's worker. It is expected that this role will be filled in late 2023.

Designated Fund

This fund is for the employment and activities of a children and family's worker as per the restricted fund.

Note 17 FIXED ASSETS

Assets	Cl	Church Building £	Manse Building £	Total £
As at 27 October 2021		407,175	170,611	577,786
Additions				
Disposals				
As at 31 December 2022		407,175	170,611	577,786
Net Book value		407,175	170,611	577,786

The Church building is included in the balance sheet at £407,175 because reliable cost information is not available. Formal valuation would incur significant costs that would be onerous compared with the additional benefits gained by the users of the accounts. Refurbishment and maintenance costs are met as required and maintain the useful life of the assets. Both the church and the manse are held in trust by the Baptist Union.

Furniture or equipment is capitalised when the total purchase cost exceeds £15,000. As at the 31/12/22 the Church does not own or have use of any furniture or equipment above this value.

Depreciation

Depreciation has not been charged on the Church or the Manse premises because, in the opinion of the trustees the residual value of the assets is not less than the original cost price.

Note 20 Debtors		£
Other debtors		2,946
Total Debtors		2,946

Note 22 Bank and cash balance		£
Balance at Barclay's bank		13,675
Baptist Union account - Legacy		54,741
Petty cash - TotsTime		9
Total cash		68,426

Note 23 Creditors		£
Payments due within one year		1,327
Total creditors within one year		1,327

Note 24 Deferred Income		£
Grant received from Cinnamon Trust for Renew Wellbeing		1,832
Total creditors within one year		1,832

Note 26 - Endowment funds						£
	Opening Balance	Expend	Gains/losses	Transfers		
Church	407,175	0	0	0		407,175
Manse	170,611	0	0	0		170,611
Total	577,786	0	0	0		577,786

Report to the
trustees/ members of

KIDDERMNSTER BAPTIST CHURCH - Registered Charity number 1196300

Set out on pages 1 to 5

I report to the trustees on my examination of the accounts of the above charity for the period ending 31/12/2022.

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

**Responsibilities and
basis of report**

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Church and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosure in the accounts, and seeking explanations from the deacons 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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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

**Independent
examiner's
statement**

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

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

Signed:



Name: MRS ANNE TAYLOR

Relevant
professional
qualification(s) or
body (if any):

CGMA

Address: 1 Tanwood Court Barns,

Tanwood Lane,

Chaddesley Corbett,

Worcs. DY10 4NT