

# **Shirley Baptist Church**

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**REPORT and ACCOUNTS**

**for the year ended 31 July 2019**

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**SHIRLEY BAPTIST CHURCH**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**

for the year ended 31 July 2019

Principal Address	Stratford Road Shirley, Solihull B90 3BD
Status	The church is a Registered Charity No. 1127354 It is a member of the Baptist Union of Great Britain & The Heart of England Baptist Association.
Governing Document	Constitution dated September 2008
Charity Registration Number	1127354 (from 31 December 2008)
Ministry Team	
Senior Minister	Rev Paul Campion
Youth Specialist	Mrs Deanna Johnston
Families & Children Specialists	Mrs Jacquie Knott Mr Martin Knott
Diaconate (trustees)	
Senior Minister	Rev Paul Campion
Church Secretary	Ian McDonald
Church Treasurer	Paul Holland (until November 2018)
Church Treasurer	Richard Millington (Treasurer from November 2018)
Trustee	Phil Stewart
Trustee	Peter Close (until November 2018)
Trustee	Becci Balderson (until November 2019)
Trustee	Ann Carter (until November 2019)
Trustee	Richard Rose
Trustee	Ian Deaville
Trustee	Christine Canty
Trustee	Neil Aston (from November 2018)
Trustee	Evan Winter (from February 2019)
Trustee	Raj Waghmare (from November 2019)
Custodian Trustee	The Baptist Union Corporation Ltd
Independent Examiner	Ajay Rajani FCIE Stewardship 1 Lamb's Passage, London EC1Y 8AB
Principal Bankers	CAF Bank Ltd

**CONTENTS**

Legal and Administrative Information	Page	1
Annual Report of the Diaconate (Trustees)	Page	2-5
Report of the Independent Examiner	Page	6
Statement of Financial Activities	Page	7
Balance Sheet	Page	8
Notes to the Accounts	Page	9-18

**Shirley Baptist Church**  
**Report of the Trustees**  
For the year ended 31 July 2019

The Diaconate has pleasure in presenting the Annual Report for the year ended 31 July 2019

**Organisational Structure and Decision making processes**

The Church is managed by the Diaconate who are the managing trustees. The Constitution governs the appointment of Deacons who are elected from the Church Membership by ballot of Church Members. They are appointed for a three year term and can serve one further term if elected again. The Church Secretary and Treasurer are eligible to serve for up to three terms if elected. On appointment new Deacons, as part of their induction, are made aware of the responsibilities of a trustee.

In planning the activities the Deacons have had regard to the guidance issued by the Charity Commission on Public benefit. This is clearly demonstrated in the range of activities that we provide for the benefit of various sectors of our immediate community.

All members are encouraged to take an appropriate part in the spiritual and practical tasks in furtherance of the charitable objectives. The members Church Meeting is held regularly and is the discussion and major decision making forum for the Church. Relevant matters are submitted to the Church Meeting by the Diaconate or can be raised by members. Though the Constitution permits decisions to be made by appropriate majorities, the Church seeks to work by consensus wherever possible.

In respect of vulnerable persons attending Church activities, the Church is compliant with current safeguarding legislation having an up to date policy and processes in place in respect of recruiting and reporting.

**Objectives and Activities**

Our governing document states that "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". We use the strapline "To demonstrate through our lives a *Passion for God and Compassion for People*" and our Vision is to be passionate about the God who loves us beyond our understanding, to be committed to helping people of all backgrounds to discover Jesus and to be committed to growing in faith and serving this community and the wider world.

The Church operates primarily, but not exclusively in Shirley.

In order to fulfil its purpose and vision the Church provides a wide 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 action and to bring people into closer relationship with Him.

As well as the Sunday services, which are central to our work and witness, there is a full programme of toddlers, children, and youth activities throughout the week as well as Boys and Girls Brigades. The pre-school activities involve over 50 families each week, most of whom have no other contact with the church, and the youth programmes attract over 140 young people each week. There is a group which provides activities and companionship to elderly people involving over 70 individuals. All our activities are open to those who are not church members and in many cases the majority of attendees are non-members, thus providing a significant benefit to the public. On an average week over 290 children and adults who are not church members attend one of the activities run on our premises. There is a daily gathering for prayer as well as home groups that meet during the week for the growth of faith and discipleship, as does a well-attended Women's Fellowship of over 30 ladies.

Whilst there may be small charges for some of these activities, the Church operates a policy throughout its programmes that nobody is excluded through the inability to pay.

The Church incorporates Kairos Coffee which is a coffee shop fronting onto Parkgate and run as part of the service to the local community. It is staffed by 3 paid employees and a large group of willing volunteers and was primarily established to be, and has forged, a very effective link from the church to the community, including a youth cafe, started this year which reached out to non-church youth. Kairos generates income to cover its day-to-day operating costs.

In addition many of our members provide practical help in the Family Support Centre where trained advisors are offering compassionate, non-judgemental and confidential support to those in crisis. Others take part in Crossroads, providing food and clothes for homeless people in the centre of Birmingham. Both of these programmes provide a much needed service to the wider community.

**Achievements and Performance**

The Church's teaching in the first half of the reporting year continued the theme of Hope as part of a broader programme of activities associated with Hope 2018. For the second half of the year we focussed on the Beatitudes and their application to living today. This was followed from Easter onwards with sermons looking at aspects of our Vision Focus 'Welcome, Love, Challenge, Grow' which we will embed in all of our activities over the coming years to help us grow in discipleship and provide focus in our outreach to the community.

We have largely achieved the plans set out in the 2018 Trustees' Report as the Church remains resilient, vibrant and engaged in the local community and beyond; The achievements in the seven areas of the plan are reviewed in turn below.

- The Church's Vision Statement was thoroughly reviewed over a number of monthly trustee meetings, mentored by our regional Baptist minister, with a view to sharpening the statement into a four word phrase out of which came 'Welcome, Love, Challenge, Grow'. This being one way to summarise the journey into and of faith. It is hoped that it will be applied to those who have some contact with church activities but are not members yet of the church congregation as well as those who are already members or long-standing believers. It will be used as a benchmark to remind us what to include when we plan an activity or how to behave or how to shape our church.
- Building on our Hope 2018 initiatives our Alpha courses continued through the first part of the year utilising Kairos facilities which allowed a more informal setting for the studies. Messy Church continued and has proved to be a very successful outreach to the local community leading to them becoming embedded in the church's Families and Children's programme. This reflects our desire to share both our faith and love of God with the community in a practical and relevant way. The 'Simply Jesus' series of presenting answers to questions about Jesus in an informal church setting commenced on Sunday evenings in January 2019 and is ongoing. It is designed for those reasonably familiar with Church and to which they can bring their friends and colleagues seeking to know more. Saltmine Theatre Productions were invited to present contemporary theatre presentations of well-known biblical stories to appeal to both youth and adults.
- Support has been made available to Deanna Johnston, following her appointment as Youth Specialist, and to assist her integration into the existing volunteer youth groups' organisation, including mentoring from an outside youth worker. Deanna has also completed training to assist in the work of This Way Up and has shared the leadership of a wellbeing and resilience course in a local school.
- Significant growth in the ministry amongst families and children has been evidenced with the increase in numbers of families attending church activities organised by Martin and Jacquie Knott. Growth has also occurred in outside contact with local schools, running assemblies and encouraging use of the church buildings for the schools' Easter, Harvest Festival and Christmas celebrations. Additional activities in the church programme include a new parents' date nights, mums' events and Messy Christmas.
- We have continued to review our information available to visitors and newcomers to the Church, streamlining the displays and considering how to take this aspect of 'Welcome' forward. We continue to highlight and encourage volunteering activities that are also opportunities for people to feel part of the church family.
- The new Media Strategy Group has become established and is looking at the range of media and communication platforms available to and used by, the church. This is an ongoing piece of work and includes reviewing communication needs, policies and processes.
- The Church continues to review its governance and administration in the process of conforming to the Charity Commission's Governance Code. The Support Services Group continues to monitor the detail of this and will be seeking to engage with the Trustees in the coming year to gauge their understanding of the Church's responsibilities to its charitable status. In addition the Group has commenced a total review of all its policies, compiling a generic format, grouping them into specific operational areas, determining review dates and rewriting some where necessary. This is an ongoing process.

The on-going activities of the Church have continued this year through support for the community, pastoral visiting and wider mission organisations. The week-day activities and clubs are almost all over-subscribed with waiting lists especially the Tuesdays adult group, whilst the Boys and Girls Brigades have also seen growth in numbers. The Boys Brigade company based at the Church amalgamated with a company based at Hall Green Baptist Church providing a place for the boys to continue their service in the Brigade. The Youth Mission Week involved community service. All of these activities are run by volunteers who give generously of their time and passion and the further expansion of activities is only limited by the availability of volunteers. We have recognised that many people associated with the Church may be unsure about what they can do or commit to with respect to volunteering and this is being actively managed through highlighting, encouraging and supporting volunteering opportunities and volunteers.

The Church's interest in mission elsewhere in the UK and across the world was sustained throughout the year, with continuing support for Baptist Home Mission, BMS World Mission and for Mercy Mission Welfare Society. The church provided some training for a group of young people on the BMS Action Team programme. The Church has provided financial support towards a church member's training and preparation for future ministry with children in Africa and it continues its support for a mission in Latvia with increased financial assistance.

The Church continues to proclaim the good news of Jesus and help everybody with their journey of faith. In addition to the regular Sunday worship services involving a mix of contemporary and traditional styles, there has been a range of more creative and informal gatherings in the church, in Kairos Coffee and in Parkgate which have enabled people to consider the spiritual aspect of life at whatever level they desire and feel comfortable with.

## Financial Review

This has generally been another encouraging financial year. Our income was £379,000 (note 2), which is £41,000 more than the previous year primarily due to increased offerings (£23,000), associated Gift Aid (£4,000) and a one-off donation to establish the Dickins Heath Fund (£10,000). We are extremely grateful for the generosity of members and friends of the Church which has enabled and sustained the work of the Church through its general ministry, the use of the new building and the services of Kairos Coffee. The Church continues to raise the funds it needs for its activities from within the membership and congregation and we thank everyone for their support. No wider public appeal for funds was made during the year.

This year the total expenditure was £15,000 more than the previous year at £313,000. This increase is principally due to having a full complement of staff all year (£23,000) partly offset by lower operating costs in Kairos (£10,000).

The Church continues to be heavily dependent on the membership working as volunteers in all aspects of the church activities, many of which run with little or no impact on the expenditure, but nevertheless contribute substantially to the achievement of the objectives.

Following the completion of the building redevelopment project in 2013 there has been no capital expenditure. There was £10,000 of depreciation of existing fixed assets (note 7) and the revaluation of the two manses (£23,000) to leave a Net Book Value of assets of £2,686,000. Following the adoption of FRS102 which permits buildings to be revalued each year, it has been decided to stop depreciating these buildings and simply charge net revaluation gains/losses to the SOFA. Continued repayments of loans (from HEBA and BUGB) for the rebuilding and Kairos Coffee projects have reduced them by £102,000 down to £105,000. Although regular donations to the Building fund have reduced this year they are still sufficient to both maintain the current HEBA loan repayment schedule and pay down the BUGB loan ahead of schedule.

We continue with our Grants Policy to generously support Mission locally, nationally and internationally and our grant giving from unrestricted funds totals £40,000 (note 5) which is consistent with our objective of giving approximately 20% of unrestricted donation income towards broader missions work, with notable new focus this year upon the Navigators work in Latvia. In addition, a further £5,000 was given via Restricted Fund donations and another £1,000 from the various Church Organisations such as Womens' Fellowship and mid-week children's play groups.

In accordance with the FRS102 accounting standard, the recognition of liabilities associated with the deficit on the closed Baptist Union Pension Scheme stands at £141,000 which is £7,000 more than the previous year reflecting the performance of the overall pension scheme. The Church has been making regular deficit contributions of £5,000 for a number of years and the revised pension fund deficit has no impact on our ability to sustain these contributions.

The detailed financial results, together with a summary of the accounting policies adopted, are set out in the accompanying financial statements.

Kairos Coffee had its fifth full year of operation during which time income from sales declined slightly by £3,000 to £54,000 reflecting a full year of the shorter opening times. However, operating costs were reduced by £10,000 to £52,000 resulting in an operating surplus of £2,000 which has been transferred to the General fund reserves. The outstanding members loans were repaid (£44,000) and the Building Fund repaid £6,000 of the HEBA loan that was originally taken out to set up Kairos. The church continues to see Kairos' primary purpose as to provide a Christian based cafe environment for the local community and a point of access to other community, youth and pastoral activities provided by the church; From a financial perspective, it is recognised that the remaining depreciation of £21,000 and any fixed asset replacement may need to be funded by the church General fund in the coming years if there is no operating surplus. A SOFA, Cashflow and Balance Sheet for Kairos is provided in Note 14.

Our General Fund generated a surplus of £12,000 (before transfers) and the budget has been set for the coming year that anticipates a surplus of £5,000.

### Reserves

It is policy to maintain unrestricted general funds, which are the free reserves of the Church, at a level which takes into account variable general giving, future repair needs of the church and manses, and also meet the regulatory requirement to be able to fund an orderly closure of a charity. The Diaconate have resolved that the minimum free reserves should be £84,000 and that this figure be reviewed annually. The free reserves at 31 July 2019 amounted to £85,282.

### Risk Management

The Diaconate annually reviews the major strategic, business and operational risks faced by the church. These mainly surround people visiting and using our open premises and to a lesser extent risks relating to employment. It is considered that systems are in place to monitor and manage these risks and to take necessary steps to mitigate them.

The Diaconate consider that the systems for monitoring budgets, approving payments, banking receipts, payroll and taxes provide robust controls. The medium term sources of funds have been reviewed and are considered stable and that the Church is a going concern.

## **Partnerships**

The Church is affiliated to the Baptist Union of Great Britain and paid subscriptions of £469 (2018: £940). The Church has loans from the Baptist Union Corporation and the Heart of England Baptist Association for the buildings redevelopment and Kairos Coffee projects which are detailed in Notes 10 and 11.

## **Trustees and Related Parties**

No trustee expenses were paid. Payments in the course of employment are included in Note 6 of the accounts. Donations by trustees and their close families are reported in Note 6.

## **Future Plans**

The Church remains committed to its vision and objectives and the deacons regularly review activities and initiatives to enable the members to achieve their ambition without overstretching our capacity and capability.

We will continue to work through implementation of the sharpening of our Vision Statement and key words focus of 'Welcome, Love, Challenge, Grow', and seeing it established in all areas of Church Life.

We will have the challenge of managing maternity leave that commenced with two key staff towards the start of the coming (2019/20) reporting year. A key part of the coming year will be to effectively manage the work load with increased volunteer input and responsibilities within the important areas of children's and youth work.

We wish to commence a series of theological reflections on challenging issues in order to give the church a better understanding on interpretation of the Bible's teachings; why people hold different points of view and how we move forward together as a church in unity when facing some of these areas of difference.

We will explore fresh mission initiatives within Dickens Heath following closure of the church there and the majority of its congregation and resource moving to ourselves. We will also seek to explore how we can bring a Christian presence in Solihull Village and the surrounding new properties, both situated very near to the church.

We will seek to maintain the ongoing business of church life e.g. worship, pastoral work, weekly activities, to the fullest extent and as effectively as possible, seeking to involve more of the church community in its delivery. Ensuring that the business is as much outward facing to engage the community and present Christianity and the love of God as wide as possible within activities that are of public benefit to the community particularly where it involves working with other community groups.

## **Diaconate 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).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the trustees are required to:

- o Select suitable accounting policies and apply them consistently
- o Observe the methods and principles in the Charities SORP
- o Make judgements and estimates that are reasonable and prudent
- o State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- o Prepare the financial statements on a 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 and the Charity (Accounts and Reports) Regulations 2008. 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.

## **Independent Examiner**

The Diaconate intend to ask the existing examiners to undertake the independent examination of the Church in the following year.

## **Approval**

This report was approved by the Diaconate on 6th May 2020 and signed on its behalf by

Ian McDonald, Church Secretary

**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF**

**Shirley Baptist Church  
(‘the Charity’)**

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 July 2019 on pages 7 to 18 following, which have been prepared on the basis of the accounting policies set out on pages 9 and 10.

**Responsibilities and basis of report**

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’).

I report in respect of my examination of the Charity's accounts 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 Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

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:

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 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.

**Ajay Rajani FCIE**  
**Fellow of the Association of Charity Independent Examiners**

Date      26th May 2020

Stewardship  
1 Lamb's Passage  
London  
EC1Y 8AB

## Shirley Baptist Church

### Statement of Financial Activities for the year ended 31 July 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and Legacies		211,119	14,853	52,477	278,449	239,250
Charitable activities		88,080	0	0	88,080	86,435
Other trading activities		12,323	0	189	12,512	12,857
Investments		440	0	0	440	279
<b>Total income</b>	<b>2</b>	<b>311,963</b>	<b>14,853</b>	<b>52,666</b>	<b>379,481</b>	<b>338,821</b>
<b>EXPENDITURE ON</b>						
Charitable Activities:						
Finance Costs	3	0	611	3,634	4,245	5,605
Church Activities	5	241,586	4,739	0	246,325	216,867
Coffee shop outreach	4	51,925	0	0	51,925	61,471
Depreciation	7	0	4,637	5,500	10,137	13,890
<b>Total expenditure</b>		<b>293,511</b>	<b>9,987</b>	<b>9,133</b>	<b>312,631</b>	<b>297,833</b>
<b>Net income before transfers</b>		<b>18,451</b>	<b>4,866</b>	<b>43,532</b>	<b>66,850</b>	<b>40,988</b>
Transfers between funds	12	(4,693)	5,304	(611)	0	0
<b>Net income after transfers</b>		<b>13,758</b>	<b>10,170</b>	<b>42,921</b>	<b>66,850</b>	<b>40,988</b>
Other recognised gains and losses:						
Gains/(losses) on revaluation of fixed assets	7	23,000	0	0	23,000	(24,300)
Actuarial gains / (losses) on defined benefit pension schemes	6	(11,986)	0	0	(11,986)	112,535
<b>Net movement in funds</b>		<b>24,772</b>	<b>10,170</b>	<b>42,921</b>	<b>77,864</b>	<b>129,223</b>
Funds brought forward at 1 August 2018		624,457	7,860	1,869,668	2,501,985	2,372,762
<b>Funds carried forward at 31 July 2019</b>		<b>649,229</b>	<b>18,030</b>	<b>1,912,589</b>	<b>2,579,848</b>	<b>2,501,985</b>

Movements on reserves and all recognised gains and losses are shown above.  
A comparison with the previous year for each fund type is provided in Note 15.  
The notes on pages 9 to 18 form part of these accounts.



# Shirley Baptist Church

## Balance Sheet at 31 July 2019

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2019	Prior Year 2018
<b>FIXED ASSETS</b>		£	£	£	£	£
Tangible fixed assets	7	651,200	21,292	2,013,466	2,685,958	2,673,095
<b>CURRENT ASSETS</b>						
Debtors	8	13,323	2,895	2,647	18,865	17,816
Bank balances	9	133,001	24,337	(24,605)	132,733	167,657
Total current assets		146,324	27,232	(21,958)	151,598	185,473
<b>LIABILITIES</b>						
Creditors: Amounts falling due within one year	10	6,995	10,198	26,800	43,993	63,863
Net current assets		139,329	17,034	(48,758)	107,605	121,610
Total assets less current liabilities		790,529	38,326	1,964,708	2,793,563	2,794,705
Creditors: Amounts falling due after more than one year	11	0	20,296	52,119	72,415	158,520
Net assets excluding pension liability		790,529	18,030	1,912,589	2,721,148	2,636,185
Defined benefit pension scheme liability	11	141,300	0	0	141,300	134,200
<b>TOTAL NET ASSETS</b>		649,229	18,030	1,912,589	2,579,848	2,501,985
<b>THE FUNDS OF THE CHARITY</b>						
Unrestricted funds						
Designated revaluation reserve		386,200			386,200	363,200
Other designated funds		177,747			177,747	182,507
General unrestricted funds		85,282			85,282	78,751
Restricted funds			18,030		18,030	7,860
Endowment funds				1,912,589	1,912,589	1,869,667
	12	649,229	18,030	1,912,589	2,579,848	2,501,985

A comparison with the previous year for each fund type is provided in Note 15.

Approved by the Diaconate on 6th May 2020

and signed on its behalf by Paul Campion and Ian McDonald

The notes on pages 9-18 form part of these accounts.

**Shirley Baptist Church**  
**Notes to the Accounts**  
**for the year ended 31 July 2019**

The charity is a trust registered with the Charity Commission in England & Wales. The charity's registered number and principal address can be found on the Charity Information page.

**1. Accounting Policies**

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain assets, which are measured at fair value through the Statement of Financial Activities.

These financial statements 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) ("the Charities SORP"), with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with the Charities Act 2011. The charity meets the definition of a public benefit entity as set out in FRS 102.

The Charities (Accounts and Reports) Regulations 2008 (the '2008 Regulations') requires charities to prepare their accounts in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005' but this accounting standard has since been withdrawn and has been replaced by the Charities SORP mentioned in the preceding paragraph. The charity has prepared these financial statements in accordance with the new Charities SORP; this departure from the 2008 Regulations is believed to be necessary for these financial statements to give a 'true and fair view'.

The principles adopted in the preparation of the financial statements are set out below.

**a) Going concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and the possible implications should projected income and / or expenditure vary unexpectedly. The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue to operate for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**b) Income**

Income including investment income is recognised in the period in which the charity becomes entitled to receipt, the amount receivable can be measured with reasonable certainty, and receipt is probable. For the most part, income is generally recognised when it is received. Income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Income from donations and legacies includes:

- i) Recoverable gift aid. This is recognised when the related donation is received. Gift aid that has not been recovered by the balance sheet date is included as a debtor.
- ii) Donated facilities, services and goods. Goods donated for distribution to beneficiaries are recognised as income when receivable at fair value (being an estimate of the amount it would cost to purchase those items). Goods donated for resale are recognised as income at the point of sale (as the sale proceeds cannot be estimated reliably before the goods are sold). Facilities, services and goods donated for the charity's own use are recognised as income when receivable at their value to the charity.

The charity relies on volunteers to carry out many of its activities, particularly outreach activities. However, in accordance with the SORP, the value of these services has not been included in these financial statements as they cannot be reliably measured.

When donated goods, services and facilities are distributed or consumed, an expense in respect of those items is included in the Statement of Financial Activities. At the year end any goods that have not been distributed or consumed are recognised as stock; donated fixed assets are capitalised.

iii) Legacies. Income from legacies is recognised when a distribution is received from the estate or, if earlier, when the charity has been notified that a distribution will be made and the amount receivable can be measured reliably.

Income from charitable activities represents income receivable from goods, services and facilities supplied in furtherance of the charity's charitable objects. It includes income from church retreats and other events and courses.

Income from other trading activities represents income receivable from activities undertaken to generate funds for the charity. It includes income from Kairos Coffee.

Investment income represents income generated by the charity's assets and includes income from bank interest.

Other income comprises gains arising from the disposal of tangible fixed assets / social investments.

**c) Expenditure**

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity makes grants to other institutions and individuals to further its charitable objectives. Grants payable are recognised as constructive obligations arise, which is generally when the charity expresses a commitment to the recipient that can be measured reliably and then only to the extent that any conditions associated with the grant are outside of the control of the charity.

**d) Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Restricted funds are donations which are to be used in accordance with specific restrictions imposed by donors; they include donations received from appeals for specific activities or projects. Endowment funds are donations that are retained as capital in accordance with the donor's wishes. The nature of the restriction determines whether the endowments represent permanent endowments or expendable endowments.

**Unrestricted General Fund**

General Fund - the principal operating fund covering the cost of ministry, support for Christian missions, church activities, buildings and administration, with income mainly coming from regular giving by members of the congregation (plus gift aid where applicable), rental income from the Yoxall Road manse and other one-off donations from users of the rooms.

**Shirley Baptist Church**  
**Notes to the Accounts**  
**for the year ended 31 July 2019**

**Unrestricted Designated Funds:**

Members Loan Repayment Fund - funds set aside from previous years' general fund surpluses for repayment of members loans if the Kairos and Building funds could not do so. In 2019 the balance was transferred to the designated Building Fund.

Kairos Coffee - This is the operating income (sales) and costs of Kairos Coffee. Any accumulated operating deficit of the coffee shop is transferred to the General Fund.

Designated Building Fund - funds set aside from unrestricted general funds to repay loans should there be a shortfall in related restricted (including endowment) income.

Church Organisations Designated Fund - This is the aggregate of the funds of the church organisations that run much of the outreach to the community. It includes Womens Fellowship, Brigades, pre-school mid-week groups, Tuesdays group and youth clubs.

Manse fund - comprises the cost of the charity's manses (which amount to £265,000) and subsequent revaluations (which amount to £386,200).

Pension Debt - This is the share of the Baptist Union Pension Scheme deficit allocated to the church. It consists of the provision for the liability and will be eliminated by deficit contributions until 2028 from future income transferred annually from General Fund. If this becomes impossible, then it will be covered by the sale of the manses whose value is reflected within the Revaluation Reserve and which exceeds the pension liability.

**Restricted Funds:**

Kairos Coffee (Set Up) - the coffee shop was established in 2014 using gifts specifically provided for that purpose together with loans from members and the Heart of England Baptist Association (HEBA). In March 2018 the HEBA loan was transferred to the Building (restricted) Fund (as agreed by Building Fund donors) and in May 2019, with the assistance of a fund transfer from the unrestricted general fund, the loans owed to members were repaid fully. At the year end the fund comprises the net book value of the fixed assets used by Kairos Coffee offset by the funds transferred from the general fund (which is shown as an overdrawn bank balance in note 13). Annually transfers are made from the general fund to cover any deficit that the fund would otherwise report.

Building Restricted Fund - This fund was created in March 2018 when donors to the endowed Building Fund gave the charity permission to use some of their donations to repay a loan received from HEBA for Kairos Coffee; in the previous year some of the cash received from these donors was ring fenced for the repayment of this loan. At the year end the fund was represented by this cash and a matching liability for the HEBA loan.

Dickens Heath Fund - set up by a specific gift from the Dickens Heath Community Church prior to its closure in 2019. The fund is to be used for specific mission in Dickens Heath.

Fellowship Fund - a fund originally set up by a specific gift and used at the sole discretion of the Senior Minister to provide small grants to members of the fellowship who have severe and specific financial needs.

Mission Fund - was created from donations received to help support mission activities undertaken by other charities. Generally, the on-going gifts are donated during activities organised by the church including the Harvest Appeal.

Student Fund - The fund supports a Families and Children Specialist or Worker and Internships by covering course fees, travel and sundry expenses claimed, a small personal allowance and food and accommodation provided by a hosting member. The most recent intern was in 2012.

**Endowment Funds:**

Building Endowment Fund - This is the main fund for the redevelopment of the halls in 2013. Over 90% of the fund has been provided by gifts from the congregation, with the balance from charitable trusts and Shirley Advance. All of the capital has been invested in the new buildings for the use of the church and community. Loans from church members and the Baptist Union of Great Britain were taken to complete the project and it is expected that they will be repaid in full by the end of 2022.

- e) Fixed assets are for the use by the church in fulfilling its objects and are capitalised and depreciated. Depreciation is provided at rates considered appropriate to reduce book values to estimated residual values over the useful lives of the assets concerned. As permitted by FRS102, properties are revalued at every balance sheet date to their estimated market value; there is no separate charge for depreciation. Furniture and fittings are depreciated at 10% p.a., Kairos and computer equipment at 33% p.a. and musical instruments at 25% p.a. all on the straight line balance basis. Small items of equipment are written off on purchase.

f) Pension scheme arrangements

The charity operates defined contribution pension schemes for its employees. Obligations for contributions to these schemes are The charity is a participating employer in the Baptist Union Pension Scheme which, prior to January 2012, was a multi-employer defined benefit pension scheme. The charity is unable to identify its share of this scheme's assets and liabilities therefore, as permitted by FRS 102, the entire scheme is being treated as if it were a defined contribution scheme. The last actuarial valuation indicated that the obligation to provide defined benefits gives rise to a funding deficit and the charity, along with other participating employers, must make additional contributions to remedy the deficit. The obligation to make deficit reduction contributions in future years has been included as a liability in these financial statements. Further information about this defined benefits scheme, and the charity's obligation to contribute towards its funding deficit, is disclosed elsewhere in the notes to these accounts.

**Shirley Baptist Church**  
**Notes to the Accounts**  
**for the year ended 31 July 2019**

2. Analysis of Income

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
<i>Donations and Legacies</i>					
Gifts & offerings	173,931	95	41,801	215,827	192,078
Income tax recoverable	34,908	427	10,676	46,012	42,286
Mission giving	2,280	14,331	0	16,610	4,886
	<u>211,119</u>	<u>14,853</u>	<u>52,477</u>	<u>278,449</u>	<u>239,250</u>
<i>Charitable Activities</i>					
Room usage voluntary contribution	9,991	0	0	9,991	8,038
Kairos Coffee	54,173			54,173	57,087
Sundry income	3,068	0	0	3,068	2,050
<i>Self-funding Charitable Activities</i>					
Church Organisations	15,868	0	0	15,868	16,178
Church Events	4,980	0	0	4,980	3,082
	<u>88,080</u>	<u>0</u>	<u>0</u>	<u>88,080</u>	<u>86,435</u>
<i>Other trading activities</i>					
Rental Income Yoxall Road Manse	12,323	0	0	12,323	12,338
Fund raising events	0	0	189	189	519
	<u>12,323</u>	<u>0</u>	<u>189</u>	<u>12,512</u>	<u>12,857</u>
<i>Investment Income</i>					
Interest received	440	0	0	440	279
	<u>440</u>	<u>0</u>	<u>0</u>	<u>440</u>	<u>279</u>
Total Income	<u>311,963</u>	<u>14,853</u>	<u>52,666</u>	<u>379,481</u>	<u>338,821</u>

3. Analysis of Finance Costs

Building project and Loan Interest	0	611	3,634	4,245	5,605
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4. Analysis of Coffee Shop Outreach Expenditure

<i>Kairos Coffee</i>					
Kairos employment costs	21,889	0	0	21,889	28,051
Kairos office costs	2,042	0	0	2,042	2,345
Cleaning & caretaking	2,832	0	0	2,832	2,950
Light, heat & water	5,528	0	0	5,528	6,349
Kairos set up costs	1,730	0	0	1,730	1,872
Kairos cost of sales	17,840	0	0	17,840	19,940
Other costs	64	0	0	64	(36)
Total Kairos	<u>51,925</u>	<u>0</u>	<u>0</u>	<u>51,925</u>	<u>61,471</u>

# Shirley Baptist Church

## Notes to the Accounts for the year ended 31 July 2019

### 5. Analysis of Church Activities Expenditure

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
<b>Ministry</b>					
Stipends	88,076	0	0	88,076	63,439
Pension & NI contributions	12,995	0	0	12,995	9,269
Manse costs	4,451	0	0	4,451	4,164
Other costs of Ministry	5,814	0	0	5,814	7,215
Intern programme	0	0	0	0	125
Children's/Youth work ministries	4,474	0	0	4,474	3,478
Mission & evangelism	1,062	0	0	1,062	2,038
Worship, pastoral & discipleship	9,448	0	0	9,448	4,150
	<u>126,319</u>	<u>0</u>	<u>0</u>	<u>126,319</u>	<u>93,878</u>
<b>Mission - Grants Payable</b>					
<b>Institutions:</b>					
BMS World Mission	15,000	1,985	0	16,985	15,951
Baptist Home Mission	15,000	0	0	15,000	15,000
Mercy Mission Welfare Society	4,400	2,449	0	6,849	4,785
Christian Aid	1,023	89	0	1,112	545
Global Connections	530	0	0	530	1,272
TEAR Fund	0	0	0	0	2,233
Agape Iranian Ch	600	0	0	600	850
Embrace Syria	0	0	0	0	250
The Navigators	1,200	0	0	1,200	2,000
Solihull Homelessness	775	33	0	808	286
RESTORE	775	0	0	775	0
Other gifts< £1,000 each	500	183	0	683	1,550
<b>Individuals:</b>					
Short Term Missions	0	0	0	0	0
	<u>39,803</u>	<u>4,739</u>	<u>0</u>	<u>44,542</u>	<u>44,722</u>
<b>Support</b>					
Office employment costs	11,267	0	0	11,267	10,754
Office costs	6,247	0	0	6,247	8,748
Cleaning & caretaking	8,676	0	0	8,676	8,953
Light, heat & water	13,200	0	0	13,200	11,427
Repairs & maintenance	12,267	0	0	12,267	17,054
Insurance	3,559	0	0	3,559	2,955
Support for Kairos	0	0	0	0	971
Other costs	27	0	0	27	60
<b>Governance Costs:</b>					
Independent Examination	3,007	0	0	3,007	1,424
	<u>58,251</u>	<u>0</u>	<u>0</u>	<u>58,251</u>	<u>62,346</u>
<b>Self-funding Charitable Activities</b>					
Church Organisations	10,604	0	0	10,604	10,998
Church Organisations' donations	1,100	0	0	1,100	1,421
Church Events	5,509	0	0	5,509	3,502
	<u>17,213</u>	<u>0</u>	<u>0</u>	<u>17,213</u>	<u>15,921</u>
<b>Total Charitable Activities Expenditure</b>	<u>241,586</u>	<u>4,739</u>	<u>0</u>	<u>246,325</u>	<u>216,867</u>

### 6. Staff cost and Trustees expenses

	2019 £	2018 £
Salaries	119,755	100,310
Social security costs	3,795	2,828
Pension costs	10,247	8,095
Benefits of Manse utilities	3,201	3,384
	<u>136,998</u>	<u>114,617</u>
BU Pension Debt b/fwd	134,200	251,500
Contributions to BU Pension Debt	(4,886)	(4,764)
(Gains)/Losses in Debt valuation	11,986	(112,536)
BU Pension Debt c/fwd	<u>141,300</u>	<u>134,200</u>

The average number of employees in the year was

Full time	2	2
Part time	9	8
	<u>11</u>	<u>10</u>

**Shirley Baptist Church**  
**Notes to the Accounts**  
**for the year ended 31 July 2019**

No employee received emoluments in excess of £60,000 during the year (2018 none).

One of the Trustees, Paul Campion, as an employee, received emoluments of £34,738 (2018 £33,969) and benefited from pension contributions by the church of £4,070 (2018 £3,997), and lived in housing owned and provided by the church for which the utilities cost £3,629 (2018 £3,664). These emoluments were paid in his capacity as minister, and not as trustee, and are allowed for in the church constitution. He is the only member of staff who is defined as performing a key management role within the charity. One Kairos Coffee staff member was paid £6,498 (2018 £137) and is a close relative of a trustee, Neil Aston; the latter did not participate in the appointment or management processes.

No sums were reimbursed to the Trustees for their work as Trustees (2018 none). Trustees and close family members donated £27,986 (2018 £36,618) to the Church.

The Church is a participating employer 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.

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 Legal and General Life Assurance Society Limited. 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 Minister(s) and some members of the church staff are eligible to join the Scheme.

**Actuarial valuation as at 31 December 2016**

A formal valuation of the DB Plan as at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £219 million, whilst the level of assets needed to pay benefits was £312m, giving a deficit of £93m (equivalent to a past service funding level of 70%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows:

RPI price inflation assumption	3.50%
CPI price inflation assumption	2.75%
Minimum Pensionable Income increases	3.50%
Assumed investment returns - pre retirement	3.50%
Assumed investment returns - post retirement	2.25%
Additional returns assumed during recovery plan	0.10%
Deferred pension increases - Pre April 2009	3.50%
Deferred pension increases - Post April 2009	2.50%
Pension increases:	
· Based on RPI with an annual floor of 0% and annual cap of 5%	3.30%
· Based on RPI with an annual floor of 0% and annual cap of 2.5%	2.15%
· Based on CPI with an annual floor of 0% and annual cap of 5%	2.70%
· Based on CPI with an annual floor of 0% and annual cap of 2.5%	2.00%

Mortality is assumed in accordance with 75% of the S2NA standard mortality table. Future improvements projected from 2007 in line with the "CMI 2016" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females.

Consequent upon the departure of the Minister from the church in 1986 and 1989, the Church had cessation events under Section 75 of the Pensions Act 1995. This makes the Church liable for the proportion of the overall deficit (assessed by reference to the cost of securing benefits by the purchase of annuities) applicable to its previous Ministers who were members of the Scheme. It is not possible to quantify this debt without an actuarial calculation. In order to avoid the cost of such a calculation and because the church may not be able to continue its charitable activities following payment of the employer debt which arises upon a cessation event, the Pension Scheme Trustee (after consulting the Pensions Regulator) is not currently pursuing the employer debt, but is instead permitting the church to pay the ongoing deficiency contributions outlined above. However, the Pension Scheme Trustee has the right to quantify and seek payment of the debt at any time at its discretion.

An actuarial valuation of the DB Plan within the Scheme is taking place for the position as at 31 December 2019.

**Recovery Plan**

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

Under the current Recovery Plan agreed in April 2018, deficiency contributions are payable until December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

The pension liability included in these accounts is based on an estimate of the amount that the charity would be required to pay should the charity decide to settle the debt immediately; the Baptist Pension Scheme (the 'BPS') have provided this estimate. The BPS is collecting deficit contributions monthly however these deficit contributions have not been calculated by reference to the charity's share of the pension deficit and, based on the current schedule of contributions, it is possible that the sum of all future annual deficit contributions will be significantly less than the liability included in these accounts. The charity does not foresee any circumstances that could result in immediate payment of the whole debt however the trustees believe that the BPS may ask the church to increase its contributions towards the deficit and therefore, to be prudent, they have chosen to recognise a liability for the employer debt in these accounts.

Total pension contributions consist of:	2019	2018
	£	£
Contributions to Baptist Pension Scheme DC plan	9,200	6,819
Contributions to other defined contribution schemes (which comply with pensions auto-enrolment legislation)	1,047	1,276
	10,247	8,095
Contributions to Baptist Pension Scheme DB plan deficit	4,886	4,764
Total pension contributions paid in year	15,133	12,859

# Shirley Baptist Church

## Notes to the Accounts for the year ended 31 July 2019

7. Tangible Fixed Assets	Church Premises £	Manses £	Furniture & Fittings £	Musical/Sound Equipment £	Computers & Equipment £	Total £
<i>Cost or valuation</i>						
at 1st August 2018	2,122,420	672,112	213,934	30,875	17,532	3,056,873
Revaluations	0	23,000	0	0	0	23,000
Additions during the year	0	0	0	0	0	0
Disposals during the year	0	0	0	0	0	0
at 31st July 2019	2,122,420	695,112	213,934	30,875	17,532	3,079,873
<i>Accumulated Depreciation</i>						
at 1st August 2018	122,420	43,912	169,039	30,875	17,532	383,778
Charge for the year	0	0	10,137	0	0	10,137
Accumulated depreciation on disposals	0	0	0	0	0	0
at 31st July 2019	122,420	43,912	179,176	30,875	17,532	393,915
<i>Net Book Value</i>						
at 31st July 2019	2,000,000	651,200	34,758	0	0	2,685,958
at 31st July 2018	2,000,000	628,200	44,895	0	0	2,673,095
Original cost		265,000				
Revaluation Reserve		386,200				

The church's properties were valued on 30th July 2019 by the trustees at their estimated market value; the trustees considered the values of similar nearby properties when they estimated the market values of the manses (£23,000 higher than 2018).

There is no competitive market for the church building and its valuation of £2million reflects the quality of the building balanced by the uncertainty of what it may fetch on the open market dependent upon willing buyers at that time; this value is the same as the 2018 valuation.

During the year no capital expenditure was incurred, although maintenance and repair costs increased with the increasing age of some equipment.

At 31 July 2019 there were no outstanding capital commitments (2018 £Nil).

An insurance valuation exercise took place in 2018 which resulted in a replacement insurance valuation of £5,161,489.

8. Debtors and Prepayments	2019 £	2018 £
Tax recoverable	14,202	13,063
Other debtors & prepayments	4,663	4,753
	<u>18,865</u>	<u>17,816</u>
9. Cash at Bank & in Hand	2019 £	2018 £
Current accounts	122,436	110,702
Cash/Bank (Church Organisations and Kairos Cash Float)	10,297	7,955
Deposit Account (for Kairos Members Loan Repayment)	0	49,000
	<u>132,733</u>	<u>167,657</u>
10. Creditors: amounts falling due within one year	2019 £	2018 £
Sundry creditors and accruals	4,048	7,949
Independent examination	2,160	1,000
PAYE & NIC	4,684	5,914
Short Term Loans from members - Building Fund & Kairos*	16,000	49,000
HEBA loan for Kairos**	6,300	0
Baptist Union Corporation loan for Building Redevelopment***	10,800	0
	<u>43,992</u>	<u>63,863</u>
11. Creditors: falling due after more than one year	2019 £	2018 £
HEBA loan for Kairos**	20,296	32,285
Long Term Loans from members - Building Fund & Kairos*	24,000	0
Baptist Union Corporation loan for Building Redevelopment***	28,118	126,235
	<u>72,415</u>	<u>158,520</u>
Baptist Union Pension Scheme	141,300	134,200

\*These loans are unsecured, interest free and have fixed quarterly repayments and are therefore repayments due within one year or beyond one year are reported accordingly.

\*\* This loan is repayable over 10 years (by February 2024) and is charged at 3.4% on 75% of the loan and nil% on the remaining 25%. The loan facility was for £75,000 but only £55,000 was drawn down and the balance is unlikely to be taken up.

\*\*\* This loan is repayable over 10 years (by September 2023) and is charged at 3.6% variable. The loan facility was for £475,000 but only £463,000 was drawn down and the balance is unlikely to be taken up.

# Shirley Baptist Church

## Notes to the Accounts for the year ended 31 July 2019

12. Summary Statement of Funds	2018	Transfers	Income	Expenditure	Gains and (Losses)	2019
	£	£	£	£	£	£
<i>Unrestricted Funds</i>						
Members Loan Repayment Fund	44,000	(44,000)	0	0	0	0
Kairos Cafe	1	(2,248)	54,173	51,925	0	0
Building Fund	0	44,000	0	0	0	44,000
General Fund	78,751	(5,508)	241,921	229,882	0	85,282
Church Organisations	7,706	(1,823)	15,868	11,704	0	10,047
Pension Debt Fund	(134,200)	4,886	0	0	(11,986)	(141,300)
Revaluation Fund	628,200	0	0	0	23,000	651,200
	624,458	(4,693)	311,962	293,511	11,014	649,229
<i>Restricted Funds</i>						
Kairos Cafe*	0	4,523	114	4,637	0	0
Building Fund	0	611	0	611	0	0
Dickens Heath Fund	0	0	10,000	0	0	10,000
Fellowship Fund	716	0	0	0	0	716
Mission Fund	0	0	4,739	4,739	0	0
Student	7,144	170	0	0	0	7,314
	7,860	5,304	14,853	9,987	0	18,030
<i>Endowment Funds</i>						
Building Fund	1,869,667	(611)	52,665	9,133	0	1,912,589
Total Funds	2,501,985	0	379,480	312,631	11,014	2,579,848

Comparative data in the form of the equivalent table for the previous year is found in Note 15.

\*The Kairos (Restricted) fund will have a tendency to be in deficit in years due to fixed asset depreciation and therefore a transfer from the General Fund is made to cover the deficit. Where this occurs sufficient funds will be transferred from the General Fund to cover the deficit. The transfer this year was £4,523. In addition, following the HEBA loan transferring to the Restricted Building Fund the designated members loan fund was transferred to the designated Building Fund (£44,000).

A transfer of £611 was made from the Endowment Building Fund to the Restricted Building Fund to cover interest paid on the HEBA loan.

Other Kairos related fund transfers included £2,248 to the General Fund from the designated Kairos (operating) Fund to repay some of the accumulated operating deficits from previous years.

Church Organisations transferred £1,653 to the General fund as contributions towards heating and lighting and £170 to the Student fund for the support of children and family ministry. The General fund also made a transfer of £4,886 to the Pension Debt fund to cover contributions made during the year.

### 13. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Bank Balances £	Debtors Balances £	Short Term Liabilities £	Long Term Liabilities £	Total 2019 £
<i>Unrestricted Funds</i>						
Members Loan Repayment Fund	0	0	0	0	0	0
Kairos	0	0	0	0	0	0
Building Fund	0	44,000	0	0	0	44,000
General Fund	0	78,954	13,323	(6,995)	0	85,282
Church Organisations Fund	0	10,047	0	0	0	10,047
Pension Debt Fund	0	0	0	0	(141,300)	(141,300)
Revaluation Reserve	651,200	0	0	0	0	651,200
	651,200	133,001	13,323	(6,995)	(141,300)	649,229
<i>Restricted Funds</i>						
Kairos Cafe	21,292	(20,358)	2,895	(3,829)	0	(0)
Building Fund	0	26,596	0	(6,300)	(20,296)	0
Dickens Heath Fund	0	10,000	0	0	0	10,000
Fellowship Fund	0	716	0	0	0	716
Mission Giving	0	69	0	(69)	0	0
Student	0	7,314	0	0	0	7,314
	21,292	24,337	2,895	(10,198)	(20,296)	18,030
<i>Endowment Funds</i>						
Building Fund	2,013,466	(24,605)	2,647	(26,800)	(52,119)	1,912,589
Total Funds	2,685,958	132,733	18,865	(43,993)	(213,715)	2,579,848

note 7      note 9      note 8      note 10      note 11  
Comparative data in the form of the equivalent table for the previous year is found in Note 15.



# Shirley Baptist Church

## Notes to the Accounts for the year ended 31 July 2019

### 14 Kairos Coffee

Kairos Coffee - the coffee shop was established in 2014 using £30,150 of gifts specifically provided (Restricted) for that purpose together with loans from members (£68,000) and the Heart of England Baptist Association (HEBA) (£55,000). The initial funds were placed in a Restricted fund and used to fit out and equip the coffee shop (£120,161 fixed assets), cover set up expenses (£8,883) and provide working capital (£24,106).

The intention was that all of the operating surplus of the coffee shop is designated to use to repay the HEBA and members loans over 10 years and provide for the replacement of furniture and equipment. Any surplus after these expenses have been met may be used for general purposes. The reality was that there was operating cashflow could not cover HEBA and members' loans repayments. Therefore, in April 2018, the HEBA loan balance £34,385 was transferred to the restricted Building fund (with the permission of donors to the Building fund) and, in May 2019, the Kairos restricted fund received a transfer from the unrestricted general fund (shown as an overdrawn bank balance in note 13) so that it could repay members' loans.

The Church policy is to clear deficits on the Kairos designated (operations) and restricted (set-up) funds by transfers from the General Fund. Transfers of £2,248 Operating surplus to the General Fund and £4,523 deficit on the Set-up fund from General Fund were made in 2019 bringing cumulative funding to £4,971 and £55,651 respectively.

The medium term (to 2023) financial objective is for an operating surplus sufficient to finance the replacement of ageing assets (c.£50,000) whilst the General Fund will continue to make transfers to cover the residual depreciation charges in the Set-Up fund (£21,292).

<u>Kairos Cafe Funds</u>	2019 Operations Unrestricted SOFA £	2019 Set-Up Restricted SOFA £	31 July 2019 Cafe funds Balance Sheet £	Cumulative Support from Church to Kairos £
Sales	54,173	0		
Cost of Sales	(51,925)	0		
Interest on HEBA Loan		0		
Operating Surplus	2,248	0		
Fixed Assets			21,292	
Creditors			(3,828)	
Debtors			2,895	
Depreciation		(4,637)		
Voluntary donations		114		
Deficit	2,248	(4,523)		
Net cashflow before loan repayment				Transferred Net Assets
Members' Loan			0	49,000
HEBA Loan			0	34,385
Cash at Bank (Kairos account)			4,404	2,000
Cash at Bank (Church account)			(24,763)	(24,763)
b/fwd Kairos Cafe funds	0	0		
Kairos Cafe funds (before Support)	2,248	(4,523)		
			Net Assets t/d	60,622
Support from Church General Fund				Transferred Funds
for Kairos operating losses (D)	(2,248)	0		4,971
for Kairos Set Up losses (R)	0	4,523		55,651
Total Support provided to Kairos	(2,248)	4,523		60,622
Transfer to bal. restricted fund				
c/fwd Cafe Fund (after Support)	0	0	Note 12 (0)	

**Shirley Baptist Church**

**Notes to the Accounts  
for the year ended 31 July 2019**

15 Comparative Year Analysis

The comparison of the SOFA by fund types between this year and the previous year is shown below.

<b>SOFA</b>	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2019 £	Restricted Funds 2018 £	Endowment Funds 2019 £	Endowment Funds 2018 £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and Legacies	211,119	189,222	14,853	5,118	52,477	44,909
Charitable activities	88,080	86,434			0	
Other trading activities	12,323	12,338			189	519
Investments	440	279			0	
Other	0		0		0	
<b>Total income</b>	<b>311,963</b>	<b>288,273</b>	<b>14,853</b>	<b>5,118</b>	<b>52,666</b>	<b>45,429</b>
<b>EXPENDITURE ON Charitable Activities</b>						
Finance Costs	0	0	611	606	3,634	4,999
Church Activities	241,586	213,986	4,739	2,881	0	0
Coffee shop outreach	51,925	61,471	0	0	0	0
Depreciation	0	0	4,637	4,637	5,500	9,253
<b>Total expenditure</b>	<b>293,511</b>	<b>275,457</b>	<b>9,987</b>	<b>8,124</b>	<b>9,133</b>	<b>14,252</b>
<b>Net income before transfers</b>	<b>18,451</b>	<b>12,816</b>	<b>4,866</b>	<b>(3,006)</b>	<b>43,532</b>	<b>31,177</b>
Transfers between funds	(4,693)	43,505	5,304	3,702	(611)	(47,207)
<b>Net income after transfers</b>	<b>13,758</b>	<b>56,321</b>	<b>10,170</b>	<b>696</b>	<b>42,921</b>	<b>(16,030)</b>
Gains/(losses) on revaluation of fixed	23,000	(24,300)				
Gains/(losses) DB pension schemes	(11,986)	112,536				
<b>Net movement in funds</b>	<b>24,772</b>	<b>144,557</b>	<b>10,170</b>	<b>696</b>	<b>42,921</b>	<b>(16,030)</b>
<b>Funds brought forward at 1 August</b>	<b>624,457</b>	<b>479,900</b>	<b>7,860</b>	<b>7,164</b>	<b>1,869,668</b>	<b>1,885,698</b>
<b>Funds carried forward at 31 July</b>	<b>649,229</b>	<b>624,457</b>	<b>18,030</b>	<b>7,860</b>	<b>1,912,589</b>	<b>1,869,668</b>
<b>BALANCE SHEET</b>						
	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2019 £	Restricted Funds 2018 £	Endowment Funds 2019 £	Endowment Funds 2018 £
<b>FIXED ASSETS</b>						
Tangible fixed assets	651,200	628,200	21,292	25,929	2,013,466	2,018,966
<b>CURRENT ASSETS</b>						
Debtors	13,323	12,544	2,895	2,559	2,647	2,713
Bank balances	133,001	127,377	24,337	61,056	(24,605)	(20,776)
Total current assets	146,324	139,921	27,232	63,615	(21,958)	(18,063)
<b>LIABILITIES</b>						
Creditors: Amts falling due within 1 yr	6,995	9,464	10,198	49,399	26,800	5,000
Net current assets	139,329	130,457	17,034	14,216	(48,758)	(23,063)
<b>Total assets less current liabilities</b>	<b>790,529</b>	<b>758,657</b>	<b>38,326</b>	<b>40,145</b>	<b>1,964,708</b>	<b>1,995,903</b>
Creditors: Amts falling due after 1 yr	0	0	20,296	32,285	52,119	126,235
Defined benefit pension scheme liability	141,300	134,200				
<b>NET ASSETS</b>	<b>649,229</b>	<b>624,457</b>	<b>18,030</b>	<b>7,860</b>	<b>1,912,589</b>	<b>1,869,668</b>
<b>THE FUNDS OF THE CHURCH</b>						
Unrestricted funds	649,229	624,457				
Restricted funds			18,030	7,860		
Endowment funds					1,912,589	1,869,668
	<b>649,229</b>	<b>624,457</b>	<b>18,030</b>	<b>7,860</b>	<b>1,912,589</b>	<b>1,869,668</b>

**Shirley Baptist Church**

**Notes to the Accounts  
for the year ended 31 July 2019**

**Copy from previous year provided for comparison purposes of Note 12**

Summary Statement of Funds	2017	Transfers	Income	Expenditure	Gains and (Losses)	2018
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
Members Loan Repayment Fund	3,114	40,886	0	0	0	44,000
Kairos Cafe	0	5,355	57,087	62,441	0	0
Building Fund	27,127	(27,127)	0	0	0	0
General Fund	84,241	(19,971)	215,008	200,527	0	78,751
Church Organisations	6,468	(2,452)	16,178	12,488	0	7,706
Pension Debt Fund	(251,500)	4,765	0	0	112,535	(134,200)
Revaluation Fund	610,451	42,049	0	0	(24,300)	628,200
	<u>479,901</u>	<u>43,505</u>	<u>288,273</u>	<u>275,456</u>	<u>88,235</u>	<u>624,457</u>
<b>Restricted Funds</b>						
Kairos Cafe*	1	5,242	0	5,243	0	0
Building Fund	0	(2,100)	2,100	0	0	0
Fellowship Fund	716	0	0	0	0	716
Mission Fund	0	0	2,881	2,881	0	0
Screen Fund	0	0	0	0	0	0
Student	6,447	560	137	0	0	7,144
Romania Fund	0	0	0	0	0	0
	<u>7,164</u>	<u>3,702</u>	<u>5,118</u>	<u>8,124</u>	<u>0</u>	<u>7,860</u>
<b>Endowment Funds</b>						
Building Fund	1,885,698	(47,207)	45,428	14,252	0	1,869,668
<b>Total Funds</b>	<u>2,372,763</u>	<u>0</u>	<u>338,819</u>	<u>297,832</u>	<u>88,235</u>	<u>2,501,985</u>

**Copy from previous year provided for comparison purposes of Note 13**

Analysis of Net Assets Between Funds

	Tangible Fixed Assets	Bank Balances	Debtors Balances	Short Term Liabilities	Long Term Liabilities	Total 2018
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
Members Loan Repayment Fund	0	44,000	0	0	0	44,000
Kairos	0	(17)	0	17	0	0
Building Fund	0	0	0	0	0	0
General Fund	0	75,363	12,544	(9,156)	0	78,751
Church Organisations Fund	0	8,031	0	(325)	0	7,706
Pension Debt Fund	0	0	0	0	(134,200)	(134,200)
Revaluation Reserve	628,200	0	0	0	0	628,200
	<u>628,200</u>	<u>127,377</u>	<u>12,544</u>	<u>(9,464)</u>	<u>(134,200)</u>	<u>624,457</u>
<b>Restricted Funds</b>						
Kairos Cafe	25,929	20,301	2,509	(48,739)	0	0
Building Fund	0	32,285	0	0	(32,285)	0
Fellowship Fund	0	716	0	0	0	716
Mission Giving	0	610	50	(660)	0	0
Screen Fund	0	0	0	0	0	0
Student	0	7,144	0	0	0	7,144
Romania Fund	0	0	0	0	0	0
	<u>25,929</u>	<u>61,056</u>	<u>2,559</u>	<u>(49,399)</u>	<u>(32,285)</u>	<u>7,860</u>
<b>Endowment Funds</b>						
Building Fund	2,018,966	(20,776)	2,713	(5,000)	(126,235)	1,869,668
<b>Total Funds</b>	<u>2,673,095</u>	<u>167,657</u>	<u>17,816</u>	<u>(63,863)</u>	<u>(292,720)</u>	<u>2,501,985</u>