

West Wickham & Shirley Baptist Church



Annual Report and Accounts 2019

(Charity Reg. No. 1166796)

**Legal and Administrative Information
for the year ending 31st December 2019**

	Page
Legal and administrative information	3
Annual Report of the Church Leadership	5
Independent Examiner's report to the Church Leadership	14
Statement of financial activities	15
Balance sheet	16
Notes to the financial statements	17

**Legal and Administrative Information
for the year ending 31st December 2019**

Charity Name

West Wickham & Shirley Baptist Church

Registered Address

Corner of Wickham Road & Monks Orchard Road, Croydon, CR0 8EH

Charity registration number

1166796

Governing document:

Church Constitution originally dated April 2016, revised March 2019.

Objects of the Charity

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The Church may also advance education and carry out other charitable purposes in the United Kingdom and/or other parts of the world.

The Church has been inspired to embrace the vision to become like '*A City on a Hill*' in the context of Matthew's Gospel, ch. 5 verse 14 and consequently adopted the following Mission Statement:
"Transforming lives and communities with the power of God's love."

Trustees

The Trustees who served during the year or who were serving at the date of this report were:

Rev Jonathan Hills	(Chair, Senior Minister)
Rev Sara Kennett	(Minister)
Mr Clifford Underhay	(Secretary)
Mr Paul Bradbury	(Treasurer)
Mr Harvey Alexander	(resigned Dec 2019)
Mr Philip Jenkins	
Mr. Neil Selby	
Mrs Janet Fagon	(appt Jan 2020)
Mr Okenna Nzelu	(appt Jan 2020)

Key Management Personnel

Those in charge of planning, directing, controlling, running and operating the church, including those members of staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the charity, are the Trustees, Ministry Leaders, Boys' Brigade Captain, Girls' Brigade Captain, and Youth & Children's Worker.

**Legal and Administrative Information
for the year ending 31st December 2019**

Bankers

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

Teachers Building Society, Allenvie House, Hanham Road, Wimborne, Dorset, BH21 1AG

Baptist Union Corporation Ltd, Baptist House, 129 Broadway, Didcot, Oxon, OX11 8RT

Independent Examiner

John Helm ACA, 17 Heathville Road, London N19 3AL

**Annual Report of the Trustees
for the year ending 31st December 2019**

The Trustees submit their annual report and the financial statements of West Wickham & Shirley Baptist Church ("the Church") for the year ended 31 December 2019. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

Covid-19 / Going Concern

The significant event to have occurred prior to the signing of these accounts has been the lockdown restrictions made necessary by the Covid-19 pandemic, which broke out in early March 2020.

Each year it is the Trustee's responsibility to state whether or not the annual accounts have been drawn up on a going concern basis (see the accounting policy note on page 17). Going concern is the assumption that an entity, in this case the Church, has the resources (financial or otherwise) needed to continue operating for the foreseeable future and, in particular, for at least 12 months from the date of approval by the Trustees of these annual accounts. If the going concern principle did not apply then the accounts would be drawn up on an insolvent basis.

Clearly, as part of this year's going concern review, the Trustees have had to consider the likely impact of COVID-19 pandemic on its ministry. It has concluded that the financial risks to that ministry have not increased significantly as a result of the lockdown restrictions imposed by the Government and the resultant closure of the church building and halls. As a result of these restrictions, income from hiring out the church halls has ceased and is not expected to return to anything like a normal level until the latter part of 2020. The impact of the lockdown on the finances of our church family members, whose giving provides the bulk of our financial support, remains unclear but a significant reduction in support is not thought to be likely.

Against this background, the Trustees have reviewed its financial forecast for 2020. This review indicates that it may incur a small deficit in 2020 but that its cash reserves are more than adequate to absorb that deficit. Even so it has taken positive steps to reduce the potential impact by furloughing four of its seven employees. Accordingly, it has concluded that it is appropriate to prepare the 2019 Accounts on a going-concern basis and that it is not necessary to make any adjustment to these accounts as a result of the lockdown restrictions. The Trustees will continue to keep both the short-term and longer-term impact under review and in particular, the 'degree of return to normality' will be actively monitored in the latter part of 2020, with a view to assessing the likely carryover into 2021 and the effect on the 2021 Budget.

**Annual Report of the Trustees
for the year ending 31st December 2019**

Transfer from West Wickham & Shirley Baptist Church: On 1st July 2018 the trustees of West Wickham & Shirley Baptist Church (Charity Reg. No. 1126890) executed the transfer of ownership and ongoing responsibility of all the church's assets, liabilities and activities to West Wickham & Shirley Baptist Church (Charity Reg. No. 1166796), which had been previously incorporated by the church as a Charitable Incorporated Organisation (CIO). These accounts reflect the first full complete year of operation of the CIO, however the prior year figures reflect the fact that the transfer of assets and liabilities took place on 1st July 2018 and only the activities of the Church for the period July to December 2018 were recorded. The original charity was closed on 19th September 2019.

1. Structure, Governance & Management

Trustees are responsible for the day to day management of the Church's business in accordance with the Church's objects. Trustees are elected by the Church members' meeting. Trustees will normally serve a term of office of three years but can be re-elected at the end of their first and any subsequent terms.

Trustees meet approximately 6 times per annum to discuss a full range of matters relating to finance, fabric, general administration, the implementation of the church constitution and responsibility for the keeping of the church membership roll.

The financial aspects of the church are the responsibility of the Trustees but they are managed on a day-to-day basis by the Treasurer, the Finance Group (who are responsible for reviewing the finances and suggesting matters of policy to the trustees), the Offering Counting Team, and the Treasurers for the auxiliary departments (e.g. Boys' Brigade, Girls' Brigade).

None of the Church's Trustees, with the exception of the Ministers, receive remuneration.

The induction process for any church member newly-appointed as a Trustee comprises an initial meeting with the Minister and receipt of copies of:

- the Church Constitution
- the most recent financial statements
- the Charity Commission's guidance 'The Essential Trustee'.

Church Members

Church Membership is open to those who:

- accept the Beliefs of the Church;
- commit themselves to serving Christ within the Church and beyond;
- abide by the decisions of the Church Members' Meeting;
- acknowledge their responsibilities as Church Members;
- have their membership application accepted by the Church Members' Meeting.

**Annual Report of the Trustees
for the year ending 31st December 2019**

Church Members share in the responsibility for the finances, administration, maintenance and activities of the church and elect the Church Leadership. Church Members meet regularly each year for business meetings and receive reports from the Church Leadership.

Risk & Risk Management

The church and its activities operate with the confidence and assurance of God's provision and protection. Nevertheless, the trustees are aware of the ever-changing risks that the church is exposed to which could affect its ability to fulfil its objectives and purposes. The trustees have put in place a risk management framework supported by a risk management policy and a culture of creating and managing risk assessments for activities to which they are appropriate.

An assessment of the major risks that the church faces is routinely reviewed by the trustees, and mitigating controls are put in place and reviewed. Where controls are considered to require additional work to reduce the risk to an acceptable level, a clear action plan and ownership is put in place.

At a high-level the areas of risks identified and monitored by the trustees include:

Risk Area	Mitigating Controls
Safeguarding and safety of anyone involved in church activities	Safeguarding team, safeguarding policy, safeguarding training. Health & Safety policy & risk assessments. Individual activity risk assessments.
Alignment of church activities to the charitable objects/purposes	Appropriate level of leadership and internal reporting, clear communication of church objectives to leaders/volunteers.
Proper management of financial resources	Financial controls & procedures, budgeting process, reserves policy, five year property plan.
Compliance with legislation	Regularly reviewed set of policies covering all areas of church life. Staff/volunteer training.

2. Activities

In fulfilling its purpose, the Church will engage in a range of activities either on its own or with others that will vary from time to time with activities being initiated, expanded, or closed, as appropriate. When planning our activities for the year, the trustees have considered the Charity Commission's guidance on public benefit. In particular, we try to enable ordinary people to live out their faith as part of our church and local community through:

**Annual Report of the Trustees
for the year ending 31st December 2019**

- Worship and prayer; learning about the Gospel; and developing their knowledge and trust in Jesus.
- Provision of pastoral care for people living in the local area.
- Missionary and outreach work.
- Sunday School, Boys' & Girls' Brigades & Youth Work.

To facilitate this work it is important that we maintain the fabric of the church buildings.

The Activities may include but are not restricted to:

- regular public worship, prayer, Bible study, preaching and teaching;
- baptism, as defined in the Baptist Union's Declaration of Principle;
- the Communion of the Lord's Supper which shall normally be observed at least once a month;
- evangelism and mission, locally, regionally, nationally and internationally;
- the teaching, encouragement, welcome and inclusion of young people;
- nurture and growth of Christian disciples;
- education and training for Christian and community service;
- giving and encouraging pastoral care;
- supporting and encouraging charitable social action in the United Kingdom and overseas

The Church runs a range of activities and organisations for all age-groups. The motivation for all of these has been to demonstrate God's love to the community, to reach out in His name, to bring people into a saving knowledge of His love, to draw them into the Fellowship of His Church and to build up the Church Family.

In summary, the activities and organisations working during 2019 were:

For Children and Parents:

- **Toddlers:** For children aged 0-3 and accompanying adults, with toys and games, chat, friendship and support.
- **Rhyme Time:** For children aged 0-3 and accompanying adults, with music, chat, friendship and support.

For Young People

- **Girls' Brigade & Boys' Brigade:** Both of the Brigade organisations have a range of classes and activities for every age group from 5 to 22, some leading to Brigade Awards and Duke of Edinburgh's Awards. They are also involved with Sunday Parade Services, regional activities and competitions, and annual camps.
- **'Bible Study'/Youth Group:** An opportunity for young people to go deeper in their worship, prayer and faith. Visits to Soul Survivor, Hillsong, social events and activities, two youth weekends a year.

**Annual Report of the Trustees
for the year ending 31st December 2019**

- **West Wickham & Shirley Baptist Church (WWSBC) Football Academy:** Meets on Saturday Mornings during term time at Forest Academy school, Bridle Road, Shirley for children aged 5 to 16, run in connection with 'Kick London' (Registered Charity).

For Adults

- **Small groups:** Monthly or more frequently, different times of day or evening. 16 small groups meeting for Bible Study, prayer, fellowship, social activities and mutual support.
- **Wednesday Fellowship:** Wednesday afternoons each month. Informal devotional time, usually with a visiting speaker.
- **Prayer events:** monthly meetings for prayer offering different styles and themes, including Mission, world issues, etc.
- **Morning Bible Study:** Friday Mornings. This is also one of the Church's small groups.
- **Lunch Club:** Monday lunchtimes. Mostly for older people, a cooked meal, friendship, chat and low-key activities, with an informal spiritual input.
- **Art Group:** Friendship and art activities.
- **Ramblers and Amblers:** Two walking groups for different abilities meeting monthly.
- **Occasional or Annual Activities,** including: Pancake Morning, Hot-cross bun Coffee Morning, Easter Egg hunt, Harvest tea, Christmas Lunch/Carol Service, Quiz Night.
- **Courses:** Training courses including: Junior Church Teachers' training, Safeguarding and Newcomers welcome courses.
- **Connect Groups:** Interest-based groups which allow people to get to know each other in an informal setting – Hygge, Board Games, Amblers, Ramblers, Knit & Natter, Running.

3. Achievements & Performance

The year 2019 has seen the church grow numerically and in depth of spirituality and commitment. Membership increased from 190 members to 206, representing a 8% increase. During 2019 one baptismal service was held. We have also seen an increase in Sunday worshippers and have noticed an increase of some 10% in Sunday attendance of over 200 people on average each Sunday morning with attendances of 300 at celebration services – Christmas & Easter.

We record the service of so many of our members and friends who volunteer week by week for so many different tasks and activities to keep everything running smoothly. From the very youngest in crèche and Toddlers to our senior members of Lunch Club and Wednesday Fellowship, all our various children's and youth activities and leaders of all our organisations. Without this commitment week by week and month by month we would not be able to be such an active church.

We are indebted to Rev. Graham Thomson for his efforts in keeping mission high on our agenda. We continue to support D & H Jess and their family.

**Annual Report of the Trustees
for the year ending 31st December 2019**

During 2019 the church received a report from the architects giving various options to redevelop the site and/or refurbish and extend the existing buildings. The Trustees set up a small steering group which included a member who was currently involved in carrying out an £80 million project at a local college in order to advise on the next steps required in developing the project in accordance with the brief.

During 2019 Rev. Sara Kennett and her husband, Stuart, were blessed with the safe arrival of a baby boy born in March; consequently, Rev Sara entered into maternity leave for the remainder of 2019. After a short period of paternity leave Stuart continued his work as Children, Youth and Families' Worker.

During 2019, the church continued its restructuring of its core ministries by appointing Ministry Leaders in the roles of 'Belonging' (previously carried out by Rev Sara Kennett) and 'Compassion'. Our worship team continued to develop and was pleased to introduce some of our young people into the group.

It is with grateful thanks and praise to God that we celebrate 2019 and look forward to the great things He will do in 2020.

4. Financial review

The church's main sources of funding are the free will offerings of church members and others in attendance at church meetings, and income from hiring out the church's premises and facilities.

Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 15 and 16 respectively. The Church's reserves decreased by £2,839 during the year. The balance sheet shows total net assets of £2,213,819.

Included in total funds are amounts totalling £21,630 which are restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor-imposed conditions. More details of these restricted funds can be found in note 8 to the accounts together with an analysis of movements in the year.

The church has maintained a strong financial position at the end of 2019, due mainly to the generous levels of giving by members of the congregation.

As part of the proposed building redevelopment project the architect's Option Study was presented to the church in 2019. However, although a preferred option was selected, no formal costing of the proposed option has yet been produced. The next phases of the building project will require a funding strategy separate to the normal operating finances of the church, although progress on planning and formal project formation has necessarily stalled as a result of the Covid-19 pandemic.

Annual Report of the Trustees for the year ending 31st December 2019

The building project is not likely to affect the 2020 income/expenditure and a budget has been agreed which targets a General Fund expenditure of £212k. This budget is being reviewed and modified as appropriate in light of the effects of the covid-19 pandemic.

In addition to the General Fund the church runs a number of other restricted funds for particular purposes. This includes funds for giving to other organisations such as Baptist Home Mission and Baptist Missionary Society. The Plummer Fund, named after a church member who left a generous bequest, is designated for assistance to young people who undertake missionary work in other countries. The Global Legacy Fund is a fund, created from a legacy left by a church member, which the church aims to distribute to other causes to further the advancement of the Christian Faith and the relief of poverty.

Reserves Policy

The Trustees have established a Reserves Policy which aims to maintain a level of reserves equivalent to three month's average expenditure. The Church believes this is a reasonable and prudent level but would permit variations from this amount where circumstances warrant this. This would be, for instance, where expenditure is so urgent that to delay it would result in even higher costs later. If this situation should arise then the Church would make plans to rebuild the reserves as quickly as possible.

At 31 December 2019 the church had net free reserves of £223,637 (2018: £227,449) as follows:

	2019 £	2018 £
Total reserves	2,213,819	2,216,658
Less: restricted funds	(21,630)	(23,568)
Less: capital funds	(2,013,527)	(2,013,527)
Add: provision (long term)	44,975	47,887
Free reserves	223,637	227,449
Free reserves requirement:		
3 month's budgeted routine expenditure	50,000	50,000

Volunteers

The Church is heavily dependent on its membership and congregation working as volunteers in all aspects of the church's activities, many of which run with little or no impact on the church's expenditure, but nevertheless contribute substantially to the achievement of the church's objectives. No accounting for this time and effort has been included in the financial statements.

**Annual Report of the Trustees
for the year ending 31st December 2019**

5. Plans for Future Periods

During 2020 the leadership will seek to concentrate on four areas of development:

- Belonging
- Buildings
- Being Human
- Baptisms

As part of 'Belonging' the church will embark on a programme of preaching and other associated activities in developing a 'Radical Belonging' context for the church, focussing on six identified groups:

- a) Ethnicity
- b) Mental Health
- c) Disability
- d) Poverty
- e) Gender
- f) Sexuality

A preaching plan will be developed in order to offer teaching and prayer surrounding these six areas throughout 2020

As part of 'Buildings', we will seek to focus on a particular aspect of the church buildings during 2020.

The 'Being Human' aspect will see a focus on teaching 'Living the Jesus Way'.

We look forward to seeing more baptisms during 2020.

As has been said elsewhere in this report, the Covid-19 pandemic is affecting our plans for 2020; however, we continue to offer services online and maintain our pastoral care at this time.

We look forward to 2020 in anticipation of seeing people's lives changed that they may flavour the communities of West Wickham and Shirley and beyond.

**Annual Report of the Trustees
for the year ending 31st December 2019**

6. Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7. Approval

The report of the Trustees was approved by the Trustees on 25th October 2020 and signed on its behalf by:



Cliff Underhay
Trustee

**Independent Examiner's Report to the Trustees of West Wickham & Shirley Baptist Church
for the year ending 31st December 2019**

I report on the accounts of the Church for the year ended 31 December 2019 which are set out on pages 15 to 29 of the charity report and accounts.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

1. accounting records were not kept in respect of the church as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

John Helm ACA
17 Heathville Road
London N19 3AL



25 October 2020

**Statement of Financial Activities
for the year ending 31st December 2019**

						(*6 months) Prior period Total Funds*
	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	180,885	6,594	-	187,479	175,453
Charitable activities	2	1,562	17,977	-	19,539	10,564
Other trading activities	2	22,683	-	-	22,683	9,235
Donation from WWSBC (1126890)	2	-	-	-	-	2,134,597
Total		205,130	24,571	-	229,701	2,329,849
Expenditure on:						
Charitable activities	3	192,610	37,842	-	230,452	113,191
Total		192,610	37,842	-	230,452	113,191
Net income		12,520	(13,271)	-	(751)	2,216,658
Transfers between funds		(11,333)	11,333	-	-	-
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	
Net movement in funds		1,187	(1,938)	-	(751)	2,216,658
Reconciliation of funds:						
Total funds brought forward		179,563	23,568	2,013,527	2,216,658	-
Total funds carried forward		180,750	21,630	2,013,527	2,215,907	2,216,658

Balance Sheet

As at 31 December 2019

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	Prior period Total Funds
		£	£	£	£	£
Fixed Assets:						
Tangible assets	4	2,088	-	2,013,527	2,015,615	2,013,527
Total Fixed Assets		2,088	-	2,013,527	2,015,615	2,013,527
Current Assets:						
Debtors	5	8,893	1,331	-	10,224	7,906
Cash at bank and in hand		217,313	20,474	-	237,787	247,997
Total Current Assets		226,206	21,805	-	248,011	255,903
Current Liabilities:						
Creditors: Amounts falling due within one year	6	2,569	175	-	2,744	4,885
Net Current assets		223,637	21,630	-	245,267	251,018
Total assets less current liabilities		225,725	21,630	2,013,527	2,260,882	2,264,545
Other Liabilities:						
Defined Benefit Pension Scheme Liability	7	44,975	-	-	44,975	47,887
Total net assets		180,750	21,630	2,013,527	2,215,907	2,216,658
The funds of the charity:						
Unrestricted funds	8	180,750	-	-	180,750	179,563
Restricted income funds	8	-	21,630	-	21,630	23,568
Capital funds	8	-	-	2,013,527	2,013,527	2,013,527
Total charity funds		180,750	21,630	2,013,527	2,215,907	2,216,658

The financial statements were approved by the Church Leadership on 25th October 2020 and signed on its behalf by:

Paul Bradbury
Trustee



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

Notes to the Financial Statements

For the year ended 31 December 2019

1. Accounting Policies

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

Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The accounts have also incorporated the amendments defined in Update Bulletin 1 to the Charities SORP (FRS 102), published on 2 February 2016. The financial statements are drawn up on the historical cost basis of accounting except for the revaluation of the residential freehold land and building which is shown at market value.

The financial statements include all transactions, assets and liabilities for which the Church is responsible in law. They do not include the accounts of church groups that owe an affiliation to another body or those that are informal gatherings of church members.

The Church meets the definition of a public benefit entity under FRS 102.

Going Concern

There are no material uncertainties about the charity's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Church has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

The income from trading activities includes rental income from the letting of church premises which is accounted for when earned.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Church; this is normally upon notification of the interest paid or payable by the bank.

Notes to the Financial Statements

For the year ended 31 December 2019

1. Accounting Policies (continued)

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The Church is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Charitable expenditure includes those costs in fulfilling the Church's principal objects, as outlined in the Report of the Trustees. These include governance costs which comprise all costs involving the public accountability of the Church and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

The church pays pension contributions into the Baptist Pension Scheme, a final salary defined benefit scheme for contributions until 31 December 2011 and a defined contribution scheme for contributions made thereafter. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the church. The scheme is therefore accounted for as a defined contribution scheme, with contributions payable to the scheme being accounted for on an accruals basis. In addition, the church currently pays contributions towards a deficit on the defined benefit scheme. The deficit, discounted to present value, is fully provided in these accounts and the charge to the income and expenditure account, which is included in the total pension cost, is the element of the movement in the provision which relates to the movement in the discount.

Rentals under operating leases are charged as incurred over the term of the lease.

Tangible Fixed Assets

Tangible fixed assets are accounted for as follows:

- The church land and buildings are stated at the 2016 insurance cost of rebuild. Depreciation is not provided as the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.
- The church manse is stated at valuation, with the most recent valuation taking place as at 31 December 2016 and the next valuation is expected to take place for the year ended 31 December 2021. Depreciation is not provided as the estimated residual value is considered to be the same or higher than the carrying value of the property in the accounts.
- The cost of any furniture, fittings and equipment, of value at least £2,500, is capitalised in these accounts. The cost less any expected residual value, is depreciated on a straight line basis over the effective useful life of the asset, which has been estimated as three years.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Notes to the Financial Statements
For the year ended 31 December 2019

1. Accounting Policies (continued)**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Fund accounting

The funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Capital funds – this is the value of property, namely the church buildings and the manse.

Notes to the Financial Statements

For the year ended 31 December 2019

2. Income

	Unrestricted Funds	Restricted Funds	Total	(*6 months) Prior Year*
	£	£	£	£
Donations and legacies				
Gift Aid	106,625	2,017	108,642	56,156
Donations	9,348	2,416	11,764	14,128
Tax Recovered	28,668	494	29,162	13,739
Offering	27,744	1,667	29,411	13,430
Bequest / Legacy	8,500	-	8,500	78,000
Total	180,885	6,594	187,479	175,453
Charitable Activities				
Fees/Contributions	-	4,815	4,815	4,166
Other Income	1,562	13,162	14,724	6,398
Total	1,562	17,977	19,539	10,564
Other trading activities				
Letting Income	22,683	-	22,683	9,235
Donation from WWSBC (1126890)	-	-	-	121,070
Grand Total	205,130	24,571	229,701	316,322

3. Expenditure

	Unrestricted Funds	Restricted Funds	Total	(*6 months) Prior Year*
	£	£	£	£
Charitable Activities				
Staff Costs (see note below)	124,463	5,585	130,048	69,019
Equipment/Materials	15,312	5,660	20,972	7,200
Youth & Children	5,113	7,485	12,598	9,190
Grants/Gifts (see note below)	9,225	2,413	11,638	8,736
Subs/Fees	6,090	5,541	11,631	3,228
Utilities	11,404	-	11,404	6,476
Building Development	-	10,124	10,124	-
Building Maintenance	9,567	-	9,567	2,725
Office/Printing etc	3,290	-	3,290	1,742
Insurance	3,027	-	3,027	418
Operating Lease (Photocopier)	1,560	-	1,560	780
Staff Expenses	1,285	154	1,439	802
Ind. Examiner's Fee	1,050	-	1,050	600
Other	-	880	880	556
Publicity	616	-	616	676
Preaching Fees	608	-	608	1,043
Total	192,610	37,842	230,452	113,191

Notes to the Financial Statements

For the year ended 31 December 2019

3. Expenditure (continued)

3a Staff Costs

		(*6 months)
	2019	2018*
	£	£
Gross pay	111,592	59,124
Pension contributions	10,159	5,088
Employers NI	9,869	4,908
Employment Allowance	(3,000)	(970)
Staff Training	496	395
Other Payroll Costs	932	474
Total	130,048	69,019

The average number of staff employed during 2019 is:

Average Head Count	-	7	(2018 – 7)
Average Full Time Staff	-	4	(2018 – 3.8)
Average Part Time Staff	-	3	(2018 – 3.2)
Average Full-time Equivalent	-	5	(2018 – 4.9)

No employees (2018: none) received employee benefits (excluding employer pension costs) of more than £60,000 during the year.

There was no material liability for paid annual leave or sick leave at the end of the reporting period (2018: none), and so no liability has been included in the accounts.

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme (“the Scheme”). The Scheme is a separate legal entity which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Senior Minister and Minister are eligible to join the Scheme, which is not contracted out of the State Second Pension. A detailed description of the scheme’s surplus/deficit and how it affects the charity is provided in note 9.

Notes to the Financial Statements

For the year ended 31 December 2019

3. Expenditure (continued)

3b. Analysis of Grants

Grants by Recipient Type		Grants by Institution	
	£		£
Grants to Institutions	10,653	Christians Against Poverty	7,200
Grants to Individuals	985	BMS World Mission	701
Total	11,638	BU Home Mission	557
		Kick London	500
Grants by Nature of Activity		Other	1,695
	£	Total	10,653
Christian Outreach	2,752		
Alleviation of Suffering/Poverty	8,886		
Total	11,638		

4. Tangible Fixed assets

Cost or valuation	Freehold land and buildings		
	Church	Manse	Total
	£	£	£
At 1 st January 2019 and 31 st December 2019	1,602,527	411,000	2,013,527

The capital fund includes the valuation for the church buildings and manse. The church building is included at its 2016 insurance value, while the manse is included at market value. A policy of revaluing the manse every 5 years has been agreed, with the next revaluation due in 2021.

Cost or valuation	Equipment, Furniture & Fittings			
	Net Book Value @ 31/12/2018	Acquisitions during 2019	Depreciation during 2019	Net Book Value @ 31/12/2019
	£	£	£	£
Equipment	0	2,999	911	2,088

Notes to the Financial Statements

For the year ended 31 December 2019

5. Debtors and prepayments

	2019 £	2018 £
Prepayments	0	0
Other debtors	10,224	7,906
Total	10,224	7,906

Other debtors consists of £6,674 which is tax recoverable on Gift Aided donations (received during 2020), £2,350 letting income invoiced but not received until 2020, and a loan of £1,200 (which was paid back in early 2020).

6. Creditors: amounts falling due within one year

	2019 £	2018 £
Loans and overdrafts	0	0
Other creditors	2,744	4,885
Total	2,744	4,885

Other creditors consists of £1,082 representing general purchases of equipment & materials which were purchased in 2019 but for which the invoice was not received until early 2020, waste collection invoices not yet received of £642, and independent examination fees of £1,020.

7. Provisions

	2019 £	2018 £
Balance brought forward	47,887	0
Liability transferred from WWSBC (1126890)	0	49,286
Deficit contributions made in the year	(4,638)	(2,253)
Interest cost	1,094	904
Remaining change to balance sheet liability	632	(50)
Balance carried forward	44,975	47,887

The provision is in respect of deficit pension contributions due to the Baptist Pension Scheme. The current deficit reduction plan requires contributions to be made until December 2028. The provision has been calculated based on the current deficit contributions, assuming they will increase by

Notes to the Financial Statements

For the year ended 31 December 2019

inflation and the total liability have been discounted to present value using a market bond rate. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

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

8. Fund description and movements

8a Unrestricted Funds

Fund Name	Balance at 1st	Income	Expenditure	Transfers	Balance at 31st
	Jan 2019				Dec 2019
	£	£	£	£	£
Unrestricted Funds	96,740	205,130	194,698	(11,333)	95,839
Designated Funds					
Plummer Bequest	5,823	-	-	-	5,823
Global Legacy Fund	77,000	-	-	-	77,000
Total Designated Funds	82,823	-	-	-	82,823
Total Unrestricted Funds	179,563	205,130	194,698	(11,333)	178,662

The Global Legacy Fund is a fund, created from a legacy left by a church member, which the church aims to distribute to other causes to further the advancement of the Christian Faith and the relief of poverty.

The Plummer Bequest was a gift left to the church which was put aside to support young people from the church who embark on mission training or mission trips.

Notes to the Financial Statements

For the year ended 31 December 2019

8b Restricted Funds

Fund Name	Balance at 1st Jan 2019	Income	Expenditure	Transfers	Balance at 31st Dec 2019
Restricted Funds					
Building Fund	11,760	600	15,523	10,125	6,962
Boys' Brigade	5,671	3,724	3,640	-	5,755
Mothers & Toddlers	3,329	1,817	1,539	-	3,607
Other Funds	894	5,303	3,528	(12)	2,657
Girls' Brigade	1,409	1,092	1,569	12	944
Floating Shelter	-	730	-	-	730
Home Mission	650	785	989	-	446
BMS	51	1,346	1,023	-	374
Lunch Club	(196)	9,174	10,031	1,208	155
Total Restricted Funds	23,568	24,571	37,842	11,333	21,630

Descriptions of the main restricted funds are as follows:

The Building Fund represents funds given specifically for the church building re-development project and monies set aside to fund the creation of an option study by an architect.

The Lunch Club fund is used for the running of the weekly Lunch club which provides a meal for the elderly members of the community.

The Boys' Brigade, Girls' Brigade, and Mothers & Toddlers funds are held separately for the running of each organisation under the auspices of the church.

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

8c Capital Fund

Fund Name	Balance at 1st Jan 2019	Income	Expenditure	Transfers	Balance at 31st Dec 2019
Capital Fund	2,013,527	-	-	-	2,013,527

The capital fund represents the value of the church properties – the main church buildings on Wickham Road, and the church manse.

Notes to the Financial Statements
For the year ended 31 December 2019

9. Pension Scheme

The Church is an employer participating in a pension scheme known as the Baptist Pension Scheme (“the Scheme”), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The Scheme is a separate legal entity and the assets of the Scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme’s assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Minister(s) are eligible to join the Scheme. 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 in the event that 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 Unum Limited. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers’ Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011.

Notes to the Financial Statements

For the year ended 31 December 2019

9. Pension Scheme (continued)

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2016 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £219 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £93 million (equivalent to a past service funding level of 70%). The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.50
CPI price inflation assumption	2.75
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.50
Assumed investment returns	
- Pre-retirement	3.50
- Post retirement	2.25
Deferred pension increases	
- Pre April 2009	3.50
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	2.70
- Main Scheme pension Post April 2006	2.00

Post-retirement mortality in accordance with 75% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2016 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females.

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than 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.

Notes to the Financial Statements
For the year ended 31 December 2019

9. Pension Scheme (continued)

Under the current Recovery Plan dated 16 December 2018, deficiency contributions are payable until 31 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.

Due to the nature of the Scheme, the profit and loss charge to the General fund for the period represents the employer contributions payable plus the movement in the pension provision (excluding the deficit contributions made in the year). For this scheme the pension cost for the Church is £10,159 (2018 £5,088).

10. Related party transactions and trustee's expenses and remuneration

No trustees were remunerated as part of their role as trustees.

The following trustees were also employed by the church in the following capacities and as such received remuneration as part of their employment:

Mr Jonathan Hills (Senior Minister)

Gross Salary - £31,305

Employer Pension Contributions - £3,881

Was also provided with manse accommodation.

Mrs Sara Kennett (Minister)

Gross Salary - £27,988

Employer Pension Contributions - £3,250

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

Mr Stuart Kennett (Youth Worker)

Gross Salary - £25,000

Employer Pension Contributions - £2,265

No trustees incurred expenses whilst fulfilling their role as trustees. Four trustees had a total of £936 reimbursed for expenses incurred while on non-trustee church business. These expenses were limited to travel, accommodation, and subsistence.

The trustees made aggregate unrestricted donations totalling £26,510.

Notes to the Financial Statements

For the year ended 31 December 2019

11. Prior Year Comparatives

	Unrestricted Funds		Restricted Funds		Capital Funds	
	2019	2018*	2019	2018*	2019	2018*
	£	£	£	£	£	£
Income and endowments from:						
Donations and legacies	180,885	169,307	6,594	6,146	-	-
Charitable activities	1,562	543	17,977	10,021	-	-
Other trading activities	22,683	9,235	-	-	-	-
Donation from WWSBC (1126890)	-	96,379	-	24,691	-	2,013,527
Total	205,130	275,464	24,571	40,858	-	2,013,527
Expenditure on:						
Charitable activities	194,698	96,051	37,842	17,140	-	-
Total	194,698	96,051	37,842	17,140	-	-
Net income/(expenditure)	10,432	179,413	(13,271)	23,718	-	2,013,527
Transfers between funds	(11,333)	150	11,333	(150)	-	-
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets	-	-	-	-	-	-
Net movement in funds	(901)	179,563	(1,938)	23,568	-	2,013,527
Reconciliation of funds:						
Total funds brought forward	179,563	-	23,568	-	2,013,527	-
Total funds carried forward	178,662	179,563	21,630	23,568	2,013,527	2,013,527

(* 6 months only)