

Shirley Baptist Church

REPORT and ACCOUNTS

for the year ended 31 July 2021

SHIRLEY BAPTIST CHURCH
REFERENCE AND ADMINISTRATIVE INFORMATION

for the year ended 31 July 2021

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 (until August 2020) Mr Martin Knott (from September 2020)
Families & Children Specialists	Mrs Jacquie Knott Mr Martin Knott
Pastoral Worker	Mrs Amanda Crocker (from January 2021)
Diaconate (trustees)	
Senior Minister	Rev Paul Campion
Church Secretary	Ian McDonald (until November 2021) Glynis Spiller (from November 2021)
Church Treasurer	Richard Millington
Trustee	Phil Stewart (until November 2020)
Trustee	Richard Rose (until February 2020)
Trustee	Ian Deaville (until November 2020)
Trustee	Christine Canty
Trustee	Neil Aston
Trustee	Evan Winter
Trustee	Raj Waghmare
Trustee	Sharon Davidson (from November 2020)
Trustee	Peter Close (from November 2020)
Trustee	David Rose (from November 2020)
Trustee	Johathan Hibbs (from November 2020)
Trustee	Stuart Fisher (from November 2020)
Trustee	Lynne Russell (from November 2020)
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

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Shirley Baptist Church
Report of the Trustees
For the year ended 31 July 2021

The Diaconate has pleasure in presenting the Annual Report for the year ended 31 July 2021

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, and the provision of use or hire of our buildings to 12 outside organisations over the reporting year, that is one not impacted by COVID 19 that forces closure of the church estate.

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. The current membership at the end of the reporting year stood at 202.

Objectives and Activities

The Church is evangelical Baptist and exists for the advancement of the Christian faith according to the principles of the Baptist denomination. Our purpose is "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.

The effects of the COVID 19 pandemic continued to impact on the church's activities over the reporting year (see COVID 19 section below). The Sunday services remained as central to our work and witness but unfortunately our usual full weekly programme of toddlers, children, and youth activities (over 50 families and 100 young people), as well as Boys and Girls Brigades, ceased operating in person for most of the year. Also adversely affected were our groups which provide activities and companionship to elderly people involving over 50 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 can attend one of the activities run on our premises. Home groups, switching to on-line meetings, met during the week for the growth of faith and discipleship, although a well-attended Women's Fellowship ceased to meet for the majority of the year.

Whilst there may, normally, 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 4 paid employees and a group of willing volunteers and was primarily established to be, and has forged, a very effective link from the church to the community. 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, which is located in offices at the church, where trained advisors are offering compassionate, non-judgemental and confidential support to those in difficulty. 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 began with a continuation of the 'Frontline' series highlighting each individual's mission to make a difference within his/her own work place and home environments. This was followed by a collection of teachings reflecting on God's unchanging nature within the pandemic, as counsellor on whom we should wait with faith and expectancy; the need for an individual's journey of faith to include both the utilisation of their own resources to help others in order to achieve church unity and the need for the church community to engage in authentic Christian worship which can be a celebration in times of trouble. A new teaching series began in January running through to May looking at the invitations that Jesus extends to us in the bible to achieve our own spiritual fulfilment and a right relationship with God as individuals and in how we live our lives in respect of others. A teaching series based on the book of Ruth concluded the year as, in imitation of Ruth and Naomi, we began to 'return' in greater numbers to the church buildings, 'reconnect' with each other in church, 'restore' our relationships and rejoice in God's goodness.

Despite the varying COVID 19 restrictions imposed during the reporting year we have largely achieved the plans set out in the 2020 Trustees' Report. The Church remains resilient, vibrant and sought within the restrictions to be engaged in the local community and beyond with an on-line presence and socially distanced in-person contact when allowed. The achievements in the three areas of the plan are reviewed in turn below.

- Maintain church life during COVID 19 pandemic. The pandemic continued to have an immense impact on the life of the church for the whole of the reporting year. Greater digital engagement was achieved as physical gatherings necessarily declined. The management team met twice a month to monitor church life and action any necessary changes for the short or longer term. A COVID 19 Pandemic section including church activities, finance etc has been retained below for this year's report.

- Increase in ministry team. The church management team and membership explored the different options available to increase the ministry team e.g. second minister, pastoral worker, support to the Children's and Youth team. It was decided that due to the retirement of the senior minister at the end of the next reporting year and the need to commence seeking a replacement during the coming year, the employment of a second minister would be deferred pending the appointment of a new senior minister. During the year, however, the church membership agreed to employ a part-time pastoral worker, from January 2021. This has allowed the church to grow its pastoral support to the community with various new initiatives such as Zoom coffee and chat, pastoral newsletters, befriending networks and seminars on bereavement and pastoral care for all. The church also agreed to increase the hours of one of the families and children's workers to full time and to incorporate youth work within their role, and to recruit for an intern to support both the families and children's work and the youth work.

- The continuing pandemic restrictions and the requirement to manage the overall activities of the church, precluded taking further the planned series of discussions on theological reflections on contemporary challenging issues. These had been planned in order to give the church a better understanding of the Bible's teaching issues. It is hoped that we will be able to take this forward in the coming year..

The on-going activities of the Church have continued through the year, albeit in a much different format due to the COVID 19 pandemic. Community support, pastoral contacts, wider mission engagement and management meetings were conducted predominately via Zoom interface, telephone conversations, with in-person contact as the restrictions allowed. The week-day activities and clubs remained closed for the majority of the reporting year. All of our activities are heavily reliant on volunteers who give generously of their time and passion and the resumption of and further expansion of these activities is only limited by the availability of volunteers returning following the return to in-person church activity. We have, however, recognised that some people associated with the Church may be unsure about what they can do or commit to with respect to volunteering following resumption of in-person church, 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 continues to provide financial support towards a church member's training and preparation for future ministry with children in Africa and it continued its support for a mission in Latvia with increased financial assistance. Financial support for two further mission fields based in the UK commenced during the year.

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 utilising Zoom and, when permitted, in-person which have enabled people to consider the spiritual aspect of life at whatever level they desire and feel comfortable with.

COVID 19 Pandemic

The following section describes the impact on, and the response of, the Church regarding COVID19. Overall, the Church has successfully adapted to the constraints, continued to operate and has not been materially affected.

• Church Activities.

The church building remained closed for a large part of the year in all its activities in response to the COVID 19 Pandemic and associated control measures. This was in accordance with Government and Baptist Union guidelines. This impacted on the church risk assessment as it was no longer able to provide the regular level of public engagement through the organisations it ran or via Kairos coffee shop. Where possible, however, Individual groups made their own arrangements to maintain in contact with group members outside of meeting on church premises as the church continued to plan and develop its recovery phase including discussing priorities for the church after the restrictions are lifted with a view to determine direction and staffing. Initially the church continued to broadcast recorded services on-line but soon moved to on-line live broadcasts as IT resources allowed. Parallel with this in-person services began to develop again as restrictions allowed, culminating in a 'Reunion Sunday' service for all at the end of July. A recording of the weekly service on CD and DVD is produced and delivered during the following week to those who do not have access to the internet. A weekly newsletter updating the church community is distributed on email with paper copies going to those with no internet access. As the period of lockdown continued the church groups made increasing use of the internet for meetings utilising Zoom/Microsoft Teams to maintain contact within groups and continue church business and governance. Activity packs were distributed to families prior to Easter and again in the summer. A youth mission week during the October half term successfully raised funds for food banks, wellbeing packs for families and support to students. An on-line holiday club for children and young persons was successfully run during February. As the reporting year drew to a close the reduction in restrictions allowed the church to organise a number of social events in order to allow the church community to reconnect with each other as a lead to the re-establishment of full in-person church activities.

- Members' giving, financial uncertainty and sustainability and its future as a going concern.

Although the church was not meeting for worship together on a Sunday in person the concern that the offerings made on a Sunday by cash and cheque would cause a, not insignificant, drop in income did not materialise. Giving by Standing Order had increased and a process was developed to allow those who give by cash and cheque to deliver their donations in other ways. Overall, General Fund offering dropped by 1.1% on the previous year. The Impact therefore on the church's running costs, reserves policy, level of reserves, pension deficit and any designated funds for future commitments have not been adversely impacted during this reporting year. It is considered that the church's financial sustainability is at present sound and its ability to continue as a going concern is not currently in doubt with a reasonable expectation that it has adequate reserves to continue to operate for the foreseeable future.

- Volunteer contributions in assisting the church in managing the changed circumstances.

The notable volunteer contribution by those with IT skills in the church community to establish and maintain our on-line presence in respect of Sunday worship services continued. The weekly Internet services continued to develop with an increasing participation of individuals from the church community in preaching, prayer, readings and worship, including live bands when possible. The technical contribution by the worship bands in recording the songs as individual pieces and then patching them together was particularly noteworthy prior to our live on-line services..

The church's COVID 19 risk assessment, room user guide, checklist and associated control measures were compiled and maintained by a volunteer member of the church as part of the church's recovery plan to resume some activities within the church buildings. These documents were fully reviewed by the Church Trustees who remained responsible for this challenging aspect of church life.

- Impact of the pandemic on staff, volunteers and church community/congregation and the Implications for the church's operations and activities for the coming year.

The church ministry and administration staff continued to work during the lockdown, the admin staff and senior minister initially working principally from home. Parts of the church building were used for the production of the Children's and Family's Sunday on line event necessitating the attendance in the church office by the appropriate ministry staff.

Those volunteers who organised some of the group activities at the church prior to lockdown maintained contact with their groups by phone, social media or video conferencing for pastoral reasons and offer help if appropriate.

It was identified that the church community had felt the loss of getting together for worship and social activities. The pastoral efforts of the ministry team and church community volunteers consequently increased which has been welcomed. Kairos coffee shop closed for part of the lockdown but reopened when restrictions allowed which has greatly helped in re-establishing social contact within the church community and between church and local community.

Although some reorganisation of the Junior Family Church groups has become necessary to acknowledge a reduction in the number of volunteer helpers, the return to using the buildings was underway as the reporting year ended and the majority of children's and youth in-person activities are now happening or being planned. The church is expected to fully recover its operations and activities over the coming year, conditional on no further lock-down events.

- Impact of the virus control measures and their potential duration on future aims and activities of the church.

The church's purpose will remain the same whilst its activities will be adapted to take account of the prevailing virus control measures and volunteer numbers returning to church. The measured and gradual approach taken to reopening of Sunday worship during the reporting year was successfully accomplished leading to an invitation to full worship at the close of the year. It is hoped that the easing of restrictions in the new reporting year will see new opportunities being sought to advance the purpose and aims of the church amongst the local community. Reconstruction of the church's activities and use of the buildings will continue to be part of the trustees business and pastoral discussions in the coming year.

- Impact of the virus control measures on any wider network of which the charity is a part and how that impact will affect the church's operations.

Due to the COVID 19 restrictions the church buildings remained closed to those regular user groups in the wider community who utilised them. The reduction in restrictions however will hopefully allow their use once more in the coming year. The Family Support Centre was, however, able to offer an advisory service, initially by phone then in-person as restrictions allowed.

Financial Review

Whilst Covid has curtailed much of our physical activities it has not had a significant impact on our finances and there has been other more important and encouraging developments. Income was £793,000 (note 2) of which £450,000 was an accrued legacy; Income was £27,000 lower than the previous year after excluding legacies, of which Covid accounted for £29,000 and lower Gift Aid £3,000 and partly offset by increased donations for mission giving of £5,000. Expenditure was £290,000 which was £6,000 higher because we increased our grants to mission partners by £11,000, spent £13,000 more on payroll costs for our expanded staff team and had a one-off depreciation item of £14,000. These extra costs were almost offset by £18,000 of reduced spend due to Covid curtailing activity and maintenance was £14,000 lower.

After reporting an actuarial gain of £13,000 (which reduced the charity's liability for a pension funding deficit - see below), the charity's funds increased by £516,000 (or £66,000 without the exceptional legacy) to £3,327,000. This comprised tangible fixed assets of £2,671,000, a debtor of £450,000 for the legacy referred to above, cash of £271,000 and other net liabilities of £65,000 (represented principally by a liability for a pension funding deficit of £78,000 - see below). Cash included £256,000 held both in unrestricted general funds and in unrestricted designated funds.

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 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.

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.

In addition to operating expenditure, we spent £8,000 on bollards and on enhancing our audio-visual fixed assets in order to support the livestream broadcasting. This year we paid off all of the loans (from HEBA, BUGB and members) for the 2013 building and Kairos Coffee projects - this is two years ahead of schedule and we are grateful for both the regular gifts and fundraising activities that has made this possible.

We continue with our Grants Policy to generously support Mission locally, nationally and internationally and our grant giving from unrestricted funds totals £50,000 on top of the £10,000 from restricted fund donations, an overall increase of 24%. Our objective is to give approximately 20% of unrestricted gifts & offerings income and associated gift aid towards broader missions work and this year we have been able to give more to support our mission partners during the Covid emergency.

In accordance with the FRS102 accounting standard, the recognition of liabilities associated with the deficit on the closed Baptist Union Pension Scheme stands at £78,000 which is £17,000 less than the previous year reflecting the performance of the overall pension scheme together with the Church's deficit contributions of £4,000. The liability is manageable and fully covered by designated funds transferred from the General Fund during the year.

Kairos Coffee has had a difficult year due to national lockdowns and then only having sufficient volunteers to open for 4 days a week instead of 6 days; this has resulted in income of only £21,000 which is 60% down from normal but this was substantially covered by various grants received from the government to help mitigate the impact of the pandemic; these grants amounted to £36,000. These grants included Job Retention Scheme grants that covered 80% of the payroll cost of staff that were put on furlough on full pay when the cafe had to close. During the year Kairos Coffee incurred operating expenses of £39,000 and a depreciation charge of £17,000 (largely due to the write down of previously purchased assets) and so it has reported a surplus this year of £1,000. In addition Kairos invested £7,000 in new fixed assets. 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 Kairos currently has sufficient funds to cover the depreciation and replacement of fixed assets and small operating deficits in the coming years without reliance on the General Fund. The SOFA and Balance Sheet for Kairos are provided in Note 14.

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

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 review reserves each year and resolved that the minimum free reserves should be £85,000 whilst the actual free reserves at 31 July 2021 amounted to £87,000. In addition, the majority of a legacy of £550,000 (received or accrued over the last two years) has been set aside in the designated Mission Delivery Fund; the deacons are actively considering options for its use in advancing the mission of the Church.

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.

Going Concern

Overall the net financial impact of the pandemic has not been significant and, even without the exceptional legacy income mentioned above, the charity continues to generate surpluses. The charity ended the year with net current assets of £734,000, most of which is unrestricted, and the church is in a good position financially. After reviewing the charity's results in this new financial year and expectations for the next 12 months, the deacons confirm that they believe that the Church remains a 'going concern' for at least 12 months from the date of this report.

Partnerships

The Church is affiliated to the Baptist Union of Great Britain and paid subscriptions of £938 (2020: £936). The Church had loans from the Baptist Union Corporation and the Heart of England Baptist Association for the buildings redevelopment and Kairos Coffee projects which were cleared during the year. Further details are in Notes 10 and 11.

Trustees and Related Parties

No trustee expenses were paid. Payments to trustees in the course of their 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 overstressing our capacity and capability.

The leadership has recently established 4 priorities for the present time summarized as follows:

- Inspire... our community of believers to grow in our loving commitment to God and each other discovering renewed joy, peace, rest, and love – and do this through strengthening existing and exploring new creative approaches.
- Embrace... those who are on the edge, drifting away or have disparate views within our community to feel encouraged, listened to, prayed for, loved and drawn back into fellowship with everyone.
- Connect... with those who are not yet believers through relational compassion to share the radical message of Jesus and his gospel of forgiveness, life and hope.
- Discern... the will of God and the leadership requirements for our church to enable and equip us for whatever is emerging now and in the future.

These priorities will shape the particular work in the coming year as the church emerges out of the restrictions imposed due to the COVID 19 pandemic. In particular, the settlement process for a new senior minister will be a major focus of the church's attention.

The Church has decided to change its legal status from unincorporated charity to a Charitable Incorporated Organisation (CIO) and intends to adopt the Baptist Union model constitution for baptist churches. The target is to complete the transition by July 2022.

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 9th February 2022 and signed on its behalf by

Glynis Spiller, 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 2021 on pages 9 to 22 following, which have been prepared on the basis of the accounting policies set out on pages 12 and 13.

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 10th February 2022

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Shirley Baptist Church

Statement of Financial Activities for the year ended 31 July 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS FROM						
Donations and Legacies		704,608	10,149	41,374	756,131	403,364
Charitable activities		23,756	-	-	23,756	57,793
Other trading activities		11,582	-	122	11,704	12,481
Investments		916	-	-	916	476
Total income	2	740,862	10,149	41,496	792,507	474,114
EXPENDITURE ON						
Charitable Activities:						
Finance Costs	3	-	808	88	897	1,643
Church Activities	5	217,370	10,149	1	227,520	227,579
Coffee shop outreach	4	39,723	-	-	39,723	47,212
Depreciation	7	1,763	16,740	3,365	21,868	7,917
Total expenditure		258,856	27,697	3,455	290,008	284,351
Net income / (expenditure)		482,006	(17,548)	38,041	502,499	189,763
Transfers between funds	12	(31,303)	17,548	13,755	-	-
Net income after transfers		450,703	-	51,796	502,499	189,763
Other recognised gains and losses:						
Gains/(losses) on revaluation of fixed assets	7	-	-	-	-	-
Actuarial gains / (losses) on defined benefit pension schemes	6	13,147	-	-	13,147	41,602
Net movement in funds		463,850	-	51,796	515,646	231,365
Funds brought forward at 1 August 2020		838,430	17,846	1,954,937	2,811,213	2,579,848
Funds carried forward at 31 July 2021		1,302,280	17,846	2,006,733	3,326,859	2,811,213

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 12 to 22 form part of these accounts.

Shirley Baptist Church
Balance Sheet at 31 July 2021

	Notes	Total Funds 2021	Prior Year 2020
FIXED ASSETS		£	£
Tangible fixed assets	7	2,670,929	2,678,040
CURRENT ASSETS			
Debtors	8	468,126	118,695
Bank balances	9	271,032	178,481
Total current assets		739,158	297,175
LIABILITIES			
Creditors: Amounts falling due within one year	10	5,528	37,514
Net current assets		733,630	259,661
Total assets less current liabilities		3,404,559	2,937,701
Creditors: Amounts falling due after more than one year	11	-	31,588
Net assets excluding pension liability		3,404,559	2,906,113
Defined benefit pension scheme liability	11	77,700	94,900
TOTAL NET ASSETS		3,326,859	2,811,213

THE FUNDS OF THE CHARITY

Unrestricted funds			
Designated revaluation reserve		386,200	386,200
Other designated funds		829,200	319,421
General unrestricted funds		86,880	132,809
		1,302,280	838,430
Restricted funds		17,846	17,846
Endowment funds		2,006,733	1,954,937
	12	3,326,859	2,811,213

Approved by the Diaconate on 9th February 2022

and signed on its behalf by Paul Campion and Glynis Spiller

The notes on pages 12 -22 form part of these accounts.

Shirley Baptist Church

**Cashflow Statement
for the year ended 31 July 2021**

		2021 £	2020 £
	Cash flows from operating activities:		
Note C1	Net cash provided by (used in) operating activities	163,813	93,366
	Cash flows from investing activities:		
	Dividends, interest and rents from investments	916	476
	Purchase of property, plant and equipment	(14,758)	-
	Net cash provided by (used in) investing activities	(13,842)	476
	Cash flows from financing activities:		
	Repayments of borrowing	(57,420)	(48,094)
	Net cash provided by (used in) financing activities	(57,420)	(48,094)
	Change in cash and cash equivalents in the reporting period	92,551	45,748
Note C2	Cash and cash equivalents at the beginning of the reporting period	178,481	132,733
Note C2	Cash and cash equivalents at the end of the reporting period	<u>271,032</u>	<u>178,481</u>

Note C1: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	502,499	189,763
Adjustments for:		
Depreciation charges	21,868	7,917
Dividends, interest and rents from investments	(916)	(476)
(Increase)/decrease in debtors	(349,431)	(99,830)
Increase/(decrease) in creditors	(6,154)	789
Contributions made to reduce BU Pension scheme funding deficit	(4,053)	(4,798)
Net cash provided by (used in) operating activities	<u>163,813</u>	<u>93,366</u>

Note C2: Analysis of cash and cash equivalents

	Current Year	Prior Year
Cash in hand	69,751	78,110
Notice deposits (less than 3 months)	201,281	100,371
Total cash and cash equivalents	<u>271,032</u>	<u>178,481</u>

The notes on pages 12 -22 form part of these accounts.

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2021

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, including the impact of Covid-19 or similar events. 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 and Kairos Coffee.

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

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.

Reporting on an activity basis

The Charities SORP requires larger charities (those charities with annual income of more than £500,000) to separately report the results of its principal activities. In this respect, the trustees consider that the charity has two distinct activities. The ordinary activities associated with operating as a church (which comprises the vast majority of the church's income and expenditure) and the operation of the Kairos Coffee shop. Details of the income and expenditure attributable to the Kairos coffee shop is disclosed in note 14 'Kairos Coffee'; the remainder of the charity's income and expenditure is attributable to the usual activities of a church.

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2021

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.

Unrestricted Designated Funds:

Kairos Coffee - This is the operating income (sales) and costs of Kairos Coffee and associated net assets (acquired from 2020/21).

Designated Mission Delivery Fund - Originally this was funds set aside from unrestricted general funds to repay Building Fund loans if there was a shortfall of restricted (including endowment) giving for that purpose. Following the repayment of loans and the receipt of a substantial legacy in 2021 the trustees have redesignated this fund for the delivery of the programmes and projects driven by the vision and mission review, utilising the legacy and residual building funds.

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

Pension Debt - This represents funds set aside to help meet the charity's estimated share of a funding deficit reported by a defined benefit pension scheme operated by the Baptist Pension Scheme.

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. In July 2021 the residual net book value of the fixed assets was written off to reflect their realisable value and the fund was closed.

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; this loan was repaid in July 2021 and the fund closed.

Dickens Heath Fund - This was 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 - This fund was 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 - This 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, Internships and students training for mission by covering course fees, travel and sundry expenses claimed, small personal allowances and food and accommodation provided by a hosting member.

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 were repaid in full by February 2021.

- 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 recognised as an expense when the liability arises. The assets of these schemes are held separately from those of the charity in independently administered funds.

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 2021

2. Analysis of Income

	Total 2021 £	Total 2020 £
<i>Donations and Legacies</i>		
Gifts & offerings	213,275	213,992
Legacy	450,000	105,000
Income tax recoverable	44,714	47,129
Mission giving	11,833	6,614
Government grants:		
Local authority business support grant	23,000	25,000
Job Retention Scheme grants	13,308	5,630
Other grants	-	-
	<u>756,131</u>	<u>403,364</u>
<i>Charitable Activities</i>		
Room usage voluntary contribution	-	4,953
Kairos Coffee	21,163	39,565
Sundry income	1,780	1,291
<i>Self-funding Charitable Activities</i>		
Church Organisations	739	10,410
Church Events	74	1,575
	<u>23,756</u>	<u>57,793</u>
<i>Other trading activities</i>		
Rental Income Yoxall Road Manse	11,582	12,408
Fund raising events	122	73
	<u>11,704</u>	<u>12,481</u>
<i>Investment Income</i>		
Interest received	916	476
	<u>916</u>	<u>476</u>
Total Income	<u>792,507</u>	<u>474,114</u>

Following the death of a member of the church during the previous year, the charity was notified that it had been named as a beneficiary of a large legacy. This comprised a pecuniary legacy of £100,000 (which is included in last year's income and has been received during the current year) and a share in the residue of the estate after all other payments have been made. At the present time the trustees have been informed by the executors that they estimate the value of the residue to be a further £450,000 and so it has been included in these accounts as accrued income in accordance with SORP.

3. Analysis of Finance Costs

Building project and Loan Interest	<u>897</u>	<u>1,643</u>
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4. Analysis of Coffee Shop Outreach Expenditure

<i>Kairos Coffee</i>		
Kairos employment costs	24,720	24,410
Kairos office costs	1,495	1,997
Cleaning & caretaking	1,909	2,560
Light, heat & water	2,205	3,889
Kairos set up costs	1,531	1,478
Kairos cost of sales	7,815	12,800
Other costs	48	78
Total Kairos	<u>39,723</u>	<u>47,212</u>

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2021

5. Analysis of Church Activities Expenditure

	Total 2021 £	Total 2020 £
Ministry		
Stipends	89,819	74,518
Pension & NI contributions	13,629	15,263
Manse costs	7,219	3,913
Other costs of Ministry	6,189	5,420
Children's/Youth work ministries	2,265	3,062
Mission & evangelism	22	358
Worship, pastoral & discipleship	2,456	5,454
	<u>121,599</u>	<u>107,988</u>
Mission - Grants Payable		
Institutions:		
BMS World Mission	20,951	17,297
Baptist Home Mission	15,000	15,000
Mercy Mission Welfare Society	8,113	4,768
Christian Aid	2,045	337
Christian Mountain Centre	1,500	-
TEAR Fund	-	926
Agape	1,400	600
East Anglia Air Ambulance	-	1,150
Mercy Ships	-	1,150
Yardley Wood Food Pantry	-	1,150
Euroevangelism	2,501	-
The Navigators	1,700	1,200
Interserve	1,600	-
ShineYouth	1,580	-
RESTORE	1,500	-
Other gifts < £1,000 each	150	2,317
Individuals:		
Short Term Missions	2,350	3,000
	<u>60,390</u>	<u>48,895</u>
Support		
Office employment costs	12,080	12,345
Office costs	4,114	5,767
Cleaning & caretaking	6,182	6,441
Light, heat & water	9,711	10,971
Repairs & maintenance	2,744	16,933
Insurance	3,677	3,327
Other costs	1,364	809
Governance Costs:		
Independent Examination	2,184	2,225
	<u>42,057</u>	<u>58,818</u>
Self-funding Charitable Activities		
Church Organisations	3,061	7,783
Church Events	413	2,615
Church Weekend	-	1,480
	<u>3,474</u>	<u>11,878</u>
Total Church Activities Expenditure	<u>227,520</u>	<u>227,579</u>

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2021

6. Staff cost and Trustees expenses	2021	2020
	£	£
Salaries	125,025	110,015
Social security costs	3,887	4,368
Pension costs	10,832	11,958
Benefits of Manse utilities	4,245	3,054
	<u>143,989</u>	<u>129,396</u>
BU Pension Debt b/fwd	94,900	141,300
Contributions to BU Pension Debt	(4,053)	(4,798)
(Gains)/Losses in Debt valuation	<u>(13,147)</u>	<u>(41,602)</u>
BU Pension Debt c/fwd	<u>77,700</u>	<u>94,900</u>

The average number of employees in the year was

Full time	3	3
Part time	7	7
	<u>10</u>	<u>10</u>

No employee received emoluments in excess of £60,000 during the year (2020: none).

One of the Trustees, Paul Campion, is an employee, and as permitted by the governing document, received emoluments of £36,562 (2020 £35,781) and benefited from pension contributions by the church of £4,270 (2020 £4,186), and lived in housing owned and provided by the church with a deemed pensionable pay benefit of £6,279 (2020 £6,248). 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 and his stipend is a fixed ratio of the Baptist Union recommended stipend for Home Mission. One Kairos Coffee staff member was paid £7,738 (2020 £7,205) 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 (2020 none). Trustees and close family members donated £42,241 (2020: £19,973) to the Church.

Pension Schemes

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 Minister(s) and some members of the church staff are eligible to join the Scheme.

Since January 2012, pension provision has been 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. In addition, the employer pays a further 4% of Pensionable Income (or 3% if the employer is in the segregated DC section) 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 Aviva.

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.

Actuarial valuation as at 31 December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298m.

The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the DC Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1 July 2020 to 31 December 2020. In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31 December 2020. The current Recovery Plan dated 30 September 2020 envisages deficiency contributions continuing until 30 June 2026.

The key financial assumptions underlying the valuation were as follows:

RPI price inflation assumption	3.20%
CPI price inflation assumption	2.70%
Minimum Pensionable Income increases	3.20%
Assumed investment returns - pre retirement	2.95%
Assumed investment returns - post retirement	1.70%
Deferred pension increases - Pre April 2009	3.20%
Deferred pension increases - Post April 2009	2.50%
Pension increases:	2.70%

Shirley Baptist Church
Notes to the Accounts
for the year ended 31 July 2021

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. In 2019 the Church entered a Double Cessation Debts Arrangement to remove liability for the second cessation event.

The next actuarial valuation of the DB Plan within the Scheme is due as at 31 December 2022.

As there is a large number of contributing employers participating in the Scheme, the Church is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, due to the nature of the Scheme, the profit and loss charge for the period represents the employer contributions payable.

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:	2021	2020
	£	£
Contributions to Baptist Pension Scheme DC plan	9,741	10,894
Contributions to other defined contribution schemes (which comply with pensions auto-enrolment legislation)	1,091	1,064
	10,832	11,958
Contributions to Baptist Pension Scheme DB plan deficit	4,053	4,798
Total pension contributions paid in year	14,885	16,756

7. Tangible Fixed Assets	Church Premises	Manses	Furniture & Fittings	Musical/Sound Equipment	Computers & Equipment	Total
<i>Cost or valuation</i>	£	£	£	£	£	£
at 1st August 2020	2,122,420	695,112	213,934	30,875	17,532	3,079,873
Revaluations	-	-	-	-	-	-
Additions during the year	-	-	5,228	-	9,529	14,758
Disposals during the year	-	-	-	-	-	-
at 31st July 2021	2,122,420	695,112	219,162	30,875	27,061	3,094,631
<i>Accumulated Depreciation</i>						
at 1st August 2020	122,420	43,912	187,094	30,875	17,532	401,833
Charge for the year	-	-	20,629	-	1,239	21,868
Accumulated depreciation on disposals	-	-	-	-	-	-
at 31st July 2021	122,420	43,912	207,724	30,875	18,771	423,702
<i>Net Book Value</i>						
at 31st July 2021	2,000,000	651,200	11,439	-	8,290	2,670,929
at 31st July 2020	2,000,000	651,200	26,840	-	-	2,678,040
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; with respect to manses, the trustees considered the values of similar nearby properties as at August 2021 and found no material change to support a revaluation.

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 unchanged since the trustees' valuation in 2019.

During the year capital expenditure was incurred on bollards, IT equipment to support livestreaming of services and new equipment for Kairos.

At 31 July 2021 there were no outstanding capital commitments (2020 £Nil).

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

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2021

8. Debtors and Prepayments	2021 £	2020 £
Tax recoverable	13,548	13,746
Legacy	450,000	100,000
Other debtors & prepayments	4,578	4,949
	<u>468,126</u>	<u>118,695</u>
9. Cash at Bank & in Hand	2021 £	2020 £
Current accounts	61,602	67,438
Cash/Bank (Church Organisations and Kairos Cash Float)	8,149	10,671
Deposit Accounts	201,281	100,371
	<u>271,032</u>	<u>178,481</u>
10. Creditors: amounts falling due within one year	2021 £	2020 £
Sundry creditors and accruals	2,986	8,189
Independent examination	2,160	2,160
PAYE & NIC	382	1,333
Short Term Loans from members - Building Fund & Kairos*	-	16,000
HEBA loan for Kairos**	-	6,300
Baptist Union Corporation loan for Building Redevelopment***	-	3,532
	<u>5,528</u>	<u>37,514</u>
11. Creditors: falling due after more than one year	2021 £	2020 £
HEBA loan for Kairos**	-	14,693
Long Term Loans from members - Building Fund & Kairos*	-	8,000
Baptist Union Corporation loan for Building Redevelopment***	-	8,895
	<u>-</u>	<u>31,588</u>
Baptist Union Pension Scheme	<u>77,700</u>	<u>94,900</u>

*These loans are unsecured, interest free and have fixed quarterly repayments and therefore repayments due within one year or beyond one year are reported accordingly. The loans were repaid in July 2021, 5 months ahead of schedule.

** This loan was repayable over 10 years (by February 2024) and interest was payable 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. This loan was repaid in July 2021.

*** This loan was repayable over 10 years (by September 2023) and interest was payable at 3.6% variable. The loan facility was for £475,000 but only £463,000 was drawn down. This loan was repaid in February 2021.

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2021

12. Summary Statement of Funds	2020	Transfers	Income	Expenditure	Gains and (Losses)	2021
	£	£	£	£	£	£
<i>Unrestricted Funds</i>						
Kairos Cafe*	-	24,455	57,531	40,121	-	41,864
Mission Delivery (prev.Building) Fund	44,000	470,437	-	-	-	514,437
General Fund	132,809	(512,848)	682,593	215,674	-	86,880
Church Organisations	10,421	(200)	738	3,061	-	7,898
Pension Debt Fund	-	(13,147)	-	-	13,147	-
Manse Fund	651,200	-	-	-	-	651,200
	838,430	(31,303)	740,862	258,856	13,147	1,302,279
<i>Restricted Funds</i>						
Kairos Cafe*	-	16,740	-	16,740	-	-
Building Fund	-	808	-	808	-	-
Dickens Heath Fund	9,969	-	-	-	-	9,969
Fellowship Fund	563	-	-	-	-	563
Mission Fund	-	-	9,599	9,599	-	-
Student	7,314	-	550	550	-	7,314
	17,846	17,548	10,149	27,697	-	17,846
<i>Endowment Funds</i>						
Building Fund	1,954,937	13,755	41,496	3,455	-	2,006,734
Total Funds	2,811,213	-	792,507	290,008	13,147	3,326,859

Comparative data in the form of the equivalent table for the previous year is below:

Summary Statement of Funds	2019	Transfers	Income	Expenditure	Gains and (Losses)	2020
	£	£	£	£	£	£
<i>Unrestricted Funds</i>						
Kairos Cafe	1	(22,983)	70,195	47,212	-	-
Building Fund	44,000	-	-	-	-	44,000
General Fund	85,282	(79,843)	341,305	213,935	-	132,809
Church Organisations	10,047	(1,423)	10,410	8,613	-	10,421
Pension Debt Fund	(141,300)	99,698	-	-	41,602	-
Manse Fund	651,200	-	-	-	-	651,200
	649,230	(4,551)	421,910	269,760	41,602	838,430
<i>Restricted Funds</i>						
Kairos Cafe*	-	4,551	-	4,551	-	-
Building Fund	-	697	-	697	-	-
Dickens Heath Fund	10,000	-	-	31	-	9,969
Fellowship Fund	716	-	-	153	-	563
Mission Fund	-	-	3,847	3,847	-	-
Student	7,314	-	1,000	1,000	-	7,314
	18,030	5,248	4,847	10,279	-	17,846
<i>Endowment Funds</i>						
Building Fund	1,912,588	(697)	47,358	4,313	-	1,954,937
Total Funds	2,579,848	-	474,115	284,352	41,602	2,811,213

*The Kairos (Restricted) fund has had a deficit in recent years because it only consists depreciation of the original set-up fixed assets and therefore a transfer from the General Fund is usually made to cover the deficit (2020 £4,551). However, in 2021 the residual value of the assets was written off and there was sufficient funds in the Kairos operating designated fund to transfer £16,740. The accumulated total of funding from the General Fund of previous years' deficits amounted to £41,195 and this was effectively written off by a transfer in July 2021 to the Kairos designated fund. See Note 14 for more details.

A transfer of £808 (2020: £697 from Endowment Fund) was made from the Designated Building Fund to the Restricted Building Fund to cover interest paid on the HEBA loan. In addition, the designated building fund made a transfer of £13,755 to the building endowment fund to cover its shortfall in funds at the time the HEBA loan was repaid in July 2021.

Church Organisations transferred £200 (2020: £1,423) to the General fund as contributions towards heating and lighting and support of youth, children and family ministries. The General fund also made a transfer of £4,053 (2020: £4,798) to the Pension Debt fund to cover contributions made during the year and received a transfer of £17,200 in order to eliminate the revaluation gain on this fund during the year.

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13. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Bank Balances £	Debtors Balances £	Short Term Liabilities £	Long Term Liabilities £	Total 2021 £
<i>Unrestricted Funds</i>						
Kairos	6,608	34,928	1,812	(1,483)	-	41,865
Mission Delivery (prev. Building) Fund	-	64,437	450,000	-	-	514,437
General Fund	6,388	71,028	13,484	(4,020)	-	86,880
Church Organisations Fund	-	7,898	-	-	-	7,898
Pension Debt Fund	-	77,700	-	-	(77,700)	-
Manse Fund	651,200	-	-	-	-	651,200
	664,196	255,991	465,296	(5,503)	(77,700)	1,302,280
<i>Restricted Funds</i>						
Kairos Cafe	-	-	-	-	-	-
Building Fund	-	-	-	-	-	-
Dickens Heath Fund	-	9,969	-	-	-	9,969
Fellowship Fund	-	563	-	-	-	563
Mission Giving	-	(433)	458	(25)	-	-
Student	-	7,314	-	-	-	7,314
	-	17,413	458	(25)	-	17,846
<i>Endowment Funds</i>						
Building Fund	2,006,733	(2,372)	2,372	-	-	2,006,733
Total Funds	2,670,929	271,032	468,126	(5,528)	(77,700)	3,326,859
	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 below:

	Tangible Fixed Assets £	Bank Balances £	Debtors Balances £	Short Term Liabilities £	Long Term Liabilities £	Total 2020 £
<i>Unrestricted Funds</i>						
Kairos	-	(1,013)	2,067	(1,054)	-	-
Building Fund	-	44,000	-	-	-	44,000
General Fund	-	29,971	113,431	(10,593)	-	132,809
Church Organisations Fund	-	10,421	-	-	-	10,421
Pension Debt Fund	-	94,900	-	-	(94,900)	-
Manse Fund	651,200	-	-	-	-	651,200
	651,200	178,279	115,498	(11,647)	(94,900)	838,430
<i>Restricted Funds</i>						
Kairos Cafe	16,740	(16,740)	-	-	-	-
Building Fund	-	20,993	-	(6,300)	(14,693)	-
Dickens Heath Fund	-	9,969	-	-	-	9,969
Fellowship Fund	-	563	-	-	-	563
Mission Giving	-	35	-	(35)	-	-
Student	-	7,314	-	-	-	7,314
	16,740	22,134	-	(6,335)	(14,693)	17,846
<i>Endowment Funds</i>						
Building Fund	2,010,100	(21,933)	3,197	(19,532)	(16,895)	1,954,937
Total Funds	2,678,040	178,480	118,695	(37,514)	(126,488)	2,811,213

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14 Kairos Coffee

Kairos 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 insufficient operating cashflow to cover HEBA and members' loans repayments. Therefore, in April 2018, the HEBA loan balance of £34,385 was transferred to the restricted Building fund (with the permission of donors to the Building fund) and, in May 2019, £49,000 of members loans were repaid from the unrestricted general fund (shown as an overdrawn bank balance in note 13) so that it could repay members' loans. In addition, there has been an annual deficit on the Set Up fund for the depreciation of fixed assets which has had to be covered by the General Fund, which had accumulated to £41,195 by July 2020.

Kairos actually gained financially through the Covid lockdowns because the various government grants were more than direct costs and it now has a cash and bank balance of £34,928. Although not yet breaking even, it is anticipated that Kairos now has sufficient resources to cover short term losses as well as replace ageing equipment. Therefore a fund transfer of £41,195 from the General Fund to Kairos has enabled the Kairos Fund to be re-set to equal the net assets held by Kairos; in effect this wrote off the accumulated support to Kairos. In addition, the remaining fixed assets (fixtures and fittings) from the original set up have been written down from £16,740 to nil net book value and the restricted Kairos Set Up Fund has been closed with all new fixed assets assigned to the designated Kairos fund. It should be noted that the HEBA loan used to purchase the original fixed assets was repaid by the Building Fund in July 2021.

These actions simplify and bring greater clarity to the financial position of Kairos, as shown below, without having any impact on physical operations or the outreach purpose of the café.

Kairos Cafe Funds

	2021 Operations Unrestricted SOFA £	2021 Set-Up Restricted SOFA £	2021 Total Kairos Funds £	2020 Total Kairos Funds £
Sales	21,163	-	21,163	39,565
Covid-19 related grants	36,308	-	36,308	30,630
Cost of Sales	(39,723)	-	(39,723)	(47,212)
Operating Surplus	17,748	-	17,748	22,983
Depreciation	(398)	(16,740)	(17,138)	(4,551)
Voluntary donations	-	60	60	-
Surplus / (deficit) for year	17,350	(16,680)	670	18,432
Fixed Assets	6,608	-	6,608	16,740
Debtors	1,812	-	1,812	2,067
Cash in Kairos bank account	34,928	-	34,928	23,442
Cash used from Church bank acct	-	-	-	(41,195)
Trading creditors	(1,483)	-	(1,483)	(1,054)
Net Assets	41,865	-	41,865	-

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15 Comparative Year Analysis

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

SOFA	Unrestricted Funds 2021 £	<i>Unrestricted</i> <i>Funds</i> 2020 £	Restricted Funds 2021 £	<i>Restricted</i> <i>Funds</i> 2020 £	Endowment Funds 2021 £	<i>Endowment</i> <i>Funds</i> 2020 £
INCOME AND ENDOWMENTS FROM						
Donations and Legacies	704,608	351,233	10,149	4,847	41,374	47,284
Charitable activities	23,756	57,793	-	-	-	-
Other trading activities	11,582	12,408	-	-	122	73
Investments	916	476	-	-	-	-
Other	-	-	-	-	-	-
Total income	740,862	421,910	10,149	4,847	41,496	47,358
EXPENDITURE ON Charitable Activities						
Finance Costs	-	-	808	697	88	946
Church Activities	217,370	222,548	10,149	5,031	1	-
Coffee shop outreach	39,723	47,212	-	-	-	-
Depreciation	1,763	-	16,740	4,551	3,365	3,366
Total expenditure	258,856	269,760	27,697	10,279	3,455	4,313
Net income / (expenditure)	482,006	152,150	(17,548)	(5,432)	38,041	43,045
Transfers between funds	(31,303)	(4,551)	17,548	5,248	13,755	(697)
Net income after transfers	450,703	147,599	-	(184)	51,796	42,348
Gains/(losses) on revaluation of fixed	-	-				
Gains/(losses) DB pension schemes	13,147	41,602				
Net movement in funds	463,850	189,201	-	(184)	51,796	42,348
Funds brought forward at 1 August	838,430	649,229	17,846	18,030	1,954,937	1,912,589
Funds carried forward at 31 July	1,302,280	838,430	17,846	17,846	2,006,733	1,954,937