

Shirley Baptist Church

REPORT and ACCOUNTS

for the year ended 31 July 2022

SHIRLEY BAPTIST CHURCH
REFERENCE AND ADMINISTRATIVE INFORMATION

for the year ended 31 July 2022

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 (until June 2022)
Senior Minister	Rev Mat Wilson (from August 2022)
Youth Specialist	Mr Martin Knott
Families & Children	Mrs Jacquie Knott
Specialists	Mrs Emma Willis (from September 2022)
Pastoral Worker	Mrs Amanda Crocker
Diaconate (trustees)	
Senior Minister	Rev Paul Campion (until June 2022)
Senior Minister	Rev Mat Wilson (from August 2022)
Church Secretary	Ian McDonald (until November 2021)
Church Secretary	Glynis Spiller (from November 2021)
Church Treasurer	Richard Millington
Trustee	Christine Canty
Trustee	Neil Aston
Trustee	Evan Winter
Trustee	Raj Waghmare (until February 2022)
Trustee	Sharon Davidson
Trustee	Peter Close
Trustee	David Rose
Trustee	Jonathan Hibbs
Trustee	Stuart Fisher
Trustee	Lynne Russell
Trustee	Chris Jones (from April 2022)
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 2022

The Diaconate has pleasure in presenting the Annual Report for the year ended 31 July 2022

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 of our buildings to a growing number of outside organisations and local individuals over the reporting year, following two years impacted by Covid 19 that forced closure or restricted use 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 192.

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.

Although the church returned to full in-person attendance over the reporting year, the effects of the COVID 19 pandemic continued to impact on the church's activities with a measured return to normal operations by the end of the year. The Sunday services remained as central to our work and witness and the usually full weekly programme of toddlers, children, and youth activities as well as Boys and Girls Brigades, gradually increased their presence over the year to achieve a healthy attendance by the year end with over 55 families and 200 young persons involved. The same applies also to our groups which provide activities and companionship to elderly people involving over 50 individuals. Our well-attended Women's Fellowship also began to meet in person again during the year with 30 attendees. 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 280 children and adults who are not church members attend one of the activities run on our premises. Our home groups, which had switched to on-line meetings, began to meet in person again during the week for the growth of faith and discipleship.

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 shopping mall 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. During the year the church began to regularly collect donations for a local food bank. All of these programmes provide a much needed service to the wider community. All of these activities returned to normal operation during the reporting year.

Achievements and Performance

The Church's teaching during the first part of the reporting year commenced with a look at single verses from Colossians chapter 3, followed by a series of one-off sermons – all on the Christian Lifestyle. This was followed by a collection of teachings reflecting on the life of Joseph and what his story has to teach us about various aspects of the Christian faith today. The Christmas celebrations delivered services which had an emphasis on reaching out to the local community with a nativity walkthrough in the local park; outdoor carol singing in the shopping mall and around the streets; special children's Christmas craft event and a carols event in Kairos Coffee. All of these events were accompanied with invites to our Christmas services. We began a new teaching series in January running through to April: 'Discovering Jesus – new ways of looking at some familiar stories and challenging applications'; relating Jesus and his life and words to our life style today. Following Easter we concluded the year with a series on 'Encountering Church; A Jesus Shaped Church' which sought to relate Jesus' teachings to how we practise church in e.g. establishing priorities, making disciples, establishing unity and growing the church.

It was our intention to return to a full in-person church at the start of the reporting year, following the COVID 19 pandemic. Our plan was to develop and deliver four priorities that had been identified as necessary to manage a full return to church without overstretching our capacity and capability and shape the work of the church over the year. We have largely achieved that plan, which was set out in the 2021 Trustees' Report. The Church has re-established its resilience, vibrancy and has sought to reengage with the local community and beyond, with a continuing on-line presence and in-person worship which included segregated areas, as appropriate, for those wishing to continue wearing a mask. A questionnaire was sent out to the church community asking for their views on the four priorities, the responses to which allowed the trustees to decide on the way forward to fully reopening the church and are reflected in the comments below.

The achievements against the four priorities are reviewed in turn below.

• Inspire... our community of believers to grow in a 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.

For those who were reticent about meeting in large groups the church provided areas for those wishing to remain masked and not singing. This provision was adapted as restrictions changed during year. A strengthening of our on-line services and introduction of hybrid church meetings (which required a change in the constitution) helped to encourage and include those of the church community unable to get to in-person church. Sermons and teaching were focussed to encourage commitment to God and unity with each other. Sunday morning refreshments were reintroduced. There was an understanding that we needed to put on, and encourage attendance, at social events to bring the church community together in a relaxed gathering. The church planned an away day at a local venue including a BBQ, which was well attended. The monthly men's breakfast meetings recommenced as did the Women's Fellowship meetings. Regular church walks and other social meetings became a feature of the year.

• 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.

We placed an emphasis on individual contact and smaller social and worship groups as we returned to full church. A regime of phone calls to the church community was introduced to check on how people were during the pandemic and following the return to church. The smaller more informal setting of home groups meeting on zoom or in person allowed those who felt themselves in this category following the lack of in person church during the pandemic, to express their concerns and receive encouragement and more personal focused prayer. Kairos coffee shop played its part in hosting smaller events through the year. A ladies retreat weekend was organized which allowed free discussion of views along with and encouraging fellowship.

• 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.

The church's on-line presence was retained following full in-person return to church to allow people whom may be hesitant at attending to connect with church life. A number of local opportunities were taken to share the gospel message during the reporting year. An on-line Alpha course was presented, jointly with Olton Baptist Church. The church was a major contributor to Shirley Churches Together (SCT) outdoor memorial service for all who had died during the pandemic, irrespective of cause and a SCT joint prayer evening. It also took part in an outdoor joint service in Birmingham to promote unity and equality. The church opened its doors to the community for a Lamps Theatre Company production of the Passion within the sanctuary area. Practical assistance was provided to charities providing clothing for the homeless; food bank provision to those in need through the formation of a Ukrainian support group to assist refugees from the war in the Ukraine. As the year concluded the church was entering into a discussion as to whether to use a redundant manse as a home for a refugee family from the Ukraine. Our children and family worker and youth worker organised a number of events during the year for the local community including Holiday Clubs and a Light Party. They also re-established contact with local schools and conducted assemblies. Worship services are also conducted for residents of a neighbouring retirement village.

• 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.

P/T Children and Families Worker to support existing P/T post agreed and appointed to start in the next reporting year. Settlement Process commenced to seek a new senior minister following retirement of existing minister at the close of the reporting year. The process was undertaken and following short listing and interviews the deacons recommended one candidate to be invited to serve in the post, which the church membership agreed. It is not usual for a process to find a new minister to take such a short time (eight months) and we feel truly blessed with the outcome. The church also undertook a change of legal status from unincorporated charity to a Charitable Incorporated Organisation by 31 July 2022. This will bring us into line with the Baptist Union and is a natural progression for the charity's future. During the year the deacons gave much prayer, thought and discussion to the shape of the church following its return to full in-person attendance. These discussions will be taken forward into the new reporting year with the new senior minister.

The church has spent the year re-establishing its activities following closure during the COVID 19 pandemic. Community support, pastoral contacts and wider mission engagement have reconnected with partners and clients and week-day activities and clubs held in the church buildings have recommenced. 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 returning volunteers. 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. The church's support for a mission in Latvia ceased during the year with the return of the individuals to the UK. Financial support for two further mission fields based in the UK continued 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 in Kairos and the surrounding shopping mall and park which have enabled people to consider the spiritual aspect of life at whatever level they desire and feel comfortable with.

Financial Review

The Church has resumed much of our physical activities post-Covid, which has increased expenditure whilst income from loose cash offerings made at Sunday worship has not fully recovered. Consequently, expenditure exceeded income by £14,000 but this is amply covered by reserves accumulated in previous years. The element of this deficit relating to the General Fund was £25,000 which was higher than the budgeted deficit of £18,000 and is primarily attributed to lower than expected loose offerings income (£7,000), manse rental income (£7,000) and room usage donations (£4,000). Actions have been taken to address these income streams but the budgeted deficit for the next financial year is £33,000 because of the filling of a vacant part-time Families and Children Worker (£14,000) and the heavy subsidisation of the Church Weekend in October 2022 important for renewing our togetherness post-Covid (£10,000). The Church has sufficient reserves to cover the deficit in this next year and aims to balance income and expenditure in the following year.

There were various non-cash changes to the valuation of fixed assets and pension liabilities. The comparatives for 2021 disclosed in these accounts have been re-stated (see note 16) because it was felt that the church building should have been included in the 2021 accounts at £1.8 million, not £2.0 million. As a result in the Statement of Financial Activities the comparatives for 2021 now include a loss of £200,000 on the revaluation of the church building and in the balance sheet the value of the charity's fixed assets have been reduced by £200,000 to £2.47 million. The 2022 accounts include £49,000 increased professional valuation of the residential properties and a £73,000 actuarial gain arising from the elimination of the pension scheme debt. The pension debt liability has been written down to nil because Baptist Pensions formally notified member churches that the pension scheme's funding deficit had been cleared and their deficit contributions would effectively cease on 1st August 2022. The Church has a strong balance sheet containing £0.7m of residential property for manses and £0.7m of cash and equivalents in addition to the main church building; £0.15m of the cash, arising from the legacy, will be used to improve the manse portfolio by the sale of Yoxall Road and purchase of a new manse for the senior minister in 2022/23 and then the rest of the legacy (accounted for in the Mission Delivery Fund) will be assigned to strategic objectives currently being developed by the trustees.

We are extremely grateful for the generosity of members and friends of the Church which has enabled and sustained the work of the Church in its general ministry, in use of the building and through 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.

We continue with our Grants Policy to generously support Mission locally, nationally and internationally and our grant giving from unrestricted funds totals £48,000 on top of the £13,000 from restricted fund donations, which is a slight increase on the previous year. Our objective is to give approximately 20% of unrestricted gifts & offerings income and associated gift aid towards broader missions work. Details of the main organisations we have supported are in Note 5 of the accounts.

In accordance with the FRS102 accounting standard, the recognition of liabilities associated with the deficit on the closed Baptist Union Pension Scheme has been reduced to nil as a result of the announcement on 30th June 2022 that the deficit had been eliminated, that the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits and that contributions reduce to a nominal £1 per month thereafter. This is an unexpected but welcome gain for the Church, saving £5,000 contributions each year.

Kairos Coffee has had another challenging year rebuilding its presence in the community post-lockdowns particularly as it has had less volunteers and had to rely on a greater use of paid staff. Nevertheless, income rose to £54,000 which exceeded pre-Covid levels and matched operating expenditure and both are expected to grow next year with opening 5 days a week all year. There were also £4,000 of Covid support grants received from the government which offset depreciation charges. 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 reviews reserves each year and resolved that the minimum free reserves should be £54,000 whilst the actual free reserves at 31 July 2022 amounted to £135,000; The £81,000 excess of reserves, largely driven by the writing down of the pension debt liability, will be used to cover the £33,000 of budget deficit for 2022/23 and be a contingency to cover a similar deficit the following two years if income generation initiatives are not fully implemented by July 2023. 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 which the deacons are actively considering options for its use.

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. The charity ended the year with net current assets of £718,000, 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 £958 (2021: £938).

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.

- Establish and settle the new senior minister in post.

- We will seek to pursue the four priorities established in the last reporting year as we continue to re-establish in-person church and set its strategic direction..

- We will seek to maintain the ongoing business of church life e.g. worship, pastoral work, weekly activities, to the fullest extent and as effectively as possible, seeking to involve more of the church community in its delivery.

- Ensure that the business is as much outward facing to engage the community and present Christianity and the love of God as wide as possible within activities that are of public benefit to the community particularly where it involves working with other community groups.

- During the year the church has planned a 'weekend away' that will encourage greater community and the speaker for this will be our new Senior Minister

- Throughout the coming year the Senior Minister will share a three-fold aspect of Biblical teaching based upon the themes of worship, welcome and witness. In the autumn months and leading to Christmas, we will focus on our understanding and experience of worship. In the New Year, leading to Easter, the focus will be welcome and the encouragement of building community. Post Easter, leading to the summer, attention will be given to 'witness' with an emphasis on how the church reaches out to bless the community of Shirley and beyond.

- It is hoped the prayer life of the church will continue to grow and developed.

- Attention will be given to supporting and investing in the church staff team. Staff will benefit from a combination of retreat days, skills and character based training days and attending conference.

Conversion to CIO

A Special Church Meeting on 19th January 2022 agreed to change the Church's legal status from unincorporated charity to a Charitable Incorporated Organisation (CIO) and approved a constitution for the CIO based on the Baptist Union model constitution for baptist churches. The new CIO was registered (registration number 1197996) with the Charity Commission on 21st February 2022 and a Special Church Meeting on 9th March 2022 approved a resolution to transfer the assets, property interests, employees and activities of the unincorporated charity to the CIO with an effective date of 1st August 2022. The CIO accepted all existing members into membership of the CIO on 5th July 2022. This report and accounts is therefore the last report of this unincorporated charity. The Charity will be legally closed once the linkage between the old and new charity registered numbers has been formally recorded and is expected to occur by July 2023.

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 15th November 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 2022 on pages 9 to 22 following, which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

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 21/11/2022

Stewardship
1 Lamb's Passage
London
EC1Y 8AB

Shirley Baptist Church

Statement of Financial Activities for the year ended 31 July 2022

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021 (Restated)
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and Legacies		223,333	18,808	5,640	247,781	756,131
Charitable activities		74,363	-	-	74,363	23,756
Other trading activities		4,042	-	-	4,042	11,704
Investments		3,462	-	-	3,462	916
Total income	2	305,200	18,808	5,640	329,648	792,507
EXPENDITURE ON						
Charitable Activities:						
Finance Costs	3	-	-	-	-	897
Church Activities	5	269,017	12,573	-	281,590	227,520
Coffee shop outreach	4	54,400	-	-	54,400	39,723
Depreciation	7	4,105	-	3,367	7,472	21,868
Total expenditure		327,522	12,573	3,367	343,462	290,008
Net income / (expenditure)		(22,322)	6,235	2,273	(13,814)	502,499
Transfers between funds	12	-	-	-	-	-
Net income after transfers		(22,322)	6,235	2,273	(13,814)	502,499
Other recognised gains and losses:						
Gains/(losses) on revaluation of fixed assets	7	48,800	-	-	48,800	(200,000)
Actuarial gains / (losses) on defined benefit pension schemes	6	72,513	-	-	72,513	13,147
Net movement in funds		98,991	6,235	2,273	107,499	315,646
Funds brought forward at 1 August 2021		1,302,280	17,846	1,806,733	3,126,859	2,811,213
Funds carried forward at 31 July 2022		1,401,271	24,081	1,809,006	3,234,358	3,126,859

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 11 to 22 form part of these accounts.

Shirley Baptist Church

Balance Sheet at 31 July 2022

	Notes	Total Funds 2022 £	Prior Year 2021 (Restated) £
FIXED ASSETS			
Tangible fixed assets	7	2,516,259	2,470,929
CURRENT ASSETS			
Debtors	8	17,152	468,126
Bank balances	9	709,338	271,032
Total current assets		726,490	739,158
LIABILITIES			
Creditors: Amounts falling due within one year	10	8,391	5,528
Net current assets		718,099	733,630
Total assets less current liabilities		3,234,358	3,204,559
Creditors: Amounts falling due after more than one year	11	-	-
Net assets excluding pension liability		3,234,358	3,204,559
Defined benefit pension scheme liability	11	-	77,700
TOTAL NET ASSETS		3,234,358	3,126,859

THE FUNDS OF THE CHARITY

Unrestricted funds			
Designated revaluation reserve		435,000	386,200
Other designated funds		831,126	829,200
General unrestricted funds		135,145	86,880
		1,401,271	1,302,280
Restricted funds		24,081	17,846
Endowment funds		1,809,006	1,806,733
	12	3,234,358	3,126,859

Approved by the Diaconate on 15th November 2022

and signed on its behalf by Richard Millington and Glynis Spiller

The notes on pages 11 -22 form part of these accounts.

Shirley Baptist Church
Notes to the Accounts
for the year ended 31 July 2022

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 and the charity qualified as a larger charity in the previous year. 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 2022

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 (see note 2 'Analysis of income') 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 £435,000).

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.

Ukraine Fund - The fund supports the use of the Moreton Road manse for accommodating refugees through the Homes for Ukraine scheme. The fund covers the cost of utilities and the commercial rental income foregone that would normally be achieved through renting out an unused manse.

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. Obligations to make future contributions towards any funding deficit reported by this scheme are included as a liability in the financial statements. Further information about this defined benefits scheme is disclosed elsewhere in the notes to these accounts.

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2022

2. Analysis of Income

	Total 2022 £	Total 2021 £
<i>Donations and Legacies</i>		
Gifts & offerings	179,868	213,275
Legacy	7,802	450,000
Income tax recoverable	40,038	44,714
Mission giving	16,323	11,834
Government grants:		
Local authority business support grant	3,750	23,000
Job Retention Scheme grants	-	13,308
	<u>247,781</u>	<u>756,131</u>
<i>Charitable Activities</i>		
Room usage voluntary contribution	1,165	-
Kairos Coffee	53,852	21,163
Sundry income	2,142	1,780
<i>Self-funding Charitable Activities</i>		
Church Organisations	9,653	739
Church Events	6,081	74
Church Weekend	1,470	-
	<u>74,363</u>	<u>23,756</u>
<i>Other trading activities</i>		
Rental Income Yoxall Road Manse	4,042	11,582
Fund raising events	-	122
	<u>4,042</u>	<u>11,704</u>
<i>Investment Income</i>		
Interest received	3,462	916
	<u>3,462</u>	<u>916</u>
Total Income	<u>329,648</u>	<u>792,507</u>

Following the death of a member of the church in a 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 (recognised in the 2019/20 accounts) and a share in the residue of the estate after all other payments have been made which was estimated to be £450,000 and accrued in the 2020/21 accounts. The actual final distribution received during 2021/22 included a further £7,802 which has been recognised in this year.

3. Analysis of Finance Costs

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

<i>Kairos Coffee</i>		
Kairos employment costs	27,463	24,720
Kairos office costs	2,020	1,495
Cleaning & caretaking	2,018	1,909
Light, heat & water	5,211	2,205
Kairos set up costs	1,700	1,531
Kairos cost of sales	16,124	7,815
Other costs	(136)	48
Total Kairos	<u>54,400</u>	<u>39,723</u>

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2022

5. Analysis of Church Activities Expenditure

	Total 2022 £	Total 2021 £
Ministry		
Stipends	96,071	89,819
Pension & NI contributions	24,496	13,629
Manse costs	3,521	7,219
Other costs of Ministry	8,714	6,189
Children's/Youth work ministries	3,826	2,265
Mission & evangelism	251	22
Worship, pastoral & discipleship	3,667	2,456
	<u>140,546</u>	<u>121,599</u>
Mission - Grants Payable		
Institutions:		
BMS World Mission	17,697	20,951
Baptist Home Mission	15,000	15,000
Mercy Mission Welfare Society	6,741	8,113
Christian Aid	235	2,045
Christian Mountain Centre	-	1,500
TEAR Fund	5,265	-
Agape	1,900	1,400
Oasis Holiday Club	2,761	-
ShowerBox (Xmas)	1,750	-
Yardley Wood Food Pantry (Xmas)	1,750	-
Disasters Emergency Committee (Xmas)	1,750	-
Euroevangelism	324	2,501
The Navigators	1,200	1,700
Interserve	2,400	1,600
ShineYouth	-	1,580
RESTORE	-	1,500
Other gifts < £1,000 each	409	150
Individuals:		
Short Term Missions	1,800	2,350
	<u>60,982</u>	<u>60,390</u>
Support		
Office employment costs	13,347	12,080
Office costs	8,745	4,114
Cleaning & caretaking	7,913	6,182
Light, heat & water	14,545	9,711
Repairs & maintenance	13,765	2,744
Insurance	3,431	3,677
Other costs	200	1,365
Governance Costs:		
Independent Examination	2,380	2,184
	<u>64,326</u>	<u>42,057</u>
Self-funding Charitable Activities		
Church Organisations	7,238	3,061
Church Events	8,498	413
Church Weekend	-	-
	<u>15,736</u>	<u>3,474</u>
Total Church Activities Expenditure	<u>281,590</u>	<u>227,520</u>

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2022

6. Staff cost and Trustees expenses	2022	2021
	£	£
Salaries	135,303	125,025
Social security costs	4,977	3,887
Pension costs	20,838	10,832
Benefits of Manse utilities	3,252	4,245
	<u>164,370</u>	<u>143,989</u>
BU Pension Debt b/fwd	77,700	94,900
Contributions to BU Pension Debt	(5,187)	(4,053)
(Gains)/Losses in Debt valuation	<u>(72,513)</u>	<u>(13,147)</u>
BU Pension Debt c/fwd	-	77,700
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 (2021: none).

One of the Trustees, Paul Campion, was an employee, and as permitted by the governing document, received emoluments of £33,484 (2021 £36,562) and benefited from pension contributions by the church of £13,610 (2021 £4,270), and lived in housing owned and provided by the church with a deemed pensionable pay benefit of £6,480 (2021 £6,279). These emoluments were paid in his capacity as minister, and not as trustee, and are allowed for in the church constitution. He retired in June 2022 and was the only member of staff who is defined as performing a key management role within the charity and his stipend was a fixed ratio of the Baptist Union recommended stipend for Home Mission. One Kairos Coffee staff member was paid £8,404 (2021 £7,738) 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 (2021 none). Trustees and their close family members donated £41,051 (2021: £42,241) 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 assets of the Scheme are held separately from those of the Employer and the other participating employers.

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. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a 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.

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 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.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. Because it is not possible to attribute the Scheme's assets and liabilities to specific employers, the scheme is accounted for as if the Scheme were a defined contribution scheme.

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

Actuarial valuation as at 31 December 2019 and the previous Recovery Plan

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%).

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%

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2022

The charity and the other participating employers in the DB Plan were collectively responsible for funding the above funding deficit and a Recovery Plan was put in place. Under this Recovery Plan the charity, the Baptist Union and other participating employers agreed to make additional contributions to the DB Plan so as to try to clear the deficit by June 2026. At 31 July 2021 the charity's share of the funding deficit was assessed to be £77,700 and this was recognised as a liability in the 2020/21 accounts.

Developments during the year and the new Recovery Plan

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022. After deducting the pension deficit contributions made during the year, the charity was carrying a liability of £72,513. As there is no funding shortfall at the present time, the charity does not have a liability at the year end and (in accordance with the Charities SORP) it has been written back in these accounts.

Total pension contributions consist of:	2022	2021
	£	£
Contributions to Baptist Pension Scheme DC plan	19,684	9,741
Contributions to other defined contribution schemes (which comply with pensions auto-enrolment legislation)	1,154	1,091
	<u>20,838</u>	<u>10,832</u>
Contributions to Baptist Pension Scheme DB plan deficit	5,187	4,053
Total pension contributions paid in year	<u>26,025</u>	<u>14,885</u>

7. Tangible Fixed Assets	Church Premises	Manses	Furniture & Fittings	Musical/Sound Equipment	Computers & Equipment	Total
<i>Cost or valuation</i>	£	£	£	£	£	£
at 1st August 2021 (Restated)	1,922,420	695,112	226,168	30,875	20,056	2,894,631
Revaluations	-	48,800	-	-	-	48,800
Additions during the year	-	-	3,452	-	550	4,002
Disposals during the year	-	-	-	-	-	-
at 31st July 2022	<u>1,922,420</u>	<u>743,912</u>	<u>229,620</u>	<u>30,875</u>	<u>20,606</u>	<u>2,947,433</u>
<i>Accumulated Depreciation</i>						
at 1st August 2021	122,420	43,912	208,122	30,875	18,373	423,702
Charge for the year	-	-	6,569	-	903	7,472
Accumulated depreciation on disposals	-	-	-	-	-	-
at 31st July 2022	<u>122,420</u>	<u>43,912</u>	<u>214,691</u>	<u>30,875</u>	<u>19,276</u>	<u>431,174</u>
<i>Net Book Value</i>						
at 31st July 2022	1,800,000	700,000	14,929	-	1,330	2,516,259
at 31st July 2021 (Restated)	1,800,000	651,200	18,046	-	1,683	2,470,929
Original cost		265,000				
Revaluation Reserve		435,000				

The church's two manses were valued in April 2022 by Black & Gold estate agents at their estimated market value; a further independent valuation of Yoxall Road by Carpenters Surveyors in accordance with the Charities Act 2011 was undertaken in June 2022 as part of the sale process for that manse. The trustees have adopted the valuations by Black & Gold of Moreton Road and by Carpenters of Yoxall Road.

The church building was valued at £2.0 million at 31 July 2017 and this was reduced to £1.8 million at 31 July 2021 (see note 16 'Restatement of the results reported previously'). There is no competitive market for the church building and the current valuation reflects the trustees' estimate of the amount they would hope to receive if the property were to be sold. The quality of the building (which takes into account wear and tear since the valuation in 2017) has been balanced against the uncertainty of what it may fetch on the open market. The trustees believe there is now a smaller pool of churches who might be interested in purchasing and continuing to use the building as it is and it may be that most potential buyers would be more interested in the site's re-development potential.

During the year capital expenditure was incurred on additional staging in the sanctuary and new equipment for Kairos.

At 31 July 2022 there were no outstanding capital commitments (2021 £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 2022**

8. Debtors and Prepayments	2022 £	2021 £
Tax recoverable	12,043	13,548
Legacy	-	450,000
Other debtors & prepayments	5,109	4,578
	<u>17,152</u>	<u>468,126</u>
9. Cash at Bank & in Hand	2022 £	2021 £
Current accounts	60,359	61,602
Cash/Bank (Church Organisations and Kairos Cash Float)	9,265	8,149
Deposit Accounts	639,714	201,281
	<u>709,338</u>	<u>271,032</u>
10. Creditors: amounts falling due within one year	2022 £	2021 £
Sundry creditors and accruals	4,563	3,368
Independent examination	2,300	2,160
PAYE & NIC	1,528	-
	<u>8,391</u>	<u>5,528</u>
11. Creditors: falling due after more than one year	2022 £	2021 £
Baptist Union Pension Scheme	-	77,700

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2022

12. Summary Statement of Funds	2021 (Restated)	Transfers	Income	Expenditure	Gains and (Losses)	2022
<i>Unrestricted Funds</i>	£	£	£	£	£	£
Kairos Café	41,865	-	57,605	56,796	-	42,674
Mission Delivery (prev.Building) Fund	514,437	-	-	-	-	514,437
General Fund	86,880	73,488	237,942	263,165	-	135,145
Church Organisations	7,898	(975)	9,653	7,561	-	9,015
Pension Debt Fund	-	(72,513)	-	-	72,513	-
Manse Fund	651,200	-	-	-	48,800	700,000
	1,302,280	-	305,200	327,522	121,313	1,401,271
<i>Restricted Funds</i>						
Kairos Café	-	-	-	-	-	-
Building Fund	-	-	-	-	-	-
Dickens Heath Fund	9,969	-	-	-	-	9,969
Fellowship Fund	563	-	-	15	-	548
Mission Fund	-	-	12,558	12,558	-	-
Student	7,314	-	250	-	-	7,564
Ukraine	-	-	6,000	-	-	6,000
	17,846	-	18,808	12,573	-	24,081
<i>Endowment Funds</i>						
Building Fund	1,806,733	-	5,640	3,367	-	1,809,006
Total Funds	3,126,859	-	329,648	343,462	121,313	3,234,358

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

Summary Statement of Funds	2020	Transfers	Income	Expenditure	(Restated) Gains and (Losses)	(Restated) 2021
<i>Unrestricted Funds</i>	£	£	£	£	£	£
Kairos Café	-	24,455	57,531	40,121	-	41,864
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 Café	-	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	(200,000)	1,806,734
Total Funds	2,811,213	-	792,507	290,008	(186,853)	3,126,859

Church Organisations transferred £975 (2021: £200) 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 £5,187 (2021: £4,053) to the Pension Debt fund to cover contributions made during the year and received a transfer of £77,700 (2021: £17,200) in order to eliminate the actuarial gain on this fund during the year.

Shirley Baptist Church

**Notes to the Accounts
for the year ended 31 July 2022**

13. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Bank Balances £	Debtors Balances £	Short Term Liabilities £	Long Term Liabilities £	Total 2022 £
<i>Unrestricted Funds</i>						
Kairos	4,762	36,431	2,117	(636)	-	42,674
Mission Delivery (prev.Building) Fund	-	514,437	-	-	-	514,437
General Fund	8,130	119,693	14,867	(7,545)	-	135,145
Church Organisations Fund	-	9,015	-	-	-	9,015
Pension Debt Fund	-	-	-	-	-	-
Manse Fund	700,000	-	-	-	-	700,000
	<u>712,892</u>	<u>679,576</u>	<u>16,984</u>	<u>(8,181)</u>	<u>-</u>	<u>1,401,271</u>
<i>Restricted Funds</i>						
Kairos Cafe	-	-	-	-	-	-
Building Fund	-	-	-	-	-	-
Dickens Heath Fund	-	9,969	-	-	-	9,969
Fellowship Fund	-	548	-	-	-	548
Mission Giving	-	42	168	(210)	-	-
Student	-	7,564	-	-	-	7,564
Ukraine	-	6,000	-	-	-	6,000
	<u>-</u>	<u>24,123</u>	<u>168</u>	<u>(210)</u>	<u>-</u>	<u>24,081</u>
<i>Endowment Funds</i>						
Building Fund	1,803,367	5,639	-	-	-	1,809,006
Total Funds	<u>2,516,259</u>	<u>709,338</u>	<u>17,152</u>	<u>(8,391)</u>	<u>-</u>	<u>3,234,358</u>
	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:

	(Restated) Tangible Fixed Assets £	Bank Balances £	Debtors Balances £	Short Term Liabilities £	Long Term Liabilities £	(Restated) Total 2021 £
<i>Unrestricted Funds</i>						
Kairos	6,608	34,928	1,812	(1,483)	-	41,865
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
	<u>664,196</u>	<u>255,991</u>	<u>465,296</u>	<u>(5,503)</u>	<u>(77,700)</u>	<u>1,302,280</u>
<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
	<u>-</u>	<u>17,413</u>	<u>458</u>	<u>(25)</u>	<u>-</u>	<u>17,846</u>
<i>Endowment Funds</i>						
Building Fund	1,806,733	(2,372)	2,372	-	-	1,806,733
Total Funds	<u>2,470,929</u>	<u>271,032</u>	<u>468,126</u>	<u>(5,528)</u>	<u>(77,700)</u>	<u>3,126,859</u>

Shirley Baptist Church

Notes to the Accounts for the year ended 31 July 2022

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 was paid off in July 2021. In addition, in May 2019, £49,000 of members loans were repaid from the unrestricted general fund so that it could repay members' loans. Finally, there was 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 is now operating unincumbered by its set up loans and with the original fixed assets written off. It made a small surplus of £809 (2021: £670) after spending £1,137 on repairing and maintaining equipment. In addition the charity spent £550 on new fixed assets. The financial objective is for Kairos to generate sufficient funds from its operations to gradually replace equipment and fittings and to specifically fund-raise should extensive refurbishment be required rather than rely upon the General Fund.

Kairos Cafe Funds

	2022 Operations Unrestricted SOFA £	2022 Set-Up Restricted SOFA £	2022 Total Kairos Funds £	2021 Total Kairos Funds £
Sales	53,855	-	53,855	21,163
Covid-19 related grants	3,750	-	3,750	36,308
Cost of Sales	(54,400)	-	(54,400)	(39,723)
Operating Surplus	3,205	-	3,205	17,748
Depreciation	(2,396)	-	(2,396)	(17,138)
Voluntary donations	-	-	-	60
Surplus / (deficit) for year	809	-	809	670
Fixed Assets	4,762	-	4,762	6,608
Debtors	2,117	-	2,117	1,812
Cash in Kairos bank account	36,340	-	36,340	34,928
Cash used from Church bank acct	-	-	-	-
Trading creditors	(545)	-	(545)	(1,483)
Net Assets	42,674	-	42,674	41,865

Shirley Baptist Church

**Notes to the Accounts
for the year ended 31 July 2022**

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 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2022 £	Restricted Funds 2021 £	Endowment Funds 2022 £	(Restated) Endowment Funds 2021 £
INCOME AND ENDOWMENTS FROM						
Donations and Legacies	223,333	704,608	18,808	10,149	5,640	41,374
Charitable activities	74,363	23,756	-	-	-	-
Other trading activities	4,042	11,582	-	-	-	122
Investments	3,462	916	-	-	-	-
Other	-	-	-	-	-	-
Total income	305,200	740,862	18,808	10,149	5,640	41,496
EXPENDITURE ON Charitable Activities						
Finance Costs	-	-	-	808	-	88
Church Activities	269,017	217,370	12,573	10,149	-	1
Coffee shop outreach	54,400	39,723	-	-	-	-
Depreciation	4,105	1,763	-	16,740	3,367	3,365
Total expenditure	327,522	258,856	12,573	27,697	3,367	3,455
Net income / (expenditure)	(22,322)	482,006	6,235	(17,548)	2,273	38,041
Transfers between funds	-	(31,303)	-	17,548	-	13,755
Net income after transfers	(22,322)	450,703	6,235	(0)	2,273	51,796
Gains/(losses) on revaluation of fixed	48,800	-				(200,000)
Gains/(losses) DB pension schemes	72,513	13,147				
Net movement in funds	98,991	463,850	6,235	(0)	2,273	(148,204)
Funds brought forward at 1 August	1,302,280	838,430	17,846	17,846	1,806,733	1,954,937
Funds carried forward at 31 July	1,401,271	1,302,280	24,081	17,846	1,809,006	1,806,733

Shirley Baptist Church

**Notes to the Accounts
for the year ended 31 July 2022**

16 Restatement of the results reported previously

The results reported previously did not reflect a change in the value of the church building, which the trustees believe should have been reduced by £200,000 to £1.8 million at 31 July 2021 (see note 7 'Tangible Fixed Assets'). To rectify this, the results reported previously have been restated as follows:

	Previously Reported £	Adjustment £	Restated Accounts £
2020/21 SOFA			
Income	792,507		792,507
Expenditure	<u>(290,008)</u>		<u>(290,008)</u>
Net Income	502,499		502,499
Revaluation of Fixed Assets	-	(200,000)	(200,000)
Gains/Losses on Pension Debt	<u>13,147</u>		<u>13,147</u>
Net Movement of Funds	515,646		315,646
Funds brought forward Aug 2020	<u>2,811,213</u>		<u>2,811,213</u>
Funds carried Forward July 2021	<u>3,326,859</u>		<u>3,126,859</u>
July 2021 Balance Sheet			
Fixed Assets Buildings	2,670,929	(200,000)	2,470,929
Other Assets	739,158		739,158
Less Liabilities	<u>(83,228)</u>		<u>(83,228)</u>
Net Assets	<u>3,326,859</u>		<u>3,126,859</u>
Represented by:			
General unrestricted funds	86,880		86,880
Designated unrestricted funds	1,215,400		1,215,400
Restricted funds	17,846		17,846
Endowment (Building) fund	<u>2,006,733</u>	(200,000)	<u>1,806,733</u>
TOTAL Funds	<u>3,326,859</u>		<u>3,126,859</u>