

Carshalton Beeches Baptist Free Church

Trustees' Annual Report

Year ended: 31 December 2017



CARSHALTON BEECHES BAPTIST FREE CHURCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Charity registration number: 1130318

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

CARSHALTON BEECHES BAPTIST FREE CHURCH

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YEAR ENDED 31 DECEMBER 2017

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CARSHALTON BEECHES BAPTIST FREE CHURCH

SIGNIFICANT CHARITY INFORMATION

YEAR ENDED 31 DECEMBER 2017

The name of the Charity is Carshalton Beeches Baptist Free Church.

The church is affiliated to the Baptist Union of Great Britain and Ireland and to the London Baptist Association and until 24 June 2009 was an excepted charity. The church registered with the Charity Commission on 24 June 2009 with charity number 1130318.

The principal address of the church is Banstead Road, Carshalton, Surrey SM5 3NL

The trustees of the church are the elected deacons, the officers and the ministers. The trustees from 1 January 2017 until the date of the signing of this report were:

		Start	End
Mrs G Banks	Elected deacon	1 June 2012	
Mr R Beales	Elected deacon	1 June 2014	
Mr A Blackburn	Elected deacon	1 June 2014	
Mr C Dawson	Elected deacon	1 June 2012	1 June 2017
Mr J Durbin	Elected deacon	1 June 2014	
Mr T Gore	Elected deacon	1 June 2014	
Mr I Knowles	Elected deacon	1 June 2015	
Mr S Larcombe	Elected deacon	1 June 2017	
Mrs C Mossor	Elected deacon	1 June 2017	
Mrs B Osiyale	Elected deacon	1 June 2017	
Mr P Scott-Evans	Treasurer	1 June 2008	
Rev P Hornsey	Minister	1 September 2005	
Rev J M Kendall	Minister	1 May 2011	

The trustees are considered to be the Key Management Personnel of the church.

Statutory Auditor: Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

Banks: Charities Aid Foundation
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

London Baptist Property Board
235 Shaftesbury Avenue
London WC2H 8EP

CARSHALTON BEECHES BAPTIST FREE CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

Structure, governance and management

The Church is an unincorporated association and is affiliated to the Baptist Union of Great Britain and Ireland and to the London Baptist Association. The Church occupies premises which are held by the London Baptist Property Board, on Trust.

The Church is governed by its "Constitution and Rules" document. The Church is autonomous and the Church Meeting makes the final decision on all matters, after taking into consideration any advice given by the trustees.

Trustees are appointed by the Church Meeting in one of three ways. Deacons are elected for a period of three years, from within the membership, at a Special Church Meeting (quorum: 40% of membership roll), on obtaining votes from at least 50% of those present. After 6 years of continuous service, deacons are not eligible for re-election for one year. Officers and ministers are trustees by virtue of holding office. Officers are appointed by the Church Meeting every 3 years. Ministers are invited to the pastorate by a Special Church Meeting.

The trustees meet together regularly as the Church's leadership team. They bring reports and recommendations on all significant aspects of the Church's affairs to the Church Meeting. The Church Meeting usually meets six times a year and receives the leadership's reports and recommendations. All recommendations are voted on by the Church Meeting.

The trustees are inducted by the senior deacon and the ministers and receive training during their term of office by attending meetings and by making use of the publications produced by the Baptist Union of Great Britain.

The trustees delegate oversight of certain matters to groups appointed by the trustees with the approval of the Church Meeting. At present, the main committees are the Finance and Fabric Committees. These committees report to the trustees and the Church Meeting on a regular basis.

Objectives and activities

The principal purpose of Carshalton Beeches Baptist Free Church is the advancement of the Christian faith according to the principles of the Baptist denomination. The charity exists to serve the community of Carshalton Beeches. Our aim is to make wholehearted disciples of the Lord Jesus, not just to create a congregation of passive believers. This is summed up in our mission statement: Jesus Christ, to know Him, to grow in Him, to bring others to Him.

The membership as at 31 December 2017 was 157. Approximately 110 to 125 adults plus 20 to 25 children and young people attend on Sunday mornings, and 20 to 30 adults and young people in the evenings. The age range is quite well-balanced with families forming the core of the congregation. Our worship services are open to all.

Serving the local community is a vital part of the church's mission. This objective is worked out in a number of ways among children and young people, adults and families, senior citizens and those with disabilities. The church buildings are exceptionally well-used throughout the week. This is not only for church-led activities but various rooms in the building are hired by a wide range of other organisations or individuals. This has resulted in attracting large numbers of people from the local community onto the church premises.

A well-established and well-supported parent and toddler group continues to attract a number of families to the church resulting in a lively group of 3 to 11 year-old children attending activities on a Sunday morning. During 2016, the church Cafe, Spill the Beans, employed a paid part-time manager, Michelle Hope, to oversee the running of the cafe and during 2017 takings increased to cover a large part of the employment costs. The cafe is particularly family-friendly and a number of parents and children from the local community are welcomed each week alongside other groups and individuals who regularly come in to meet others and purchase light refreshments.

Each Wednesday a Luncheon Club provides a hot meal for older folk in our community and over 30 people attend this and the associated midweek worship service. Those older people who are more active attend the Monday social evening. Every other week a Conquest Art Class meets for people with disabilities. The church also hosts an Alcoholics Anonymous group as well as a Bereavement Support group.

The Guiding and Scouting groups continue to thrive as they have for over 80 years since the church was founded. There are over 195 children and young people who attend each week. Some of them attend the Sunday morning Parade Services. We are grateful to their dedicated leaders.

Organisations who hired the church premises in 2017 include: The Ark (a Montessori nursery), a group of family mediation practitioners and counselling sessions as well as a Weight Watchers group, Pilates classes, drama, dance and music groups and music examinations. The NHS Blood Donor Service makes use of the building as does the local authority for meetings and as a Polling Station.

CARSHALTON BEECHES BAPTIST FREE CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

One of the church members leads a charity called Onside Soccer, which the church has supported financially as well as setting up of a football coaching course for around 30 - 40 local children. Several other church members help with the coaching and developing friendship with the families. This activity expanded during 2017 to include parents' 5-a-side.

All these activities are ways the church seeks to serve the community. None of it would be possible without the generosity of individuals with their time, their talent and their giving of money.

Plans for the future

The church continues to value the equal partnership in ministry of Rev Phil Hornsey and Rev Jeannie Kendall and their example of cooperative working provides a model for others to follow. We praise God for their joint ministry and the example they set. At the start of 2017 they challenged the church to consider the question, **'How to be more focussed on mission?'** A series called **"Fruitfulness on the Frontline"** produced by the London Institute for Contemporary Christianity helped members explore how to show and share Christ's wisdom and love with the people we meet in the places we usually find ourselves. Stories from members have shown the effectiveness of this strategy resulting in an Alpha Course starting in January 2018.

The church employed a new Children and Families Worker, Emma Shaw, in September and her role will be to enhance the existing work among children and parents and carers. It is early days yet but she has already proved a valuable and effective member of the leadership team. The leaders held a Strategy Day in the early part of the year together with an 'away-day' leading to a sense of confidence that God has plans for the church and community in 2018. One of the outcomes from the Strategy Day was the formation of a men's group resulting in over 24 Men meeting for various activities. More are planned for 2018. Our receptionist, Malc Kendall, has further improved the existing relationships with the community and all those who make use of our premises.

During 2018 one of the major objectives is to continue building closer ties with the many people who use our premises; people with whom we already have warm contact and who look favourably on the church. It is considered that relationships are the foundation stones of evangelism and the strategy is to encourage our members to form and deepen these relationships with a view to introducing as many of these new friends as possible to the good news of Jesus Christ.

Achievements

Pastoral – as already mentioned the equal partnership of Revd Phil Hornsey and Revd Jeannie Kendall as ministers of the church has proved a great success with many young families attending and joining the church. Their gracious, sensitive approach to their leadership is reflected in the care given to people in need through age, illness or infirmity together with the continued success of small groups meeting in members' homes during the week. Jeannie has made herself available each Wednesday in the church Cafe for anyone wishing to have an informal chat.

Mission – during 2017 the church held a number of events to demonstrate God's grace to the community and to encourage members in mission. The list included

- the distribution of 1,000 Easter Eggs in our parade of shops;
- use of the church cafe for mission to families
- A Fun Day in July to welcome the local community onto our premises providing free enjoyment to all including a barbeque lunch
- very well attended Christmas services which we believe was the result of our involvement in the community Yulefest. More details under Community involvement.

Fair Trade – Beeches Baptist is a Fair Trade church holding a number of Fair Trade Coffee Mornings to highlight the wide range of products now available that are fairly traded.

Community involvement – as already mentioned a large number of organisations make use of the premises. However, the highlight once again this year was the **Yulefest**, an event held on Friday 1 December between 4.30pm and 8pm, the fourth time the event was held. The church was the focal point of the event which attracted hundreds of people to the parade of shops of which the church is a vital part. The Yulefest also raises money for two local charities. Our ministers were at the core of the organisation of the event with local groups and schools being involved with many activities going on in and around the church building. The road was closed to traffic allowing safe access to all the events and activities and a festive atmosphere was created. It was, once again, a great success.

Financial review

Grant making policy

As part of its commitment to the wider Baptist family the church gives financially to BMS World Mission and the Baptist Union Home Mission Fund. The church also donates to the Sutton Schools Workers Trust. In addition the church gives grants to individuals working overseas who have a close connection with the membership. These are reviewed annually by the church meeting. Over and above these regular commitments the church also makes grants by special appeals to organisations at Harvest and Christmas again decided upon by the church meeting.

CARSHALTON BEECHES BAPTIST FREE CHURCH
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2017

Reserves Policy

It is the policy of the trustees to aim at maintaining reserves of £25,000 representing 25% of the donation income, which the trustees consider sufficient to be able to cover support and governance costs. The unrestricted reserves at the end of the year were £3,362,568 of which £3,307,094 is held in a designated fixed asset fund. The total restricted funds held at the year-end were £4,529. The total funds available for use at the year-end were £120,289.

Key Management personnel

The remuneration of key management personnel is decided annually by the trustees.

Statement on risks

The trustees confirm that they have given consideration to the major risks to which the charity is exposed and that systems have been designed and established to mitigate those risks.

The trustees consider the principal risks facing the church and their plans and strategies for managing these risks to be:

- Income and Expenditure – Reserves reduced; Staff redundancies; Loss of local reputation; Costs spiral out of control. Mitigated by regular budget reviews; Trustees monitoring adequacy of financial information; Ensuring proper authorisation for expenditure
- Pensions – Underfunded defined benefit scheme; Impact of future cash flow; Failure to meet due dates of payment; Regulatory action. Mitigated by use of actuarial valuation however, a liability of £72,815 has been included in the accounts (see notes 5 and 11); Review pension scheme arrangements; Review procedures for admission to schemes and control over pension administration; Ensure compliance with Work Place Pension regulations.

Regard to Charity Commission public benefit guidance

The trustees confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have regard to the guidance published by the Commission.

Statement of trustees (leadership team) responsibilities

The charity's trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the applicable Charities' SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue.

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of the financial statements.

Signed on behalf of the trustees

Richard Beales (Trustee)

Paul Scott-Evans (Treasurer)

Approved at a meeting of the Leadership Team, held on

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CARSHALTON BEECHES BAPTIST FREE CHURCH

Opinion

We have audited the financial statements of Carshalton Beeches Baptist Free Church (the "Charity") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CARSHALTON BEECHES BAPTIST FREE CHURCH
(Continued)**

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance Part 4 of the charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants**

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated:

Jacob Cavenagh & Skeet is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CARSHALTON BEECHES BAPTIST FREE CHURCH
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Unrestricted funds £	Restricted funds £	Total 2016 £
Income from:						
Donations and legacies						
<i>Donations</i>	195,585	8,117	203,702	173,195	45,014	218,209
<i>Grants</i>	-	4,689	4,689	-	-	-
Charitable activities						
<i>Spill The Beans Cafe</i>	15,293	-	15,293	13,318	-	13,318
<i>Lettings</i>	54,197	-	54,197	48,170	-	48,170
Other income						
<i>Insurance claim</i>	-	-	-	336	-	336
Total income	268,816	12,806	281,622	235,019	45,014	280,033
Expenditure on:						
<i>Charitable activities</i>						
Activities organised by the church	296,018	10,246	306,264	238,101	7,017	245,118
Donations to support activities by others	23,131	4,790	27,921	33,040	6,370	39,410
Total expenditure	319,149	15,036	334,185	271,141	13,387	284,528
Net income/(expenditure)	(50,333)	(2,230)	(52,563)	(36,122)	31,627	(4,495)
Gross transfers between funds	-	-	-	27,810	(27,810)	-
Net movement in funds	(50,333)	(2,230)	(52,563)	(8,312)	3,817	(4,495)
Reconciliation of funds						
Funds brought forward at 1 January 2017	3,412,901	6,759	3,419,660	3,421,213	2,942	3,424,155
Funds carried forward at 31 December 2017	3,362,568	4,529	3,367,097	3,412,901	6,759	3,419,660

CARSHALTON BEECHES BAPTIST FREE CHURCH

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		3,307,094		3,370,403
Current assets					
Debtors	7	13,207		12,234	
Cash at bank and in hand		<u>127,469</u>		<u>119,536</u>	
		140,676		131,770	
Creditors: Amounts falling due within one year	8	<u>7,858</u>		<u>6,814</u>	
Net current assets			<u>132,818</u>		<u>124,956</u>
Total assets less current liabilities			3,439,912		3,495,359
Creditors: Amounts falling due After more than one year			-		-
Provisions	9		<u>72,815</u>		<u>75,699</u>
Net assets			<u>3,367,097</u>		<u>3,419,660</u>
Funds					
Restricted	10		4,529		6,759
Unrestricted	11		<u>3,362,568</u>		<u>3,412,901</u>
			<u>3,367,097</u>		<u>3,419,660</u>

Approved by the trustees on

2018 and signed on their behalf by:

Richard Beales

CARSHALTON BEECHES BAPTIST FREE CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

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

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102).

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

b) Going concern

The trustees consider that there are no material uncertainties about the Church's ability to continue as a going concern.

c) Funds

- i. Restricted funds are defined as those used for specified purposes laid down by the donor, or where an appeal limits the use of the funds (e.g. Building Fund).
- ii. Unrestricted designated funds arise where the Church Meeting chooses to allocate part of its general fund into a special purpose (e.g. Tithe Fund).
- iii. Unrestricted general funds represent donations and other incomes received for any of the purposes of the church and are available for use.

d) Income

Donations and other income (including legacies) are included in the Statement of Financial Activities (SOFA) when the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured.

No amounts are included in the financial statements for services donated by volunteers as this is difficult to quantify.

e) Expenditure

All expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities and has been classified under headings that aggregate all costs related to the category.

- i. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- ii. Governance costs are those costs associated with meeting the constitutional and statutory requirements of the charity and include accountants' fees and costs linked to the strategic management of the charity. These have been allocated directly to charitable expenditure.

f) Payments to missionaries

The church supports various missionaries, as detailed in note 3 below. The trustees assess missionary funding on an annual basis and are confident that, although some missionaries have been supported by the church for a number of years, the missionaries would not view their support as an open-ended obligation on the part of the church. Accordingly these arrangements are not viewed as constituting constructive obligations as defined by FRS 102 and thus no liability for future years' support is accounted for in these accounts.

g) The Tithe Fund

The Tithe Fund was created to hold the funds set aside in respect of the commitment to support buildings development of Christian organisations mainly overseas. The church is committed to giving 10% of the original contract cost for the new buildings completed at Easter 2009 amounting to £109,167 (total contract price £1,091,675) to support buildings development by other Christian organisations. As at 31 December 2017 £101,191 had been donated from the Tithe Fund.

CARSHALTON BEECHES BAPTIST FREE CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

h) Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	2% on value of buildings (land is not depreciated)
Church equipment	25% on cost

i) Debtors

Grants receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

j) Cash at bank and in hand

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

k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount. Provisions have been calculated at the best estimate of the settlement amount and then discounted back to present value at the reporting date.

l) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Pension schemes

The church makes contributions into pension schemes which are accounted for as they are paid. The church also makes contributions towards the deficit on the Baptist Pension Scheme under the deficit reduction plan. A provision has been made for the total contributions due. This is detailed in note 6.

2. Activities organised by the Church	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Employment and accommodation (note 4)	142,199	-	142,199	119,005
Public property maintenance and care	57,549	2,761	60,310	31,979
Kingdom Growth	12,339	-	12,339	11,594
Fabric maintenance	-	-	-	340
Administration, office and corporate expenses	16,002	-	16,002	15,143
Governance costs: audit fee	4,620	-	4,620	4,440
YuleFest	-	7,485	7,485	-
Depreciation on land and buildings	61,845	-	61,845	61,845
Depreciation on other equipment	1,464	-	1,464	772
	<hr/>			
Total	296,018	10,246	306,264	245,118

CARSHALTON BEECHES BAPTIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

3. Donations to support activities by others	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total 2017</i>	<i>Total 2016</i>
	£	£	£	£
Baptist Missionary Society (BMS)	8,322	-	8,322	8,160
Baptist Union – Home Mission	6,600	-	6,600	6,471
Englands (TEEM)	1,955	-	1,955	1,917
Harper-Jones (Frontiers)	1,955	-	1,955	1,917
Lozadas (La Gran Commission)	522	-	522	513
Archers (YWAM Brazil)	-	-	-	2,800
Sutton Schools' Christian Workers' Trust	3,307	-	3,307	2,262
Special appeals	470	-	470	-
Operation Agri IAM RESAP Programme (from Tithe Fund)	-	-	-	8,000
Operation Agri (Harvest Appeal)	-	1,692	1,692	1,714
Onside Soccer	-	-	-	2,150
Diamond Riding Centre	-	-	-	1,150
Spitalfields Crypt Trust	-	-	-	1,178
Crisis	-	1,549	1,549	-
Open Doors	-	1,549	1,549	1,178
	23,131	4,790	27,921	39,410

	<i>2017</i>	<i>2016</i>
	£	£
4. Employment and accommodation		
Gross salaries	119,977	85,953
Employer's National Insurance	7,248	4,334
Pension contributions	6,854	5,261
Change in pension provision	925	20,438
	135,004	115,986
Rates and utilities (manse and church house flat)	7,195	3,019
	142,199	119,005

During the year there was an average of 6 (2016: 4) employees. None of them earned more than £60,000.

The ministers are also trustees of the church and constitute the key management personnel. As permitted by the Trust Deed, notwithstanding the fact any Minister or Ministers appointed by the Church are Charity Trustees they will be entitled to be paid an agreed and reasonable remuneration out of the funds of the Church. They were provided with accommodation and received remuneration as follows:

	<i>Salary</i>	<i>Pension</i>
	£	£
Rev P Hornsey	28,350	3,450
Rev J Kendall	38,669	1,136

The church provides each of its co-ministers with an equal level of support. The differences in the figures above are due to different pension contribution levels together with additional remuneration to Rev J Kendall following her move from church-owned premises to her own property.

CARSHALTON BEECHES BAPTIST FREE CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Pension schemes

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

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

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

The Ministers are eligible to join the Scheme. From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members’ Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited.

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 2013

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2013 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £162 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £84 million (equivalent to a past service funding level of 66%). The Church and the other employers supporting the DB Plan are collectively responsible for funding this deficit.

The key assumptions underlying the valuation were as follows:

Type of financial assumption	% pa
RPI price inflation assumption	3.60
CPI price inflation assumption	2.85
Minimum Pensionable Income increases (CPI plus 1.0% pa)	3.85
Assumed investment returns	
- Pre-retirement	5.10
- Post retirement	3.95
Deferred pension increases	
- Pre April 2009	3.60
- Post April 2009	2.50
Pension increases	
- Main Scheme pension Pre April 2006	3.40
- Main Scheme pension Post April 2006	2.30

CARSHALTON BEECHES BAPTIST FREE CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Pension schemes (continued)

- Post-retirement mortality in accordance with 75% of the S1NFA and S1NMA tables, with allowance for future improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.75% for males and 1.5% for females.

The next actuarial valuation of the DB Plan within the Scheme, showing the position at 31 December 2016 is currently underway.

Recovery Plan

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

Under the current Recovery Plan dated 2 April 2015, deficiency contributions are payable until 30 June 2035. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in note 10.

The church also made contributions to employees defined contribution schemes. The amount contributed in the year was £2,884 (2016: £2,117).

6. Tangible fixed assets

	<i>Freehold land and buildings</i>		<i>Other equipment</i>	<i>Total</i>
	<i>Manses</i>	<i>Church premises</i>		
	£	£	£	£
Cost or valuation				
At 1 January 2017	855,000	3,087,271	115,057	4,057,328
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2017	<u>855,000</u>	<u>3,087,271</u>	<u>115,057</u>	<u>4,057,328</u>
Accumulated depreciation				
At 1 January 2017	186,300	389,961	110,664	686,925
Provision for the year	13,100	48,745	1,464	63,309
Eliminated on disposals	-	-	-	-
At 31 December 2017	<u>199,400</u>	<u>438,706</u>	<u>112,128</u>	<u>750,234</u>
Net book value				
At 31 December 2017	<u>655,600</u>	<u>2,648,565</u>	<u>2,929</u>	<u>3,307,094</u>
At 31 December 2016	<u>668,700</u>	<u>2,697,310</u>	<u>4,393</u>	<u>3,370,403</u>

The insurance value of the main church building and youth centre at 31 December 2005 was £1.1million. To this has been added the cost of redevelopment and rebuilding since 2008.

All buildings (but not the underlying land) have been depreciated over estimated useful lives of 50 years.

CARSHALTON BEECHES BAPTIST FREE CHURCH
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
7. Debtors		
Gift aid recoverable – general fund	8,547	6,754
Gift aid recoverable – building fund	-	2,061
Special Appeals	3,495	2,380
Prepayments	1,165	1,039
	13,207	12,234
	2017	2016
	£	£
8. Creditors		
Social Security and Other Taxes	3,238	2,374
Accruals and Deferred Income	4,620	4,440
	7,858	6,814
9. Provisions	2017	
	£	
Balance brought forward	75,699	
Payments made in year	(3,809)	
Increase in provision	925	
Balance carried forward	72,815	

A provision has been included for deficit contributions due to the Baptist Pension Scheme. The current deficit reduction plan requires contributions to be made until June 2035. The provision has been calculated based on the current contributions, assuming that they will increase by 3.1% and the total liability has been discounted to present value using a bond rate of 2.2%.

10. Restricted funds

	Balance at 1 January 2017	Income	Expenditure	Transfers	Balance at 31 December 2017
	£	£	£	£	£
Special appeals	3,423	5,025	(4,790)	-	3,658
Ramp fund	1,600	1,161	(2,761)	-	-
Yulefest fund	1,736	6,620	(7,485)	-	871
	6,759	12,806	(15,036)	-	4,529

Special appeals are held during the year for various different purposes typically at Christmas and Harvest. The funds are then remitted to the appropriate charity.

The ramp fund was a grant received towards the implementation of a ramp to the Youth Centre. The work was carried out in 2017.

Yulefest was a community event held before Christmas. The surplus funds will be carried forward to support next year's event.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Unrestricted funds

	<i>Balance at 1 January 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>Balance at 31 December 2017</i>
	£	£	£	£	£
General fund	110,197	265,075	(252,099)	(2,884)	120,289
Pension provision fund	(75,699)			2,884	(72,815)
Designated Tithe fund (see note 1g)	8,000	-	-	-	8,000
Designated fixed assets fund	3,370,403	-	(63,309)	-	3,307,094
Co-op Local Community grant	-	3,741	(3,741)	-	-
	<u>3,412,901</u>	<u>268,816</u>	<u>(319,149)</u>	<u>-</u>	<u>3,362,568</u>

12. Analysis of net assets between funds

	<i>Fixed assets</i>	<i>Net current assets</i>	<i>Long term liabilities</i>	<i>Total</i>
	£	£	£	£
Restricted funds	-	4,529	-	4,529
Unrestricted funds	<u>3,307,094</u>	<u>128,289</u>	<u>(72,815)</u>	<u>3,362,568</u>
	<u>3,307,094</u>	<u>132,818</u>	<u>(72,815)</u>	<u>3,367,097</u>

13. Related party transactions

The trustees gave unrestricted donations to the church of £22,200 (2016: £23,485) and £1,700 (2016: £NIL) of restricted donations during the year.

The Church paid third parties £50 (2016: £NIL) for trustees to attend training courses in the year.

A relative of one of the trustees was employed by the church and received a salary of £10,453 (2016: £549).