

Upper Stratton Baptist Church Swindon



TRUSTEES REPORT AND FINANCIAL STATEMENTS 31 December 2017

LEGAL INFORMATION

Upper Stratton Baptist Church is a registered charity - No. 1133910

Church Address

Upper Stratton Baptist Church
Green Road
Upper Stratton
Swindon, SN2 7JA

Property Trustees (Church property at Green Road)

West of England Baptist Association
The Old Forge
Broome Hill
Stapleton
Bristol, BS16 1DN

Property Trustees (Manse at 62 Farrfield)

Baptist Union Corporation Ltd
Baptist House
PO Box 44
129 Broadway
Didcot, OX11 8RT

Bankers

The Church's bankers are Cooperative Bank, whose registered office is at 1 Balloon Street, Manchester, M60 4EP.

Independent Examiner

Jefferies Accounting Services Ltd has been appointed as Independent Examiner for the financial year 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The church is governed by a Constitution which was adopted in 2009 and which is in the form of the Approved Governing Document for Baptist Churches. In line with this document, the Church operates under the authority of the Church Members Meeting, which is open to all members of the Church Members and operates with a quorum of 20% of Church Members. The Church Members Meeting appoints Trustees to oversee the running of the Church. The Trustees are

- The Minister, as appointed from time to time from the list of Accredited Ministers of the Baptist Union of Great Britain.
- Up to 10 Leaders (currently) who are each appointed for a 3-year term by the Church Members Meeting. Leaders may stand for re-election at the conclusion of their term of office and there is no restriction on the number of terms they may serve. Except for the Minister, any individual must have been a member of the church for at least a year prior to being eligible for appointment as a Trustee.

The Trustees received no payment for their work as Trustees during 2017.

TRUSTEES REPORT

OBJECTIVES AND ACTIVITIES

The principal purpose of the Church is the advancement of the Christian faith according to the principles of the Baptist denomination. In fulfilling this purpose, the Church engages in a range of activities, either on its own or with others, that will vary from time to time with activities being initiated, expanded or closed down as appropriate.

In planning the Church's activities for the year, the Trustees considered the Charity Commission's guidance on public benefit.

USBC holds regular services of public worship throughout the year at 9 am and 11 am every Sunday morning (except for the 4th Sunday of the month, when a joint service is held at 11 am) at the church premises, with Communion incorporated within both morning services once a month. These services include praise and worship, prayer and Bible teaching. Our minister, Revd Simon Govier, leads and preaches at most services but we are fortunate to have several internally-based lay preachers who also share responsibility for preaching.

Groups for children and young people are run during our services, tailored to the specific needs of each age group. Members of the prayer team are available after both morning services to meet with anyone who feels in need of prayer. In addition to the morning services, our evening services include Café Church (1st Sunday), Prayer & Praise (2nd Sunday), Prayer & Healing (3rd Sunday), and a Fellowship evening (5th Sunday, when applicable).

The Church organises prayer meetings each Tuesday morning and on the last Saturday of each month to provide opportunities to pray together on issues facing the church, our members, our local community and our world. We also operate an email/telephone prayer chain through which members may request prayer from time to time.

USBC promotes and supports regular home groups for members to gather for fellowship, Bible study and prayer. The Vine coffee morning takes place every Tuesday, providing an opportunity for fellowship for members of our local community, whilst the Wednesday Fellowship engages local speakers and provides a forum for discussion on topics of interest to members. On the 3rd Thursday of each month a minibus trip to places of interest or attractions is organised for Members and friends.

We support the wider work of the Baptist denomination through our membership of the Baptist Union of Great Britain and the West of England Baptist Association as well as through our financial contribution to the Home Mission scheme. We also support BMS World Mission financially and through prayer support for our link missionaries, Paul and Sarah Brown in Thailand.

We have close connections with several local charities, notably Swindon Youth for Christ and Willows Counselling Service, both of which receive regular financial support from USBC. Links with other charitable organisations are maintained predominantly through individuals within the Church who have a particular heart for them. These include The Filling Station, a local charity that provides food and provisions to those in need on the streets of Swindon; Samaritan's Purse, which distributes Christmas gifts to needy children in deprived areas of the world via the Shoebox scheme; and Compassion UK, which administers our financial provision for a Sponsored Child in Kenya. An overview of all donations made in 2017 is in Note 19 to the financial statements.

REVIEW OF THE YEAR

Since the appointment of our new minister, Revd Simon Govier, in September 2016, a number of new key initiatives have been introduced into the life and ministry of the church. One of these was to formally create a Ministry Report from each of our main charitable activity areas, and to then identify a Vision Statement for each of those areas to guide and focus our progress in the short and medium term. This document was formally approved by the Church Meeting in July 2017.

A key spin-off from this initiative was to conduct an assessment of the gifting and abilities amongst the membership and others involved in the life of the church. The purpose of this was to identify, primarily to the individuals concerned, where their strengths and weaknesses lay, within an overall church challenge to look carefully at the extent to which the various activities undertaken are being overseen by persons suitably gifted for those roles. All new positions for appointment are publicised highlighting the specific areas of gifting and ability needed for that role, to help members discern whether they themselves or others would be suitable for consideration.

The church encourages all its members and friends to be involved in a local house group where spiritual growth and nurturing can be fostered, alongside fellowship and pastoral care. These groups have become a source of much blessing, rising from around 25% of membership in regular attendance at the beginning of the year to about 50% of the membership at the year end. New groups have been formed as more people have wanted to get involved or where the existing groups have got too big to be practical. The study material for these groups has been partly based on the various series held church-wide in the Sunday morning preaching. In March leading up to Holy Week itself, there was a series entitled "Why does Easter Matter?" where the key events preceding Christ's crucifixion were considered in detail. In May, the series focused on "The Coming of the Spirit", and in October there was an 8-week study entitled "Fruitfulness on the Frontline" which looked at the mission Christians can engage in within their normal daily lives.

Nurturing and maintaining links with children and young people is difficult for many churches in the UK, and we rejoice that although we have been seeking to fill the roles of Head of Ministry for Children and Head of Ministry for Young People, the work of engagement continues in the life of the church. On Sunday mornings, children have a time of worship and receive Christian teaching at Kidzone. On Tuesday evenings, KidzClub attracts upwards of 50 children per week from the surrounding community, many of whom are unchurched. A group catering for parents, grandparents and carers of babies/toddlers – Seedlings – meets on Friday mornings.

Regular meetings of the Pastoral Care team take place bi-monthly which, after reflection from Scripture, are followed by prayer requests and discussion of known concerns. Confidentiality remains an important aspect of this group, and people's situations are only discussed with the express prior permission from the person concerned. However, we have been encouraged and our ministry affirmed through known answers to prayer in a number of specific situations. Membership of the team at the beginning of 2017 was 6 and this has remained steady throughout the year. Members or friends who are sick or housebound are visited in their homes, either by the minister, the Pastoral Assistant, or Head of Ministry. If requested, or when appropriate, communion is shared with them. A total of 280 Pastoral Care sessions were conducted during 2017. These included preparation for baptism, marriage preparation and ongoing support for individuals or families in need of help.

One of our new initiatives for 2017 was to hold a week-long summer club called “Summershine” during the school holidays, which was open not only to children with whom we currently have contact but was also promoted within local schools. The theme of the event was “Galactic Starveyors,” and it was led by a mission team of (mostly) young people from the USA. We were greatly blessed, given that this was the first time anything like this had been attempted at USBC, and in the course of the week contact was established with around 60 children, many of whom were new to the church.

As part of our efforts to reach out to the local community, in the week leading up to Christmas USBC established a ‘pop-up’ cafe next to the local shops with the purpose of promoting the real meaning of Christmas amongst the people of Upper Stratton. Each passer-by was offered a free hot drink and a mince pie, free literature was available to take away and a listening ear provided to anyone who wanted to chat. Invitations for prayer requests were taken up by several people and a total of 850 mince pies were given away.

Despite these initiatives and building on the existing work and ministry of the church generally, it has been disappointing that we have not seen the membership of USBC grow more significantly. At the beginning of 2017 our membership was 96 and this has remained fairly constant over the course of the year. The deaths of some long-standing members has been a cause for sadness, as was the resignation of our Elder, Gary Roberts, who had served the church faithfully for many years. Nevertheless, USBC has rejoiced in welcoming 4 new members into fellowship during the year, and this gives us reason to be encouraged that we are being faithful to God in the mission and life we have as part of the Body of Christ.

As we look to the future under the leadership of Simon Govier, alongside the Leadership Team who head up the key Ministry activities within the church, we are confident of God’s loving hand upon the fellowship. Upper Stratton Baptist Church is very busy! This Annual Report will hopefully give you a good flavour of that and we thank God for all those who contribute so generously to its life. As we read about what God has done over the past year may we all rededicate ourselves to the exciting future that the Lord has in store for us.

TRUSTEES AND LEADERSHIP TEAM

The names of all the Trustees who have served during the accounting period are noted below with the dates of appointment and/or resignation where these fall within the same period.

Name	Role	Date of Appointment	Date of Resignation
Revd Simon Govier	Minister		
Gary Roberts	Elder		17 Sept 2017
Anne Wang	Head of Ministry for Fellowship		
Trevor Morkham	Head of Ministry for Finance		
Mary Palmer	Head of Ministry for Pastoral Care		
Donna Cook	Head of Ministry for Prayer		
John Simmonds	Head of Ministry for Property		
Dave Alderson	Head of Ministry for Worship		
*Anne Wang	Head of Ministry for Children		
*Dave Alderson	Head of Ministry for Young People		
*Revd Simon Govier	Head of Ministry for Missions		

* Acting Head of Ministry

POST HOLDERS

Name	Post Holder	Ministry Team
BMS Representative	Janet James	Missions
Christian Aid Representative	Ian Wakeham	Missions
Home Mission Representative	<i>Currently vacant</i>	Missions
SYFC Representative	<i>Currently vacant</i>	Young People
Compassion Representative	Susanna Dodson	Missions
Wednesday Fellowship	Simon Govier / Ann Davis	Fellowship

OFFICE HOLDERS

Name	Post Holder	Ministry Team
Alpha Co-ordinator	<i>Currently vacant</i>	Missions
BMS Birthday Scheme	Ann Davis	Finance
Catering Co-ordinator	Lynda Mitchell	Fellowship
Church Meeting Minute Taker	John Simmonds	
Creche Co-ordinator	Rebekah Govier	Children
Data Protection Co-ordinator	Chris Butcher	Worship
Filing Station Co-ordinator	Barbara Furber	Missions
Flower Co-ordinator	Anne Wang	Fellowship
Health & Safety Co-ordinator	Stephen Ruddle	Property
Independent Persons	Doreen Prowse	Children & Young People
	Ian Wakeham	
KidzClub Co-ordinator	Anne Wang	Children
Lighthouse Co-ordinator	<i>Currently vacant</i>	Young People
Prayer Chain Co-ordinator	Val Griffin	Prayer
Preaching Co-ordinator	Simon Govier	Missions
Public Address Co-ordinator	John Simmonds	Worship
Service Recordings Co-ordinator	Mary Palmer	Pastoral Care
Safeguarding Officer	Donna Cook	Children & Young People
Seedings Co-ordinator	<i>Currently vacant</i>	Children
SHAPE Assessment Co-ordinator	Mary Palmer	Pastoral Care
Small Groups Co-ordinator	Simon Govier	Pastoral Care
Transport Co-ordinator	Martyn Cook	Pastoral Care
WEBA Representative	Martyn Cook	Missions
Website Co-ordinator	Chris Butcher	Missions

Staff Team

Administrator - Tracy Mureithi

CHURCH FINANCES

The Church finished the year in a relatively strong financial position, despite an overall deficit of £3,048 in Unrestricted (General) Funds for the year (after taking into account a transfer of £2,032 into the Designated and Restricted Funds) but with an increase in valuation on the Freehold Property of £118,650 (Church: £101,792 and Manse: £16,858). There was a corresponding reduction in the Unrestricted (General) and Designated Fund reserves, down from £65,586 to £58,859.

After discounting 2016 Gift Day funds (which were used to finance a major refurbishment of the Manse), General Fund income in 2017 was almost £11,400 higher than the previous year. This was partly due to increased regular giving by Church Members and attenders (up from £51,492 to £58,767), and to a larger than expected Gift Aid tax reclaim (£11,780 compared with £7,341 in 2016). However, the impact of having to meet a full year's stipend for our new minister was reflected in the significant increase in General Fund expenditure (up from £54,350 to £76,540 in 2017).

At the end of 2017 there was a healthy balance of £9,256 in the four Designated Funds, a reduction of around £500 compared with the figure at the start of the year. The biggest single item of expenditure on the premises in 2017 involved the installation of UPVC replacement windows in all the church halls at a cost of just over £8000. The proceeds of our annual Gift Day proved to be more than sufficient to cover the full cost of this project, the surplus going into the Memorial Fund (for major capital projects or items) which therefore ended the year £1,700 up at £5,260.

Looking ahead to 2018, we have budgeted for a small deficit in the Unrestricted (General) Fund of around £3,000, similar to that showing at the end of 2017. Whilst we currently have sufficient funds in reserve to cover such a deficit in the short-to-medium term, the main challenge for the Church going forwards in the longer term will be to find a way of continuing to meet the full cost of employing our minister without needing to repeatedly draw on our ever-dwindling reserves.

RESERVES POLICY

It is the policy of Upper Stratton Baptist Church to hold sufficient reserves in its Unrestricted (General) Fund to ensure the Church is in a position to meet its obligations in the event of a significant deterioration in its finances, or a major cost (e.g. a building repair) arising. Specifically, our policy is to hold a sum equivalent to the full cost of employing our minister for six months and our administrator for two months, plus an additional contingency of £10,000. This policy is reviewed annually in conjunction with the presentation of the Annual Accounts.

The Trustees have calculated that our reserves policy as currently expressed requires us to hold approximately £29,000 in unrestricted reserves. At 31st December 2017 we actually held a little over £49,000 in the General Fund, giving an excess of approximately £20,000 above what is required. Taking into account our anticipated income and projected expenditure during 2018, the Trustees take the view that our current reserves are sufficient to comply with the policy as stated.

TRUSTEES RESPONSIBILITIES

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

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

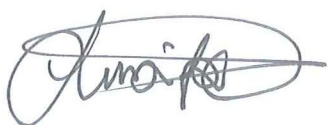
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping 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. 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable organisation's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Trustees



Revd. Simon Govier

Minister

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF UPPER STRATTON BAPTIST CHURCH

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 10 and 11.

Respective responsibilities of trustees and examiner

As the Charity's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("2011 Act"). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matter has 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 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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


.....
Keith Jefferies
Jefferies Accounting Services
Chiltern House
45 Station Road
Henley-on-Thames
Oxon, RG9 1AT

Date: 

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 DECEMBER 2017

		Unrestricted Funds	Designated Funds	Restricted Funds	Total 2017	Total 2016
	Notes	£	£	£	£	£
Income						
Donations and legacies	2	70,546	350	12,403	83,299	80,450
Charitable Activities	3	4,760	-	-	4,760	8,238
Investment income	4	220	-	-	220	43
Other income	5					
Total Income		75,526	350	12,403	88,279	88,731
Expenditure						
Raising funds	6					
Charitable activities	7	73,269	2,843	10,783	86,895	90,416
Governance costs	9	3,273	-	-	3,273	2,335
Total Expenditure		76,542	2,843	10,783	90,168	92,751
Net income before gains/ (losses) on Fixed Asset Sales		(1,016)	(2,493)	1,620	(1,889)	(4,020)
Net gains/(losses) on sale of fixed assets		-	-	-	-	-
Revaluation of Fixed Assets		118,650			118,650	
Net income before transfers		117,634	(2,493)	1,620	116,761	(4,020)
Transfers between funds		(2032)	2,000	32	-	-
Net income before other recognised losses		115,602	(493)	1,652	116,761	(4,020)
RECONCILIATION OF FUNDS						
Total funds brought forward		1,893,598	9,750	3,607	1,906,955	1,822,674
Total funds Carried forward		2,009,200	9,257	5,259	2,023,716	1,906,955

There were no recognised gains or losses other than those shown in the Statement of Financial Activities.

The notes on pages 12 to 22 form an integral part of these financial statement

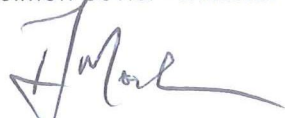
BALANCE SHEET AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	2,009,188	1,892,312
Current assets			
Debtors	13	14,569	14,523
Cash and Bank	14	64,118	69,192
		78,687	83,715
Current liabilities			
Creditors:			
Amounts falling due within one year	15	960	1,873
Net current assets		77,727	81,842
Total assets less current liabilities		2,086,915	1,974,154
Provision for liabilities			
Defined Benefit pension scheme liability	16	63,200	67,200
Net assets		2,023,715	1,906,955
THE FUNDS OF THE CHARITY			
Restricted income funds	17	5,259	3,607
Designated funds	18	9,257	9,749
Unrestricted income funds		2,009,200	1,893,598
Total charity funds		2,023,715	1,906,955

The financial statements were approved at the Church Members Meeting on September 18th, 2018 and are signed on behalf of the meeting by :



Revd. Simon Govier - Minister



Trevor Morkham – Treasurer

The notes on pages 12 to 22 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENT 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 Accounting

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 and the Charities Act 2011.

Upper Stratton Baptist Church is a registered charity, no. 1133910, and meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Preparation of the financial statements on a going concern basis

The Trustees consider that there are sufficient reserves held at year end to manage any foreseeable downturn in the economy in the UK. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity has therefore continued to adopt the going concern basis in preparing its financial statements.

(c) Funds Accounting

Unrestricted Funds

General unrestricted funds represent funds which are expendable at the discretion of the charity in the furtherance of the objects of the charity and which have not been designated for other purposes. Such funds may be held to finance both working and capital investment.

Designated Funds

These represent amounts set aside by the charity for specific purposes as set out in Note 19. They may be returned to General Funds at the discretion of the Church.

Restricted Funds

These represent amounts which have been restricted by the donors for use for specific purposes as set out in Note 20 as Private Donations.

(d) Income

Income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that income will be received and the amount can be measured reliably.

- Donations are accounted for gross when received.
- Legacies are accounted for at the earlier of the Estate accounts being finalised and notified, and cash received.
- Rental of premises is accounted for gross when received.
- Interest receivable is accounted for when received.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

(e) Expenditure

Expenditure is recognised in the Statement of Financial Activities once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Costs of raising funds represents publicity material and promotion of the charity.
- Charitable activities represent expenditure in the furtherance of the object of the charity.
- Grants payable are agreed on an annual basis and accounted for in the year in which they are committed.
- Support costs represent finance and computer facilities, insurance and stationery, together with an appropriate allowance for salaries and other office costs.

Support and Governance costs are allocated to charitable activities in proportion to the direct charitable expenditure on that activity, where the charity considers that support costs are incurred as part of the delivery of that activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(f) Tangible fixed assets

Depreciation is calculated to write off the cost of assets on a straight-line basis over their expected useful life, at the following rates:

Land	Not depreciated
Freehold Buildings	Not Depreciated
Furniture and fittings	10% and 20%
Audio and Visual equipment	10% and 20%
Plant and Machinery	10% and 25%

The charity makes annual adjustments to the value of the freehold buildings in line with insurance values as the basis of revaluation of the freehold properties.

(g) Debtors

Accrued income is recognised in the period to which it relates.

Prepayments and other debtors are recognised at the settlement amount due.
Debtors are measured at their recoverable amount.

(h) Cash at bank

Cash at bank includes cash in hand.

(i) Creditors

Creditors are recognised where the charity has a present obligation resulting 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.

Accruals and other creditors are recognised at their settlement amount due.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

(j) Employee benefits

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered fund.

Prior to 2012 pension provision was made through multi-employer defined benefit pension plans. Where it is not possible for the charity to obtain sufficient information to enable it to account for a plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

Where the plan is in deficit and where the charity has agreed, with the plan, to participate in a deficit funding arrangement, the charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities. The unwinding of the discount is recognised as a finance cost.

(k) Taxation

Included within the consolidation are charitable companies that are considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meet the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(l) Judgement and Key Sources of Estimations Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Judgements in applying the entity's accounting policies

(i) Multi-employer defined benefit pension schemes

Certain employees participate in multi-employer defined benefit pension schemes with other organisations. In the judgement of the Trustees, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the schemes are accounted for as defined contribution schemes: see note 20 for further details.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

(b) Accounting estimated and assumptions

(ii) Multi-employer defined benefit pension scheme: Baptist Union Staff Pension Scheme

The charity has an obligation to pay a deficit funding arrangement in respect of the multi-employer defined benefit pension scheme. The present value of the obligation depends on a number of factors including the RPI rate and the discount rate on corporate bonds. Management estimates these factors in determining the new pension obligation in the balance sheet.

(iii) Useful economic lives of tangible assets

The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the fixed assets and note 1(f) for the useful economic lives for each class of assets.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Offerings & Donations	58,767	350	10,120	69,237	69,294
Gift Aid	11,779	-	2,283	14,062	11,156
Legacies	-	-	-	-	-
	70,546	350	12,403	83,299	80,450

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Mission	207	-	-	207	-
Children & Youth	1,650	-	-	1,650	250
Use of premises	2,650	-	-	2,650	-
Rent Receivable	-	-	-	-	7,988
Other Income	253	-	-	253	-
	4,760	-	-	4,760	8,238

4. INVESTMENT INCOME

	Unrestrict Funds £	Designate Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Interest on Bank Deposits	220	-	-	220	43
	220	-	-	220	43

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

5. OTHER INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Other income	-	-	-	-	-

6. RAISING FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
	-	-	-	-	-

7. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £	Restated Total 2016 £
Children	35		-	35	84
Ministry	26,643		-	26,643	65,371
Fellowship	1,121		-	1,121	1,322
Mission	15,603		1,147	16,750	22,071
Pastoral Care		2,843		2,843	956
Worship	1,103		-	1,103	2,174
Young People	540		-	540	775
Memorial Fund			9,636	9,636	
Support	27,573			27,573	
Other	650			650	
	73,269	2,843	10,783	86,895	92,752

8. OTHER EXPENDITURE

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
	-	-	-	-	-	-
	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

9. SUPPORT & GOVERNANCE COSTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £'000	Restated Total 2016 £'000
Office Staff	8,480	-	-	8,480	6,783
Depreciation	1,774	-	-	1,774	1,962
Property	4,139	-	-	4,139	853
Utilities	5,999	-	-	5,999	6,121
Insurance	2,394	-	-	2,394	2,778
Printing, postage, phone	3,327	-	-	3,327	1,800
Computers	717	-	-	717	352
Other Office Costs	743	-	-	743	3,412
Bank Charges					
Total Support costs	27,573	-	-	27,573	24,061
Governance costs					
Independent Examiner	3,273	-	-	3,273	2,335
Legal and Professional	-	-	-	-	
Total Governance	3,273	-	-	3,273	2,335
	30,846	-	-	30,846	26,396

10. NET INCOME FOR THE YEAR

	2017 £	2016 £
This is stated after charging/(crediting):		
Depreciation	1,774	1,962
Auditors' remuneration:		
Audit work	960	637
Non-audit work	2,313	3,810
Profit /(loss) on sale of fixed assets	-	-

11. STAFF COSTS

	Note	2017	2016
Staff and appointed minister costs:			
Salaries and stipends		30,354	14,056
National Insurance			
Pension costs	20	5,700	3,384
Other costs		2,540	3,052

	2017	2016
Average number employees during the year:	2	2

No employee received emoluments in excess of £50,000 during the year (2016: £nil).

No emoluments were paid to any Trustee for their work as a Trustee.

One trustee, who is also the appointed minister, lives in housing owned by the charity.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

12. TANGIBLE FIXED ASSETS

	Freehold Properties Church	Properties Manse £	Plant & Equipment	Audio & Visual £	Furniture & Fittings £	Total 2017 £'000
Cost						
1 January 2017	1,648,541	236,925	24,082	19,999	22,424	1,951,972
Additions	-	-	-	-	-	-
Revaluation	101,792	16,858	-	-	-	118,650
Disposals	-	-	-	-	-	-
31 December 2017	1,750,333	253,783	24,082	19,999	22,424	2,070,622
Depreciation						
1 January 2017	-	-	18,907	18,943	21,811	59,661
Charge for the year	-	-	1,411	259	104	1,774
Disposals	-	-	-	-	-	-
31 December 2017	-	-	20,318	19,202	21,915	61,435
Net Book Value						
31 December 2017	1,750,333	253,783	3,764	797	509	2,009,187
31 December 2016	1,648,541	236,925	5,317	1,056	472	1,892,312

Most of the fixed assets are used for direct charitable purposes. Some of the computers, office equipment and furniture and fittings are used both for direct charitable expenditure and for management and administration.

No depreciation is provided on the freehold properties owned by the charity for the furtherance of its objects. Revaluation Reserve is held within Unrestricted Funds.

13. DEBTORS

	2017 £	2016 £
Accrued income	13,750	14,523
Prepayments and other debtors	819	-
	14,569	14,523

14. CASH AND BANK BALANCES

	2017 £	2016 £'000
Notice Deposits	34,077	39,112
Short-term deposits	30,000	30,000
Cash In Hand	41	81
	64,118	69,193

Notice deposits are available in less than three months; short-term deposits are available in more than three months but less than 12 months.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

15. CREDITORS

	2017 £	2016 £
Amounts falling due within one year:		
Accruals and other creditors	960	1,873

16. PROVISION FOR LIABILITIES

	2017 £	2016 £
Defined Benefit pension scheme liability		
Balance at 1 January 2017	67,200	61,700
Contributions paid in the year	(3,384)	(3,384)
Movement in the period	(616)	8,884
Balance at 31 December 2017	63,200	67,200

17. RESTRICTED FUNDS

	1 January 2017 £	Income £	Expenditure £	Gains and Losses £	Transfers £	31 December 2017 £
Memorial Fund	3,561	11,335	(9,637)	-	-	5,259
Direct Donations: Grants	46	1,068	(1,146)	-	32	-
Total	3,607	12,403	(10,783)		32	5,259

18. DESIGNATED FUNDS

	1 January 2017 £	Income £	Expenditure £	Gains and Losses £	Transfers £	31 December 2017 £
Property Fund: Church	1,070	350	1,922	-	2,000	1,498
Property Fund: Manse	4,023	-	503	-	-	3,520
Pastoral Care Fund	2,585	-	418	-	-	2,167
Bursary Fund	2,071	-	-	-	-	2,071
TOTAL	9,749	350	2843	-	2,000	9,256

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

19. DONATIONS

Upper Stratton Baptist Church makes donations to Baptist, ecumenical and charitable organisations in the furtherance of the Church's objects as set out in the Trustees' Report. It also receives and passes on to various charitable organisations specific donations received for the benefit of those organisations - these are shown below as Private Donations. Total Donations made during the year were as follows :

	2017 £	2016 £
PRIVATE DONATIONS		
The Filling Station, Swindon	150	-
Swindon Night Shelter	8	83
Empower	40	-
Operation Agri	170	228
Shelterbox	357	-
Christmas Care	82	102
Spurgeons Child Care	55	95
Compassion	89	95
BMS World Mission	196	135
Home Mission/West of England Baptist Association		65
The Harbour Project		268
Swindon Foodbank		83
	1,147	1,071
DONATIONS MADE BY UPPER STRATTON BAPTIST CHURCH		
BMS World Mission	3,762	3,819
Baptist Home Mission	3,762	3,819
Swindon Youth for Christ	1,566	1,591
Willows Counselling	312	318
Thank Offering (Swindon Night Shelter, Empower the Gambia, Swindon Alcohol & Drugs Service, Compassion UK)	650	700
	10,052	10,247

20. PENSIONS

The Union is an employer participating in the Baptist Pension Scheme ("the BPS"). The BPS are separate legal entities which are both administered by the Pension Trustee (Baptist Pension Trust Limited).

From January 2012, pension provision for the Ministers staff is being made through the Defined Contribution (DC) Plan within the BPS. 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 BPS members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Upper Stratton Baptist Church with Unum Limited. Members of the Basic Section of BPS pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.

Benefits in respect of service prior to 1 January 2012 are provided through the Defined Benefit (DB) Plan within the BPS, or through the BUSPS. The main benefits 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.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The BPS, previously known as the Baptist Ministers' Pension Fund, started in 1925. The scheme was closed to future accrual of defined benefits on 31 December 2011. Neither scheme is contracted out of the State Second Pension.

The table below summarises the main results of the most recent actuarial valuations of the BUSPS and the Defined Benefit (DB) Plan in the BPS. These valuations were performed by a professionally qualified Actuary using the Projected Unit Method.

BPS DB Plan	
Date of valuation	31 December 2013
Date next valuation due	31 December 2016
Market value of scheme assets (A)	£162m
Technical provisions (B)	£246m
Deficit [(B) – (A)]	£84m
Funding level [(A) / (B)]	66%

An Actuarial valuation of the Ministers' fund DB Plan will take place not later than 31 December 2016. The results of these valuations are expected to be available by the end of 2018.

As a result of the valuations, in addition to the contributions to the DC Plan set out above, it was agreed:

- For the BPS, to increase the standard rate of deficiency contributions payable by churches and other employers involved in the DB Plan from 11% of Pensionable Income/ Minimum Pensionable Income to be based on a 12% rate from 1 January 2016. The contributions are based on each church's or other employer's position at March 2015. Some churches or other employers that were only involved in the DB Plan for a short period pay less than 12%. The Recovery Plan envisages deficiency contributions continuing until 30 June 2035.

The financial assumptions underlying the valuations were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.60
CPI price inflation assumption	2.85
Minimum Pensionable Income increases (BPS only)	3.85
Pensionable Salary increases (BUSPS only)	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 (BPS main scheme pension and BUSPS pension)	
Pre April 2006	3.40
Post April 2006	2.30

As there is a large number of contributing employers participating in the BPS and the BUSPS, the Union does not have sufficient information to identify its share of the underlying assets and liabilities of the schemes. Accordingly, due to their nature, the schemes are accounted for as if they were defined contribution schemes.

The movement in the balance sheet liability is set out in the following table:

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Balance sheet liability at 1 st Jan	67,200	61,700
Deficiency contributions paid	(3,384)	(3,384)
Interest cost (recognised in SOFA)	1,667	2,104
Remaining change to balance sheet liability (recognised in SOFA)	(2,283)	6,780
Balance sheet liability at 31 st Dec	63,200	67,200

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	31 Dec 2017	31 Dec 2016	31 Dec 2015
Discount Rate	2.35%	2.48%	3.41%
Future increases to Minimum Pensionable Income	3.13%	3.29%	2.68%

	2017	2016
	£	£
Net income for reporting period	(6,294)	
Adjustments for:		
Depreciation	1,774	1,962
Net gains on sale of fixed assets	-	-
(Increase) in debtors	(6)	
Increase in creditors and provisions	913	
Net cash provided by operating activities	(3,613)	

21. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure in the financial statements.