

West Wickham & Shirley Baptist Church



Annual Report and Accounts 2018

(Charity Reg. No. 1166796)

Contents

	Page
Legal and administrative information	3
Annual Report of the Church Leadership	5
Independent Examiner's report to the Church Leadership	13
Statement of financial activities	15
Balance sheet	16
Statement of Cash Flows	17
Notes to the financial statements	18

**Legal and Administrative Information
for the year ending 31st December 2018**

Charity Name

West Wickham & Shirley Baptist Church

Registered Address

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

Charity registration number

1166796

Governing document:

Church Constitution originally dated April 2016, revised March 2019.

Objects of the Charity

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

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

Trustees

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

Rev Jonathan Hills	(Chair)
Rev Sara Kennett	(Youth Minister)
Mr Clifford Underhay	(Secretary)
Mr Paul Bradbury	(Treasurer)
Mr Harvey Alexander	
Mr Philip Jenkins	
Mr. Neil Selby	

Key Management Personnel

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

Legal and Administrative Information
for the year ending 31st December 2018

Bankers

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

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

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

Independent Examiner

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

Annual Report of the Trustees for the year ending 31st December 2018

The Trustees submit their annual report and the financial statements of West Wickham & Shirley Baptist Church (“the Church”) for the year ended 31 December 2018. The financial statements have been prepared in the format prescribed by the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report.

Transfer from West Wickham & Shirley Baptist Church: On 1st July 2018 the trustees of West Wickham & Shirley Baptist Church (Charity Reg. No. 1126890) executed the transfer of ownership and ongoing responsibility of all the church’s assets, liabilities and activities to West Wickham & Shirley Baptist Church (Charity Reg. No. 1166796), which had been previously incorporated by the church as a Charitable Incorporated Organisation (CIO). These accounts therefore reflect the transfer of assets and liabilities to the Church on 1st July 2018 and the activities of the Church for the period July to December 2018. It is the intention of the trustees to close the original charity during 2019.

Audit Dispensation: The transfer of assets from WWSBC (1126890) has resulted in the income for 2018 exceeding the threshold for independent examination of this Report & Accounts, which would ordinarily require a full audit. An audit dispensation was requested and received from the Charity Commission on 13th February 2019 on the basis that an audit would be disproportionate to the finances and operations of the charity. These accounts have therefore undergone an independent examination instead.

1. Structure, Governance & Management

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

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

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

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

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

- the Church Constitution

Annual Report of the Trustees for the year ending 31st December 2018

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

Church Members

Church Membership is open to those who:

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

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

Risk & Risk Management

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

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

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

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

**Annual Report of the Trustees
for the year ending 31st December 2018**

2. Activities

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

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

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

The Activities may include but are not restricted to:

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

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

In summary, the activities and organisations working during the second half of 2018 were:

For Children and Parents:

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

Annual Report of the Trustees for the year ending 31st December 2018

For Young People

- **Girls' Brigade & Boys' Brigade:** Both the Brigade organisations have a range of classes and activities for every age group from 5 to 22, some leading to Brigade Awards and Duke of Edinburgh's Awards. They are also involved with Sunday Parade Services, regional activities and competitions, and annual camps.
- **'Bible Study'/Youth Group:** An opportunity for young people to go deeper in their worship, prayer and faith. Visits to Soul Survivor, Hillsong, social events and activities, two youth weekends a year.
- **West Wickham & Shirley Baptist Church Football Academy:** Now renamed West Wickham & Shirley Baptist Church (WWSBC) Football Academy and meets on Saturday Mornings during term time at Forest Academy school, Bridle Road, Shirley for children aged 5 to 16, run in connection with 'Kick London' (Registered Charity).

For Adults

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

3. Achievements & Performance

The year 2018 has seen the church grow numerically and in depth of spirituality and commitment. Membership increased from 181 members to 190, representing a 5% increase. During 2018 one baptismal service was held. We have also seen an increase in Sunday worshippers and have noticed an increase of some 10% in Sunday attendance of over 200 people on average each Sunday morning with attendances in excess of 300 at celebration services – Christmas & Easter.

We record the service of so many of our members and friends who volunteer week by week for so many different tasks and activities to keep everything running smoothly. From the very youngest

**Annual Report of the Trustees
for the year ending 31st December 2018**

in crèche and Toddlers to our senior members of Lunch Club and Wednesday Fellowship, all our various children's and youth activities and leaders of all our organisations. Without this commitment week by week and month by month we would not be able to be such an active church.

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

During 2018 the church commissioned a firm of architects to carry out a feasibility study to redevelop and/or refurbish the church buildings in accordance with a brief drawn up from amongst the members, worshippers, Building Group and Trustees. The architects are expected to submit their report in 2019.

During 2018 our Senior Minister, Rev. Jon Hills, took a three month sabbatical to refresh his ministry and discern God's plans for the future. During this time Jon visited a number of missionary projects in India and Thailand and will consider what, if any, action we should take in connection with any of these projects.

As part of our staffing review the church agreed to appoint our Youth Minister, Rev. Sara Kennett, to the position of Minister and relieve her of the specific responsibility for young people in order that she may more fully develop her role within the overall structure of church leadership; this will allow her to take a more active role in preaching on Sundays and developing the church's area of 'Belonging'. Belonging being part of the church's work to assimilate new people and develop programmes whereby folk feel that they belong to a family of God's people. At the same time the part-time role of Children's Worker was expanded to a full-time role of Youth, Children & Families Worker, and Stuart Kennett was appointed into the position.

It is with grateful thanks and praise to God that we celebrate 2018 and look forward to the great things He will do in 2018.

**Annual Report of the Trustees
for the year ending 31st December 2018**

4. Financial review

As previously stated, the transfer from WWSBC (1126890) took place on 1st July 2018 and so the financial information included in this report relate mainly to the activities after the transfer, before which very few financial transactions took place. To obtain a complete picture of the church's finances for 2018 this report will need to be read alongside the Charity Report & Accounts for the original charity.

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

Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 15 and 16 respectively. The Church's reserves increased by £2,216,658 during the year. The balance sheet shows total net assets of £2,216,658.

Included in total funds are amounts totalling £23,568 which are restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor-imposed conditions. More details of these restricted funds can be found in note 8 to the accounts together with an analysis of movements in the year.

The church has maintained a strong financial position at the end of 2018, due mainly to the generous levels of giving by members of the congregation. Depending on the outcome, and the level of resources needed, from the Option Study being produced by the architect, to be presented in 2019, the next phases of the building project will require a funding strategy separate to the normal operating finances of the church.

The building project is not likely to affect the 2019 income/expenditure and a budget has been agreed which targets a General Fund expenditure of £208k.

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

Reserves Policy

The Trustees have established a Reserves Policy which aims to maintain a level of reserves equivalent to three month's average expenditure. The Church believes this is a reasonable and prudent level but would permit variations from this amount where circumstances warrant this. This would be, for instance, where expenditure is so urgent that to delay it would result in even

Annual Report of the Trustees for the year ending 31st December 2018

higher costs later. If this situation should arise then the Church would make plans to rebuild the reserves as quickly as possible.

At 31 December 2018 the church had net free reserves of £227,118 (2017: £0) as follows:

	2018 £	2017 £
Total reserves	2,216,658	0
Less: restricted funds	(23,568)	(0)
Less: capital funds	(2,013,527)	(0)
Add: provision (long term)	47,887	0
Free reserves	227,449	0
Free reserves requirement:		
3 month's budgeted routine expenditure	50,000	0

Volunteers

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

5. Plans for Future Periods

The most significant part of the church's future plans, in the short to medium term, is an ambitious but much needed programme of works to various parts of the church fabric and facilities which is simply referred to as the 'Building Project.' Phase 1 of this project has been completed. A firm of Christian architects (CPL) was commissioned to carry out an Options Study in order to consider the various options we might consider in order to make our buildings more suitable and appropriate for the church's mission to our local communities of West Wickham and Shirley.

During 2019 the church leadership will seek to develop the role of Ministry Leader in the areas of A to E; Adoration, Belonging, Compassion, Discipleship, Evangelism thereby allowing the Trustees to concentrate on strategic matters and overall management of the charity.

We look forward to 2019 in anticipation of seeing people's lives changed that they may flavour the communities of West Wickham and Shirley and beyond.

**Annual Report of the Trustees
for the year ending 31st December 2018**

6. Statement of Trustees' Responsibilities

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

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

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

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

7. Approval

The report of the Trustees was approved by the Trustees on 10th September 2019 and signed on its behalf by:



Cliff Underhay
Trustee

**Independent Examiner's Report to the Trustees of West Wickham & Shirley Baptist Church
for the year ending 31st December 2018**

I report on the accounts of the Church for the year ended 31 December 2018 which are set out on pages 15 to 31 of the charity report and accounts.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that, in accordance with a dispensation granted by the Charity Commission on 13 February 2019, an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent examiner's statement

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

Independent examiner's statement

Since the Church'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 member of the Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

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

West Wickham & Shirley Baptist Church – Annual Report and Accounts | 2018

Independent Examiner's Report to the Trustees of West Wickham & Shirley Baptist Church for the year ending 31st December 2018

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.



Mr John Helm
17 Heathville Road
London
N19 3AL

Date 12 SEPTEMBER 2019

Statement of Financial Activities
for the year ending 31st December 2018

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	Prior period Total Funds
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	169,307	6,146	-	175,453	-
Charitable activities	2	543	10,021	-	10,564	-
Other trading activities	2	9,235	-	-	9,235	-
Donation from WWSBC (1126890)	2	96,379	24,691	2,013,527	2,134,597	-
Total		275,464	40,858	2,013,527	2,329,849	-
Expenditure on:						
Charitable activities	3	96,051	17,140	-	113,191	-
Total		96,051	17,140	-	113,191	-
Net income		179,413	23,718	2,013,527	2,216,658	-
Transfers between funds		150	(150)	-	-	-
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Net movement in funds		179,563	23,568	2,013,527	2,216,658	-
Reconciliation of funds:						
Total funds brought forward		-	-	-	-	-
Total funds carried forward		179,563	23,568	2,013,527	2,216,658	-

Balance Sheet

As at 31 December 2018

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	Prior period Total Funds
		£	£	£	£	£
Fixed Assets:						
Tangible assets	4	-	-	2,013,527	2,013,527	-
Total Fixed Assets		-	-	2,013,527	2,013,527	-
Current Assets:						
Debtors	5	7,791	115	-	7,906	-
Cash at bank and in hand		222,295	25,702	-	247,997	-
Total Current Assets		230,086	25,817	-	255,903	-
Current Liabilities:						
Creditors: Amounts falling due within one year	6	2,636	2,249	-	4,885	-
Net Current assets		227,450	23,568	-	251,018	-
Total assets less current liabilities		227,450	23,568	2,013,527	2,264,545	-
Other Liabilities:						
Defined Benefit Pension Scheme Liability	7	47,887	-	-	47,887	-
Total net assets		179,563	23,568	2,013,527	2,216,658	-
The funds of the charity:						
Unrestricted funds	8	179,563	-	-	179,563	-
Restricted income funds	8	-	23,568	-	23,568	-
Capital funds	8	-	-	2,013,527	2,013,527	-
Total charity funds		179,563	23,568	2,013,527	2,216,658	-

The financial statements were approved by the Church Leadership on 10th September 2019 and signed on its behalf by:

Paul Bradbury
Trustee



The notes on pages 18 to 31 form part of these accounts.

Statement of Cash Flows
for the year ending 31st December 2018

	Notes	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£
Net cash flows from operating activities	12	222,295	25,702	247,997	-
Change in cash and cash equivalents in the reporting period		222,295	25,702	247,997	-
Cash and cash equivalents brought forward		-	-	-	-
Cash and cash equivalents carried forward	13	222,295	25,702	247,997	-

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies

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

Basis of accounting

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

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

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

Going Concern

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

Income recognition

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting Policies (continued)

Expenditure recognition

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

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

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

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

Tangible Fixed Assets

Tangible fixed assets are accounted for as follows:

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

Debtors

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

Notes to the Financial Statements
For the year ended 31 December 2018

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

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

Creditors and provisions

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

Fund accounting

The funds held by the charity are either:

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

Notes to the Financial Statements

For the year ended 31 December 2018

2. Income

	Unrestricted Funds	Restricted Funds	Total	Prior Year
	£	£	£	£
Donations and legacies				
Gift Aid	54,978	1,178	56,156	-
Donations	12,864	1,264	14,128	-
Tax Recovered	13,445	294	13,739	-
Offering	11,020	2,410	13,430	-
Bequest / Legacy	77,000	1,000	78,000	-
Total	169,307	6,146	175,453	-
Charitable Activities				
Fees/Contributions	-	4,166	4,166	-
Other Income	543	5,855	6,398	-
Total	543	10,021	10,564	-
Other trading activities				
Letting Income	9,235	-	9,235	-
Donation from WWSBC (1126890)	96,379	24,691	121,070	-
Grand Total	275,464	40,858	316,322	-

3. Expenditure

	Unrestricted Funds	Restricted Funds	Total	Prior Year
	£	£	£	£
Charitable Activities				
Staff Costs (see note below)	66,494	2,525	69,019	-
Youth & Children	2,854	6,336	9,190	-
Grants/Gifts (see note below)	5,460	3,276	8,736	-
Equipment/Materials	4,227	2,973	7,200	-
Utilities	6,476		6,476	-
Subs/Fees	1,653	1,575	3,228	-
Building Maintenance	2,725		2,725	-
Office/Printing etc	1,742		1,742	-
Preaching Fees	1,043		1,043	-
Staff Expenses	802		802	-
Operating Lease (Photocopier)	780		780	-
Publicity	676		676	-
Other	101	455	556	-
Ind. Examiner's Fee	600		600	-
Insurance	418		418	-
Total	96,051	17,140	113,191	-

Notes to the Financial Statements

For the year ended 31 December 2018

3. Expenditure (continued)

3a Staff Costs

	2018	2017
	£	£
Gross pay	59,124	-
Pension contributions	5,088	-
Employers NI	4,908	-
Employment Allowance	(970)	-
Staff Training	395	-
Other Payroll Costs	474	-
Total	69,019	-

The average number of staff employed during Jul – Dec 2018 is:

Average Head Count	-	7	(2017 – 0)
Average Full Time Staff	-	3.8	(2017 – 0)
Average Part Time Staff	-	3.2	(2017 – 0)
Average Full-time Equivalent	-	4.9	(2017 – 0)

No employees (2017: none) received employee benefits (excluding employer pension costs) of more than £60,000 during the year.

There was no material liability for paid annual leave or sick leave at the end of the reporting period (2017: none), and so no liability has been included in the accounts.

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

Notes to the Financial Statements

For the year ended 31 December 2018

3. Expenditure (continued)

3b. Analysis of Grants

Grants by Recipient Type

	£
Grants to Institutions	7,596
Grants to Individuals	1,140
Total	8,736

Grants by Nature of Activity

	£
Christian Outreach	1,793
Alleviation of Suffering/Poverty	6,943
Total	8,736

Grants by Institution

	£
Christians Against Pover	3,400
Croydon Floating Shelter	1,761
BMS World Mission	650
BU Home Mission	557
Kick London	500
Other	728
Total	7,596

4. Tangible Fixed assets

Cost or valuation	Freehold land and buildings		
	Church	Manse	Total
	£	£	£
1 st January 2018	0	0	0
Transfer from WWSBC	1,602,527	411,000	2,013,527
31 st December 2018	1,602,527	411,000	2,013,527

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

All land and buildings were transferred from the Trust as part of the transfer on 1st July 2018.

Notes to the Financial Statements

For the year ended 31 December 2018

5. Debtors and prepayments

	2018 £	2017 £
Prepayments	0	0
Other debtors	7,906	0
Total	7,906	0

Other debtors mainly consist of £7,162 which is tax recoverable on Gift Aided donations (received during 2019), and £740 letting income invoiced but not received until 2019.

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Loans and overdrafts	0	0
Other creditors	4,885	0
Total	4,685	0

Other creditors consists of £1,436 representing general purchases of equipment & materials which were purchased in 2018 but for which the invoice was not received until early 2019, £2,249 representing grants agreed but not made until 2019, and independent examination fees of £1,200 (for both this charity and WWSBC (Reg No. 1126890)).

7. Provisions

	2018 £	2017 £
Balance brought forward	0	0
Liability transferred from WWSBC (1126890)	49,286	0
Deficit contributions made in the year	(2,253)	0
Interest cost	904	0
Remaining change to balance sheet liability	(50)	0
Balance carried forward	47,887	0

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

Notes to the Financial Statements

For the year ended 31 December 2018

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

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

8. Fund description and movements

8a Unrestricted Funds

Fund Name	Balance at 1st	Income	Expenditure	Transfers	Balance at 31st
	Jan 2018				Dec 2018
	£	£	£	£	£
Unrestricted Funds	-	191,762	96,051	1,029	96,740
Designated Funds					
Plummer Bequest	-	5,673	-	150	5,823
Repair & Renewal Fund	-	1,029	-	(1,029)	-
Global Legacy Fund	-	77,000	-		77,000
Total Designated Funds	-	83,702	-	(879)	82,823
Total Unrestricted Funds	-	275,464	96,051	150	179,563

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

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

The Repair & Renewal fund was money set aside for small repairs and equipment replacement. As expenditure on repairs and maintenance is now funded from the General Fund it was decided by the trustees to close this fund and transfer the balance to the General Fund.

Notes to the Financial Statements

For the year ended 31 December 2018

8b Restricted Funds

Fund Name	Balance at 1st Jan 2018	Income	Expenditure	Transfers	Balance at 31st Dec 2018
Restricted Funds					
Building Fund	-	12,915	1,575	420	11,760
Lunch Club	-	4,501	4,747	50	(196)
Boys' Brigade	-	8,904	3,233	-	5,671
Mothers & Toddlers	-	4,088	759	-	3,329
Girls' Brigade	-	3,038	1,629	-	1,409
BMS	-	701	650	-	51
Other Funds	-	3,593	2,229	(470)	894
Home Miss	-	1,207	557	-	650
Floating Shelter	-	1,761	1,761	-	-
Rumania	-	150	-	(150)	-
Total Restricted Funds	-	40,858	17,140	(150)	23,568

Descriptions of the main restricted funds are as follows:

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

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

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

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

During 2018 the trustees reviewed the funds which were holding small balances and for which the project/activity was no longer active. Where possible the original donor was consulted and the balances were then transferred to alternate projects/funds which had the same purpose.

Notes to the Financial Statements

For the year ended 31 December 2018

8c Capital Fund

	Balance at 1st				Balance at 31st
Fund Name	Jan 2018	Income	Expenditure	Transfers	Dec 2018
Capital Fund	-	2,013,527	-	-	2,013,527

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

9. Pension Scheme

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

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

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

The Minister(s) are eligible to join the Scheme. From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members’ Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Unum Limited. The further 4% contribution rate is reduced to 3% for Employer contributions made to the Segregated DC Arrangement.

Notes to the Financial Statements

For the year ended 31 December 2018

9. Pension Scheme (continued)

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.

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

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

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

The next actuarial valuation of the DB Plan within the Scheme is due to take place not later than as at 31 December 2019.

Notes to the Financial Statements
For the year ended 31 December 2018

9. Pension Scheme (continued)**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 16 December 2018, deficiency contributions are payable until 31 December 2028. These contributions are broadly based on the employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

Due to the nature of the Scheme, the profit and loss charge to the General fund for the period represents the employer contributions payable plus the movement in the pension provision (excluding the deficit contributions made in the year). For this scheme the pension cost for the Church is £5,088 (2017 £0).

Transfer from WWSBC (1126890)

The church's liability in respect of the Pension Scheme was transferred from WWSBC (1126890) on 1st July 2018 as part of the transfer of all activities, assets and liabilities. The Pension Trustee (Baptist Pension Trust Limited) were consulted through the process and gave their approval of the actions taken.

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

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

The following trustees were also employed by the church in the following capacities and as such received remuneration as part of their employment (from July 2018 only):

Mr Jonathan Hills (Senior Minister)

Gross Salary - £15,611

Employer Pension Contributions - £1,893

Was also provided with manse accommodation.

Notes to the Financial Statements

For the year ended 31 December 2018

Mrs Sara Kennett (Minister)

Gross Salary - £15,428

Employer Pension Contributions - £1,543

No trustees incurred expenses whilst fulfilling their role as trustees. Two trustees had a total of £796 reimbursed for expenses incurred while on non-trustee church business. These expenses were limited to travel and subsistence.

The trustees made aggregate unrestricted donations totalling £14,063.

11. Prior Year Comparatives

	Unrestricted Funds		Restricted Funds		Capital Funds	
	2018	2017	2018	2017	2018	2017
	£	£	£	£	£	£
Income and endowments from:						
Donations and legacies	169,307	-	6,146	-	-	-
Charitable activities	543	-	10,021	-	-	-
Other trading activities	9,235	-	-	-	-	-
Donation from WWSBC (1126890)	96,379	-	24,691	-	2,013,527	-
Total	275,464	-	40,858	-	2,013,527	-
Expenditure on:						
Charitable activities	96,051	-	17,140	-	-	-
Total	96,051	-	17,140	-	-	-
Net income/(expenditure)	179,413	-	23,718	-	2,013,527	-
Transfers between funds	150	-	(150)	-	-	-
Other recognised gains/(losses):						
Gains/(losses) on revaluation of fixed assets	-	-	-	-	-	-
Net movement in funds	179,563	-	23,568	-	2,013,527	-
Reconciliation of funds:						
Total funds brought forward	-	-	-	-	-	-
Total funds carried forward	179,563	-	23,568	-	2,013,527	-

Notes to the Financial Statements

For the year ended 31 December 2018

12. Reconciliation of net income to net cash flow from operating activities

	Notes	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£
Net income for the reporting period (as per SOFA)		179,413	23,718	203,131	
Adjustments for:					
(Increase)/decrease in debtors		(7,791)	(115)	(7,906)	
Increase/(decrease) in creditors		50,523	2,249	52,772	
Transfer between funds		150	(150)	-	
Net cash provided by operating activities		222,295	25,702	247,997	

13. Analysis of Cash and Cash Equivalents

	Notes	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£
Cash in hand (including current accounts)		71,766	25,702	97,468	-
Notice deposits (less than 3 months)		150,529	-	150,529	-
Total cash and cash equivalents		222,295	25,702	247,997	-